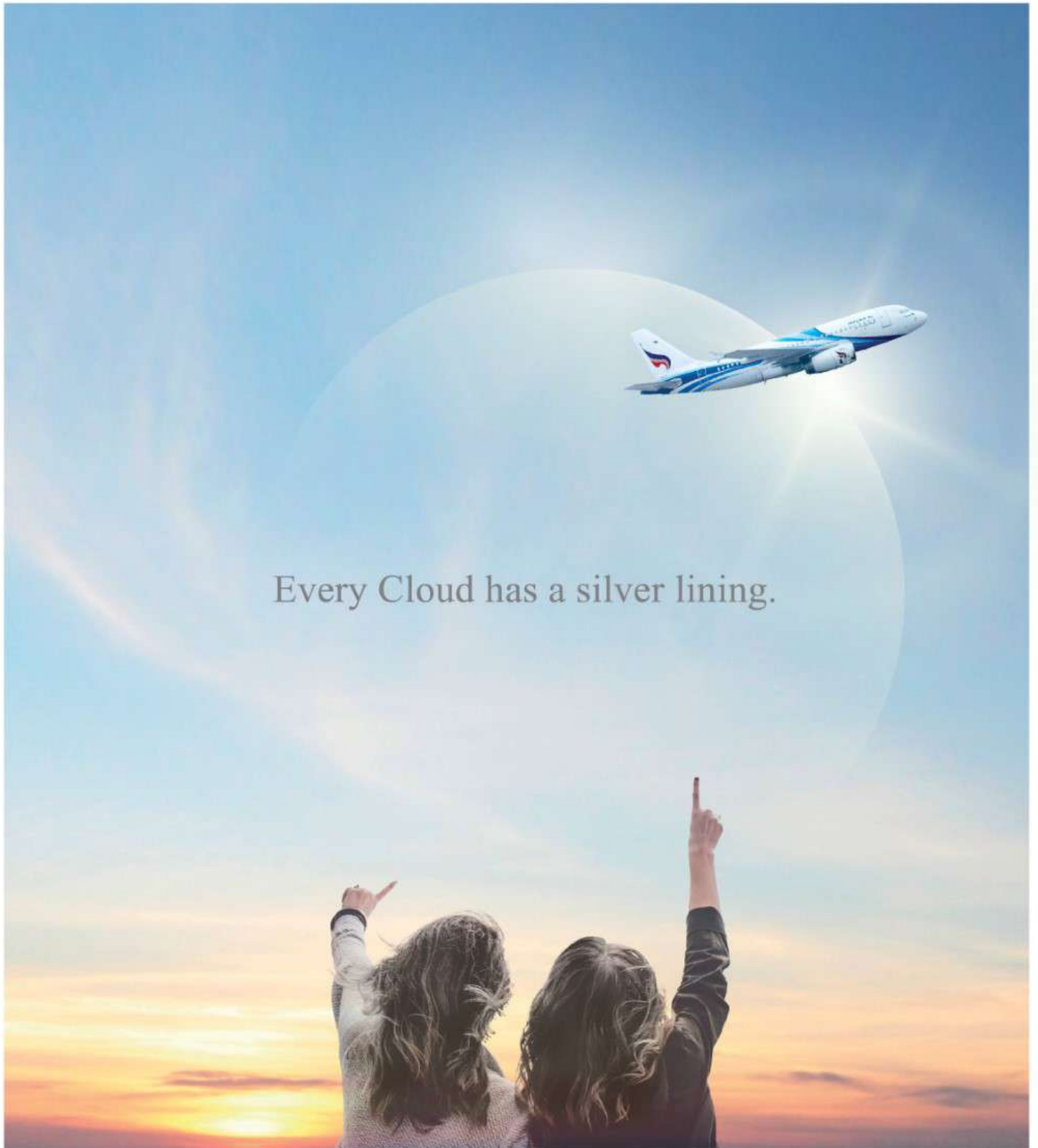




ANNUAL REPORT 2020

Bangkok Airways Public Company Limited



Every Cloud has a silver lining.



more than
50 Years

Bangkok Airways

On path to sustainable development

Starting Point

Mr. Prasert Prasarttong-Osoth founded Krungthep Sahakol Co., Ltd. and set up Airline Section in the Company.

1968

Bangkok Airways

The Company started to operate scheduled flights under Bangkok Airways banner and on 20 January 1986 to operate inaugural flights on three routes, Bangkok-Nakorn Rajsima, Bangkok-Surin and Bangkok-Krabi, using 18-seat Bandeirante EMB-110.



1986

1984

Sahakol Air

Sahakol Air Co., Ltd. was established to transfer business from Airline Section in Krungthep Sahakol Co., Ltd. later to become Bangkok Airways Co., Ltd.

1989

Samui Airport

The company started construction of its first airport in Koh Samui. This is the first page that opened Koh Samui as premier international tourist destination. Permission was granted to the Company to operate first flight on route Bangkok-Koh Samui and to use PG as IATA airline code.





Member of IATA

To become an active member of IATA means the Company has achieved safety standard of commercial airline under IATA Operational Safety Audit ("IOSA")

Royal Garuda Emblem 2007

On 9 April 2007 the Company was most proud and honored to receive the Royal Garuda Emblem which enhanced staff morale and brought great pride to all of us.

Public Company Limited

On 27 February 2013, the company was listed in the Stock Exchange of Thailand as Bangkok Airways Public Company Limited using BA as stock code.

2002

2007

2013



1998



Sukhothai Airport

The company started construction of Sukhothai Airport, its second airport, located at Ampur Sawankaloke in Sukhothai Province.

2006

Trat Airport. Transfer operation to Suvannabhumi Airport.

The Company started construction of Trat Airport, its third airport, in Trat Province, transferred operation base to Suvannabhumi Airport and expanded business to include related ground services companies namely

- WFS-PG Cargo
- BAC
- BFS Ground



Contents



06	Message from Chairman and CEO	08	General Information	10	Summary Consolidated Financial and Ratio
11	Corporate Structure of the Company	12	Our Subsidiary and Associated Companies	14	Board of Directors
16	Board of Directors and Executives	26	Policy and Business Overview	37	Business Operations
60	Marketing and Competition	66	Risk Factors	77	Company Organization Chart
78	Management Structure	102	Nomination and Remuneration Committee Report	105	Annual Change of the Directors and management's holding



107 Capital Structure

108 Dividend Policies
of the Company
and Subsidiaries

109 Corporate
Governance

113 Corporate
Governance
Committee Report

115 Sustainable
Business Practice

128 Anti-Corruption
Policy

130 Internal Control
and Risk
Management

134 Audit Committee
Report

137 Related Parties
Transaction

149 Management's
Discussion and
Analysis

169 Report and
Consolidated
Financial Statements

176 Statement of
Financial Position

283 Bangkok Airways
Office



Since 2019 through to 2020, world economy has suffered continual slow down. In addition, the need to contain COVID-19 pandemic has severely affected businesses with direct impact on tourism industry in particular. In Thailand, the announcement of policies and measures to restrict travel and tourism in order to stop the spread of disease in accordance to the governmental policy and announcement by the Civil Aviation Authority of Thailand has affected the Company.

As a consequence, Bangkok Airways Plc and its joint venture companies such as Bangkok Flight Services Company Limited and Bangkok Air Catering Company Limited had to impose continual cost saving measures to maintain operation of the business. However the Company made adjustments on its business plan to maximize existing assets with a view to generate revenue from increased chartered flights and cargo services. In addition Bangkok Air Catering adjusted its products and increased sales channels in consistence with current situation.

However, there is some good news, that Bangkok Air Aviation Training Center Company Limited, a subsidiary of the Company, has been appointed by International Air Transport Association (IATA) as the regional aviation training center and certified by Civil Aviation Authority of Thailand as aviation training institute.

With regard to investment, in June, the Company under the name of BBS Joint Venture, participated in contract signing ceremony between U-tapao International Aviation Company Limited and Eastern Economic Corridor Office of Thailand for joint investment in U-tapao Airport and Eastern Airport City Development Project at Santimaithi Building,

Government House. A master plan has already been submitted to the Eastern Economic Corridor Office of Thailand (EEC) to determine the locations and connecting points of infrastructure and the project's major utilities.

Lastly, on behalf of the Board, Executive Committee and all members of staff, I would like to express sincere appreciation to all customers, business partners and shareholders for their confidence in and support to the Company during this difficult period of time. However the Company shall continue to focus on providing the service with consideration on highest safety and hygienic standard for passengers, front line staff and everyone involved in flight operations with added focus on social responsibility in order to achieve the Company mission

**“to be
the best airline
in Asia”.**



Air Chief Marshal Kaset Rochananil
Chairman of the Board



Mr. Puttipong Prasarttong-Osoth
Chief Executive Officer
and President

08

General Information

Company Name :	Bangkok Airways Public Company Limited (the “Company”)		
Initial :	BA		
Registration Number :	0107556000183		
Core Business :	The Company’s core business are 1. Passengers airline business including freight domestically and internationally 2. Establishment of public airport and/or operate and manage public airport, rent out space including other activities relating to the establishment and operation of airport		
Registered Capital and Issued and Fully Paid-up:	2,100,000,000 Baht		
Head Office :	99 Mu 14 Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok 10900		
Telephone : (66) 2 265 5678	Fax : (66) 2 265 5775	Website : www.bangkokair.com	

Investor Relations :

Telephone : (66) 2 265 8796-97 **Fax :** (66) 2 265 5727 **Website :** ir@bangkokair.com

Shares Registrar : **Thailand Securities Depository Co., Ltd**
93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindang, Bangkok 10400, Thailand

Telephone : (66) 2 009 9000 **Fax :** (66) 2 009 9991 **Website :** <http://www.set.or.th/tsd>

Company’s Auditor : **EY Office Limited**
33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110

Telephone : (66) 2 264 9090 **Fax :** (66) 2 264 0789-90 **Website :** www.ey.com



Bangkok Air

ASIA'S BOUTIQUE AIRLINE

 **Chiang Mai**

PPC

10

Summary Consolidated Financial and Ratio

Unit: THB million

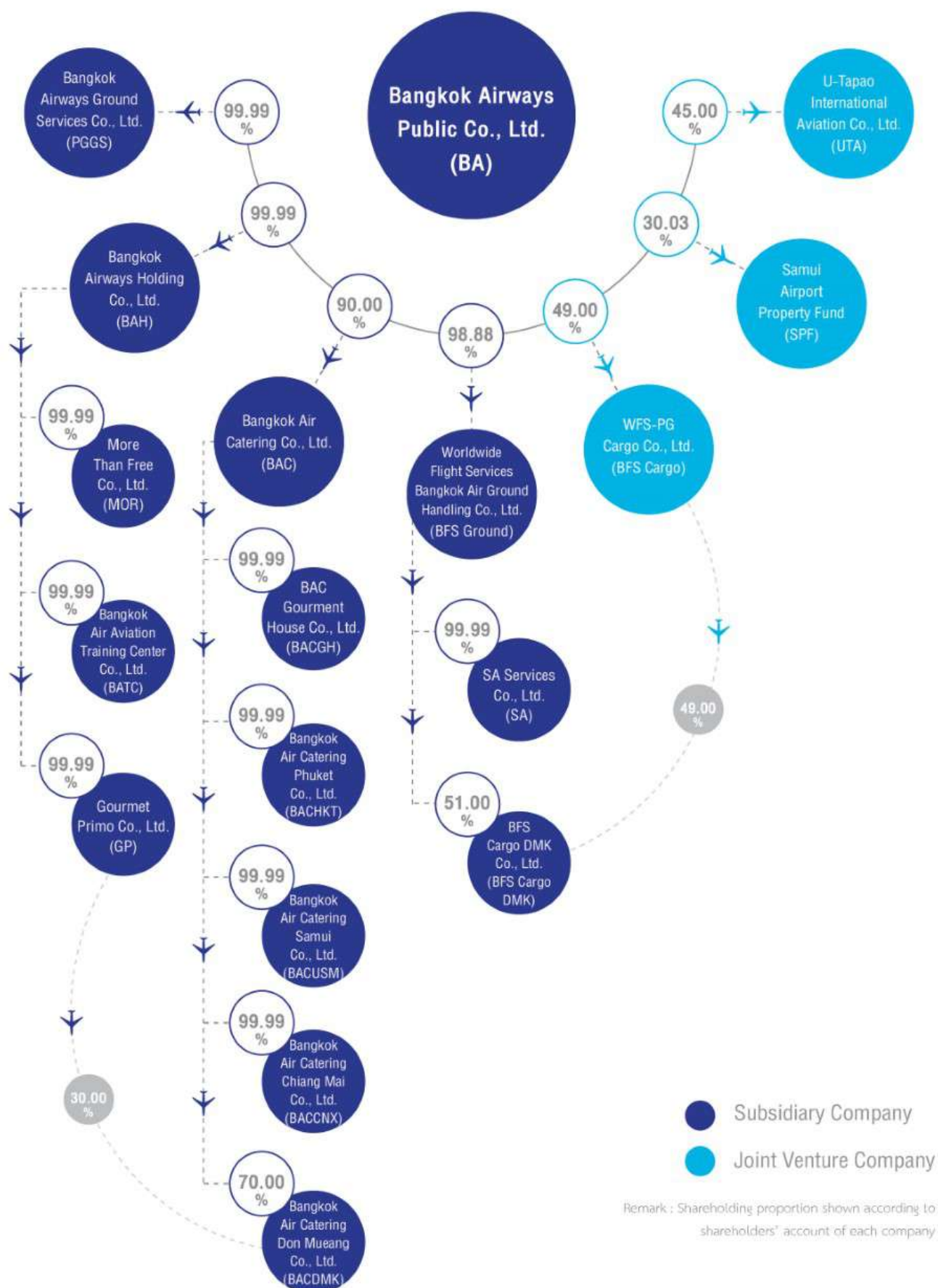
Year End December 31

		2020	2019	2018
Statements of Financial Position	Total Assets	50,602	61,908	62,067
	Total Liabilities	30,996	31,903	31,289
	Total Shareholder's Equity	19,606	30,005	30,778
Statement of comprehensive Income	Revenue from airline business	5,640	19,064	20,475
	Sales and service income	1,849	4,350	4,082
	Total Revenue	10,216	28,505	27,830
	EBITDAR	(714)	1,057	2,478
	Profit for the year	(5,328)	357	264
Shareholder's Equity	Registered and Paid up Shares (Million share)	2,100	2,100	2,100
	Book Value (Baht)	9.3	14.3	14.7
	Earnings Per Share (Baht)	(2.6)	0.2	0.1
Liquidity Ratio	Current Ratio (Time)	0.3	1.4	1.4
	Quick Ratio (Time)	2.4	3.8	4.3
	Collection Period (Day)	43.8	24.2	24.4
	Stock Turnover Period (Day)	16.4	8.5	8.2
	Payment Period (Day)	43.9	33.5	34.2
Profitability Ratio	Gross Profit Margin (%)	(41.6)	6.8	11.2
	Operating Profit Margin (%)	(46.4)	(1.5)	4.4
	EBITDAR Margin (%)	(9.0)	4.1	9.2
	Net profit Margin (%)	(52.2)	1.2	0.9
	Return on Equity (%)	(21.5)	1.2	0.9
Efficiency Ratio	Return on Assets (%)	(9.5)	0.6	0.4
	Return on Fixed Assets (%)	(19.6)	11.4	11.0
	Asset Turnover (Time)	0.2	0.5	0.5
Leverage Ratio	Debt to Equity (Time)	1.6	1.1	1.0
	Interest Leverage Ratio (Time)	(0.6)	0.6	1.3

Corporate Structure of the Company, Our Subsidiaries and Associated Companies

as of December 31, 2020

11



12

Our Subsidiary and Associated Companies

"We invested in subsidiary and associated companies. The summary of the investment structure of the Company in the subsidiary and associated companies are shown in the following table."

Initial	Company	Core Business	Paid-up capital (THB million)
Subsidiary			
BAC	Bangkok Air Catering Co., Ltd.	Catering service provider at Suvarnabhumi-International Airport	500.00
BACGH	BAC Gourmet House Co., Ltd. ⁽¹⁾	Restaurant	150.00
BACHKT	Bangkok Air Catering Phuket Co., Ltd. ⁽¹⁾	Catering service provider at Phuket International Airport	100.00
BACUSM	Bangkok Air Catering Samui Co., Ltd. ⁽¹⁾	Catering service provider at Samui International Airport	20.00
BACCNX	Bangkok Air Catering Chiang Mai Co., Ltd. ⁽¹⁾	Catering service provider at Chiang Mai International Airport	10.00
BACDMK	Bangkok Air Catering Don Mueang Co., Ltd.	Catering service provider at Don Mueang International Airport	20.00
BFS Ground	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service provider at Suvarnabhumi International Airport	670.00
SA	SA Services Co., Ltd. ⁽²⁾	Ground service provider at the Don Mueang International Airport	1.00
BFS Cargo DMK	BFS Cargo DMK Co., Ltd. ⁽²⁾	Cargo service provider at Don Mueang International Airport	25.00
BAH	Bangkok Airways Holding Co., Ltd.	Holding Company	1,001.00
GP	Gourmet Primo Co., Ltd. (GP) ⁽³⁾	Whole sale pre-cut fresh food	115.75
MOR	More Than Free Co., Ltd. ⁽³⁾	Duty Free	20.00
BATC	Bangkok Air Aviation Training Center Co., Ltd. ⁽³⁾	Aviation Training Center	20.00
PGGS	Bangkok Airways Ground Services Co. Ltd.	Ground service provider at Samui International Airport	0.25
Associated companies			
BFS Cargo	WFS-PG Cargo Co., Ltd.	Cargo service provider at Suvarnabhumi International Airport	300.00
SPF	Samui Airport Property Fund	Investing in the holding of a 30-year lease of Samui International Airport	9,208.10
UTA	U-Tapao International Aviation Co., Ltd. (UTA)	Airport activities	4,500.00

Remark:

(1) Held by Bangkok Air Catering Co., Ltd.

(2) Held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

(3) Held by Bangkok Airways Holding Co., Ltd.



Board of Directors

Bangkok Airways Public Company Limited



Air Chief Marshal Kaset Rochananil



Mr. Puttipong Prasarttong-Osoth



Pol.Gen Visanu Prasattongosoth



Mr. Sripop Sarasas



Mr. Pradit Theekakul

Board of Directors

Bangkok Airways Public Company Limited



Mr.Somboon Kittiyasub



Mr.Saharatna Benyakul



Mrs.Narumol Noi-Am



Mrs.Ariya Prasarttong-Osoth



Mr.Anawat Leelawatwatana



Air Chief Marshal Kaset Rochananil

Age : 87 years

Position :

Chairman / Independent Director

Date of Appointment as a Director :

9 June 1998

Education :

- Bachelor Degree of Science, The Royal Thai Air Force Academy
- Diploma, National Defence College, The National Defence College (TNDC) Class 26

Work Experience :

1. Chairman, Thai airways PLC. (1989-1992)
2. Supreme Commander (April-July 1992)
3. Airforce Commander-in-Chief (1989-1992)

Board Member/Management in Other Listed Company :

None

Position in Other Company/Organization/Institution :

None

Training Courses :

None

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (700,000)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives

None



Mr. Puttipong Prasarttong-Osoth

Age : 56 Years

Position :

Director / Member of Executive Director / President

Date of Appointment as a Director :

24 June 1997

Education :

- Bachelor Degree of Accounting, Chulalongkorn University
- Diploma Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Diploma, National Defence College, The Joint State - Private Sector College Class 54

Training Courses :

- Directors Accreditation Program (DAP) 100 / 2013
Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) 241 / 2017
Thai Institute of Directors (IOD)
- Boards that Make a Difference (BMD) 9 / 2019
Thai Institute of Directors (IOD)

Board Member/Management in Other Listed Company :

1. Director, Bangkok Aviation Fuel Services PLC.
2. Director, Bangkok Dusit Medical Services PLC.

Position in Other Company/Organization/Institution :

1. Chairman, Bangkok Air Ground Services Co., Ltd.
2. Chairman, Bangkok Air Catering Phuket Co., Ltd.
3. Chairman, Bangkok Air Catering Samui Co., Ltd.
4. Chairman, BAC Gourmet House Co., Ltd.
5. Chairman, Gourmet Primo Co., Ltd.
6. Chairman, Bangkok Air Catering Co., Ltd.
7. Chairman, Bangkok Air Catering Chiangmai Co., Ltd.
8. Chairman, WFS-PG Cargo Co., Ltd.
9. Chairman, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
10. Director, Bangkok Airways Holding Co., Ltd.
11. Director, Bangkok Media and Broadcasting Co. Ltd.
12. Director, The Sahakol Estate Co., Ltd.
13. Director, Aeronautical Radio of Thailand Co., Ltd.
14. Director, Fuel Pipeline Transportation Co., Ltd.
15. Director, Samui Accom Company Co. Ltd.
16. Director, U-Tapao International Aviation Co.,Ltd

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (523,387,900)
- Held by Spouse or Minor Children: (800,000)

Family Relationship among Directors and Executives :

(Brother of Mrs. Ariya Prasarttong-Osoth and cousin of Pol.Lt. Gen. Visanu Prasattongosoth)



Pol.Gen Visanu Prasattongsoth

Age : 58 Years

Position :

Director

Date of Appointment as a Director :

30 January 2003

Education :

- Bachelor Degree of Arts (Economics),
Vanderbilt University, USA
- Master of Political Sciences,
Sukhothai Thammathirat University
- MBA, University of San Francisco, USA
- Senior Executive Program, Capital Market Academy
(CMA) Class 2
- Diploma, National Defence College,
The National Defence College (TNDC) Class 53
- Federal Bureau Investigation (FBI) National

Board Member/Management in Other Listed Company :

1. Independent Director / Chairman of the Audit Committee
Finansia Syrus Securities PCL.

Position in Other Company/Organization/Institution :

1. Assistant Commission - General, Royal Thai Police
2. Director Thai Kodama Co., Ltd.

Training Courses :

- Director Accreditation Program (DAP) 11 / 2004
Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 7 / 2005
Thai Institute of Directors (IOD)
- Finance for Non-Finance Director (FND) 19 / 2005
Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries
(CGI) 3 / 2015 Thai Institute of Directors (IOD)
- Advance Audit Committee Program (AACP) 20 / 2015
Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (300,000)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

(Nephew of Mr.Prasert Prasarttong-Osoth and cousin of Mr.Puttipong Prasarttong-Osoth and Mrs. Ariya Prasarttong-Osoth)



Mr. Sripop Sarasas

Age : 64 Years

Position :

Director / Independent Director / Chairman of The Audit Committee/ Chairman of the Nomination and Remuneration Committee

Date of Appointment as a Director :

26 February 2013

Education :

- Bachelor degree of Science Program in Medical Technology, Chulalongkorn University
- Master of MBA (Finance), University of Southern California , USA

Board Member/Management in Other Listed Company :

1. Director / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee / Member of Risk Management Committee / Chief Administrative Officer, Bangkok Dusit Medical Services PLC.
2. Independent Director / Member of the Nomination and Remuneration Committee / Member of the Audit Committee, Advanced Information Technology PCL.
4. Independent Director / Chairman of the Audit Committee Golden Lime PCL.
5. Independent Director / Chairman of the Audit Committee Kiattana Transport PCL.

Position in Other Company/Organization/Institution :

1. Director, Parute (2008) Co., Ltd.
2. Director, Khan Co., Ltd.
3. Director, BDMS Property Management Co., Ltd.
4. Director, BDMS Training Co., Ltd.

Training Courses :

- Directors Certification Program (DCP) 22 / 2002 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 1 / 2004 Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

None



Mr. Pradit Theekakul

Age : 62 Years

Position :

Director / Member of Executive Director / Executive Vice
President – Corporate Administration and Corporate Portfolio

Date of Appointment as a Director :

24 July 1997

Education:

- Bachelor Degree of Law, Chulalongkorn University
- Bachelor Degree of Political Science, Ramkhamhaeng University
- The Thai Barrister

Board Member/Management in Other Listed Company :

1. Authorized Director / Executive Director / Executive advisor to CEO / Member of Risk Management Committee / Member of Corporate Governance Committee, Bangkok Dusit Medical Services PLC.
2. Director, Samitivej PCL.
3. Director, Thonburi Medical Centre PLC.

Position in Other Company/Organization/Institution :

1. Chairman, Royal Bangkok Healthcare Co., Ltd.
2. Chairman, A.N.B. Laboratories Co., Ltd. 3. Chairman, Bangkok Save Drug Co., Ltd.
4. Chairman, Save Drug Centre Co., Ltd.
5. Chairman, BDMS Training Co., Ltd.
6. Director, Prasitpatana PCL.
7. Director, Thai Medical Center PCL.
8. Director, Siam Medical Co., Ltd.
9. Director, BDMS Accounting Co., Ltd.
10. Director, BDMS Property Management Co., Ltd.
11. Director, BDMS Wellness Clinic Co., Ltd.
12. Director, BDMS Wellness Resort Co., Ltd.

13. Director, Paolo Medic Co., Ltd.
14. Director, Paolo Samutprakarn Co., Ltd.
15. Director, Phyathai 1 Hospital Co., Ltd.
16. Director, Phyathai 2 Hospital Co., Ltd.
17. Director, Phyathai 3 Hospital Co., Ltd.
18. Director, Sriracha Nakorn Hospital PLC.
19. Director, Bangkok Air Catering Co., Ltd.
20. Director, Bangkok Airways Holding Co., Ltd.
21. Director, Thai Petroleum Service Co., Ltd.
22. Director, Bangkok Golden Life Co., Ltd.
23. Director, Paradise Shopping Co., Ltd.
24. Director, Bangkok Hospital Chiangmai Co., Ltd.
25. Director, National Healthcare Systems Co., Ltd.
26. Director, WFS-PG Cargo Co., Ltd.
27. Director, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
28. Director, The one enterprise Co., Ltd.
29. Director, The Sahakol Estate Co., Ltd.
30. Director, Bangkok Helicopter Services Co., Ltd.
31. Director, General Hospital Products PLC.
32. Director, Samui Palmbeach Resort Co., Ltd.
33. Director, U-Tapao International Aviation Co.,Ltd

Training Courses :

- Directors Certification Program (DCP) 29 / 2003
- Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (9,000,000)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

None



Mr. Saharatna Benyakul

Age : 56 Years

Position :

Director / Independent Director / Member of Audit Committee
/ Member of Corporate Governance Committee

Date of Appointment as a Director :

7 January 2015

Education :

- Bachelor degree of Public Administration, Chulalongkorn University
- Master of MBA Texas A&M International University, USA

Board Member/Management in Other Listed Company :

None

Position in Other Company/Organization/Institution :

1. Director, Sukumvit Asset Co, Ltd.

Training Courses :

- Director Accreditation Program (DAP) 30 / 2005
Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) 131 / 2010
Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries
(CGI) 18 / 2017 Thai Institute of Directors (IOD)
- Boards that Make a Difference (BMD) 9 / 2019
Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

None



Mrs. Narumol Noi-Am

Age : 63 Years

Position :

Director

Date of Appointment as a Director :

25 December 2014

Education :

- Bachelor Degree of Economic (second class honors)
Faculty of Economics, Chulalongkorn University
- Master of MBA (Banking and Finance) from North Texas
State, USA

Board Member/Management in Other Listed Company :

1. Chief of Financial Officer, Bangkok Dusit Medical
Service PCL.
2. Director, Samitivej PCL.

Position in Other Company/Organization/Institution :

1. Chairman, Bangkok Health Insurance PLC.
2. Chairman, BDMS Accounting Co., Ltd.
3. Chairman, Bangkok Premier Insurance Broker Co., Ltd.
4. Director, Thai Listed Company Association
5. Director, Prasitpatana PCL.
6. Director, Sriracha Nakorn General Hospital PCL.
7. Director, Thai Medical Center PCL.
8. Director, Siam Medical Co., Ltd.
9. Director, Bangkok Pattaya Hospital Co., Ltd.
10. Director, Bangkok Phuket Hospital Co., Ltd.
11. Director, Bangkok Chiangmai Hospital Co., Ltd.
12. Director, Bangkok Chiangrai Hospital Co., Ltd.
13. Director, Phyathai 1 Hospitals Co., Ltd.
14. Director, Phyathai 2 Hospitals Co., Ltd.
15. Director, Phyathai 3 Hospitals Co., Ltd.
16. Director, Paolo Medic Co., Ltd.
17. Director, Paolo Samutprakan Co., Ltd.
18. Director, Bangkok Hospital Phuket International Co., Ltd.

19. Director, Phnom Penh Medical Services Co., Ltd.

20. Director, National Health care system Co., Ltd.

21. Director, Green line Synergy Co., Ltd.

22. Director, BDMS Wellness Clinic Co., Ltd.

23. Director, BDMS Wellness Resort Co., Ltd.

24. Director, Bangkok Media and Broadcasting Co. Ltd.

25. Director, U-Tapao International Aviation Co.,Ltd

Training Courses :

- Directors Certification Program (DCP) 107 / 2008
Thai Institute of Directors (IOD)
- Successful Formulation & Execution of Strategy (SFE) 6 /
2010 Thai Institute of Directors (IOD)
- Senior Executives in Business and Industrial Development
Class 3 Institute of Business and Industrial Development:
IBID
- Leader Program Capital Market Academy Class 15 by Capital
Market Academy (CMA) The Stock Exchange of Thailand
- TLCA Leadership Development Program "Enhancing
Competitiveness" by Thai listed Companies Association &
IMD
- Advanced Certificate Course in Politics and Government in
Democratic Systems for Executives, class 13 by King
Prajadhipok's Institute
- Financial Executive Development Program Class 12 by the
Thai Institute of Banking and Finance for Executives from
financial institutions
- Applied International Management Program,
Sweden by Government of Sweden

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (350,000)
- Held by Spouse or Minor Children: (50,000)

Family Relationship among Directors and Executives :

None



Mr. Anawat Leelawatwatana

Age : 54 Years

Position :

Director / Member of Executive Director/ Senior Vice
President – Finance and Accounting

Date of Appointment as a Director :

25 April 2016

Education :

- Bachelor degree of Science Program in Agronomy,
Kasetsart University
- Master of MBA Cleveland State University, USA

Board Member/Management in Other Listed Company :

None

Position in Other Company/Organization/Institution :

1. Director Bangkok Air Catering Co., Ltd.
2. Director Bangkok Air Catering Phuket Co., Ltd.
3. Director Bangkok Air Catering Samui Co., Ltd.
4. Director Bangkok Air Catering Chiangmai Co., Ltd.
5. Director BAC Gourmet House Co., Ltd.
6. Director Gourmet Primo Co., Ltd.
7. Director, Bangkok Airways Holding Co., Ltd.
Director Bangkok Media & Broadcasting Co., Ltd.
8. Director Worldwide Flight Services Bangkok Air Ground
Handling Co., Ltd.
9. Director, U-Tapao International Aviation Co.,Ltd

Training Courses :

- Directors Certification Program (DCP) 50 / 2004
Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) 60 / 2014
Thai Institute of Directors (IOD)
- Corporate Finance 1 / 2020 Federation of Accounting
Professions

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (293,000)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

None



Mrs. Ariya Prasarttong-Osoth

Age : 54 Years

Position

Director / Member of Corporate Governance Committee /
Member of Nomination and Remuneration

Date of Appointment as a Director :

25 April 2016

Education :

- Bachelor Degree of Management, Assumption Business Administration College
- Master of Marketing, National University, USA

Board Member/Management in Other Listed Company :

None

Position in Other Company/Organization/Institution :

1. Director The Sahakol Estate Co., Ltd.
2. Director Bangkok Air Tour (1998) Co., Ltd.
3. Director Bangkok Travel Club Co., Ltd.
4. Director Samui Palm Beach Resort Co., Ltd.
5. Director Samui Accom Co., Ltd.
6. Director Fah Thai Holiday Co., Ltd.
7. Director, Paradise Shopping Co., Ltd.

Training Courses :

- Directors Certification Program (DCP) 193 / 2014 Thai Institute of Directors (IOD)
- TLCA Executive Development Program, Thai Listed Companies Association
- Diploma, National Defence College, The National Defence Course Class 58
- Corporate Governance for Capital Market Intermediaries (CGI) 20 / 2018 Thai Institute of Directors (IOD)
- Board Matters and Trends (BMT) 6 / 2018 Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (243,440,900)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

(Daughter of Mr. Prasert Prasarttong-Osoth and Sister of Mr. Puttipong Prasarttong-Osoth and cousin of Pol.Lt.Gen Visanu Prasarttong-Osoth)



Mr. Somboon Kittiyasub

Age : 62 Years

Position :

Director / Independent Director / Member of Nomination and Remuneration / Chairman of Corporate Governance Committee / Member of Audit Committee

Date of Appointment as a Director :

25 April 2016

Education :

- Bachelor of Law Degree, Chulalongkorn University
- Master of Comparative Laws, The University of Laws, USA

Board Member/Management in Other Listed Company :

None

Position in Other Company/Organization/Institution :

1. Director, Somboon and Partner Co., Ltd.
2. Director, Advocate Holding Co., Ltd.
3. Director, Plenty Gourmets Holding Pty Ltd.

Training Courses :

- Director Accreditation Program (DAP) 130 / 2016 Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI) 18 / 2017 Thai Institute of Directors (IOD)
- Director Certification Program (DCP) 259 / 2018 Thai Institute of Directors (IOD)

Shareholdings (Ordinary Shares) (June 11, 2020)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

Family Relationship among Directors and Executives :

(None)

26

Policy and Business Overview



In 2020, The Company's Committee set The Company's vision and mission that is appropriate and relevant to The Company's business operation. Regularly, there's an annual revision to ensure that The Company's vision and mission are up-to-date and consistent with the current economic situation.

Vision

"Striving on excellence to become the best airline in Asia"

Mission

We are determined to become Asia's number one airline with our missions as in the followings.

1. Operational safety: Our safety mission is to continually maintain worldwide industry operational safety standards.
2. Maximizing shareholders' return on investment: Our profitability mission is to use our assets effectively in order to generate optimal and sustainable profits for all of our stakeholders.
3. We continued success depends on our customers and we promise to give them the best possible products and services available in the industry.
4. Our employees are our most important asset: we strive to have not only highly motivated staff but also the best and most productive employees in the industry.
5. Corporate accountability: We will continually adopt systems and procedures in our airline that will enhance corporate accountability, transparency and control.
6. We are proud to be a member of our community: We will increase responsibilities of good corporate citizens and continue to serve our community.

Corporate Policy

1. Corporate Management

The Company is obliged to obtain a sound management system. Each delivery of service must be efficiently carried out according to designated development plans to enhance the Company's policy on safety, service quality, and security.

2. Human Resources

The Company promotes and develops on-the-job learning process by focusing on developing and managing corporate structure, improving work process, and heightening human resource capability.

3. Corporate Competitiveness

The Company creates differentiation in products and services by focusing on maximizing customer's satisfaction, strengthening route networks, expanding partnerships, efficient cost control by developing, revising, and improving quality of products and services on a regular basis.

4. Corporate Social Responsibility

The Company promotes and participates in social services and social responsibilities on a regular basis.

History and Corporate Milestone

Mr. Prasert Prasarttong-Osoth began to endeavor into the airline business in 1968 as he established an airline department of a company, owned by him, named Krungthep Sahakol Co., Ltd. Until 1984, he founded “Sahakol Air” to take over the airline business which had been operating under the company which had later changed the name to **“Bangkok Airways”**.

We officially commenced scheduled passenger flight services in 1986 under our current name **“Bangkok Airways”**. In 1989, we completed construction of our first airport, located in Samui, an island in the Gulf of Thailand, which was beginning to be developed as an international tourist destination. We obtained an International Air Transport Association (“IATA”) code, **“PG”** and

commenced operations of our Samui Airport. In addition, we also received approval to fly our first route, Bangkok—Samui. In 1994, we became an IATA Clearing House member. In the same year, we added two ATR 72 to our fleet.

In 1998, we commenced operations of our second airport in Sukhothai. In 2000, we put our first Boeing 717-200 into operations. The Boeing 717-200 jet aircraft provided higher speeds and more seat capacity so we could increase capacity and reduce flight frequency. This also allowed us to expand our capacity on routes to and from Samui. In the same year, we commenced operations of our first hangar located in the Don Mueang International Airport. We also became a member of the IATA Billing and Settlement Plan (**“BSP”**).





Being a member of the IATA BSP allows us to drive additional passenger sales and provides us with direct access to a distribution network of IATA. In 2002, we received full IATA membership which means that we upgraded our operations in adherence to the international commercial aviation standards under IATA Operational Safety Audit ("IOSA"), such membership entitles us to voting rights in respect of the fare adjustment

process. In 2006, we commenced operations of our third airport in Trat. ("IOSA")

As of 31 December 2020, the Company has a registered capital of 2,100,000,000 Baht, comprised ordinary shares of 2,100,000,000 shares, with a par value of 1 Baht per share, and the paid up capital of 2,100,000,000 Baht.



Milestones Awards since 2016 to 2020

2016

- The company was ranked in the first place in the “**World’s Best Regional Airline**” and “**Best Regional Airline in Asia**” from Skytrax.
- The company was ranked the world’s Top Ten Airline – Worldwide and ranked 4th for the Best in Cabin Service – Worldwide from the smarttravelsia.com; which is a leading travel website of Asia that carried out surveys from millions of tourists around the world under the topic “**Best in Travel 2016**”.

2017

- Bangkok Airways Public Company Limited won the **World’s Best Regional Airline** and the **Best Regional Airline in Asia** from SKYTRAX World Airline Award 2017.
- Bangkok Airways Public Company Limited won the **Boutique Airline Award for the Best Full-Service Carrier in Asia Pacific** from the Air Transport Award 2017 by the Transport News Magazine, a leading magazine in transport and logistics industry from the UK. The award winners were considered by a judging committee, a satisfaction survey of the Transport News’ website members, and experts in the transport industry. This year’s Air Transport Award was organized in an honor of companies or individuals that have shown an outstanding business performance.

Bangkok Airways Public Company Limited won the **Annual Best Travel Brand in 2017** by

- Smart Travel Asia. This achievement includes winning in three award categories namely **Top Ten Airline Overall – Worldwide**, **Top Five Best in Cabin Service – Worldwide**, and **Top Ten Airport – Worldwide**. Smart Travel Asia is an Asia’s leading website and online magazine about tourism. The annual survey for the tourism and service category was conducted from opinions of multi-million tourists from around the world.
- Bangkok Airways Public Company Limited won the **Best Regional Airline in 2017** by the 28th TTG Travel Awards, an annual award bestowed in an honor of individuals and corporates in the tourism industry that demonstrated outstanding business performance in various categories throughout the Asia Pacific Region.

2018

- Bangkok Airways Public Company Limited won the **Top Ten Airline Overall – Worldwide** and **Top Ten Best in Cabin Service – Worldwide** from the Smart Travel Asia
- Bangkok Airways Public Company Limited won the **Travellers’ Choice Regional Carrier-Asia** and **Travellers’ Choice Economy Class-Asia 2018** from TripAdvisor Travellers’ Choice Awards for Airlines 2018

- Bangkok Airways Public Company Limited won the **World's Best Regional Airline and the Best Regional Airline in Asia** from SKYTRAX World Airline Award 2018.
- Bangkok Airways Public Company Limited won the **Best Boutique Airline 2018** by TTG Asia
- Bangkok Airways Public Company Limited won the **Excellence in Management Awards** from Thailand's Smart Awards 2018
- Bangkok Airways Public Company Limited has been rates 5th as the most punctual airline 2018 and has been ranked as the 2nd among Asia Pacific Airlines from the OAG Aviation Worldwide



- Bangkok Airways Ranked 5th as **Most Punctual Airline Globally** from OAG Aviation Worldwide
- Bangkok Airways receives the commendation plaque **The Most Punctual Airline Asia Pacific Award** (2nd place) from OAG
- Bangkok Airways wins "**Travelers' Choice Awards – Regional Airline Asia 2019**" from TripAdvisor
- Bangkok Airways Awarded Superbrands Thailand 2018
- Bangkok Airways wins 2 prestigious awards "**World's Best Regional Airline**" and "**Best Regional Airline in Asia**" from Skytrax World Airline Awards 2019
- Bangkok Airways wins 2019 Smart Travel Asia Awards as Top 10 Best Cabin Service Worldwide in 2019



- Thailand Best Employer Brand Awards 2020 (Airline & Aviation) from World HRD Congress.



Overview

As of 31 December 2020, we operated scheduled flights on 15 domestic routes covering major cultural and leisure destinations in Thailand such as Phuket, Chiang Mai, Krabi, and Samui. In addition, we operated scheduled flights on international routes to destinations including Myanmar, Laos, Cambodia, Malaysia, Singapore, the Maldives, Vietnam and China. Through our code-share and other cooperative arrangements, we are able to extend our reach to passengers originating from destinations including Europe, South Asia, the Middle East and Japan.

We operate from three principal hubs, the Suvarnabhumi International Airport in Bangkok and Samui International Airport in Surat Thani, which

we also own and operate, and Chiang Mai International airport.

We target markets that are less than a five-hour flight time from our hubs, which give us access to passengers travelling to and from Southeast Asia and South Asia. We believe that Thailand's growing economy provides an attractive market in which we can increase passenger growth as an increasing proportion of the Thai population are able to access air transport. We also believe that our premium, quality services, strong culture of hospitality and access to unique cultural and leisure destinations differentiates us from other competing airlines.

Route Network

We put emphasis on market development and route network expansion. We focus on increasing flight frequency and introducing new routes. At the same time, to maintain our market position and strengthen our route network, we continuously seeks for new code share partners to reach out all target groups.

In order to serve our route network in the region and passenger's requirement of each route.

Table presented number of aircraft

as of end of Year 2020 and Year 2019

2019	2	13	16	9	40
 ATR 72-500	ATR 72-500	ATR 72-600	Airbus A319	Airbus A320	Total
2020	2	13	15	9	39



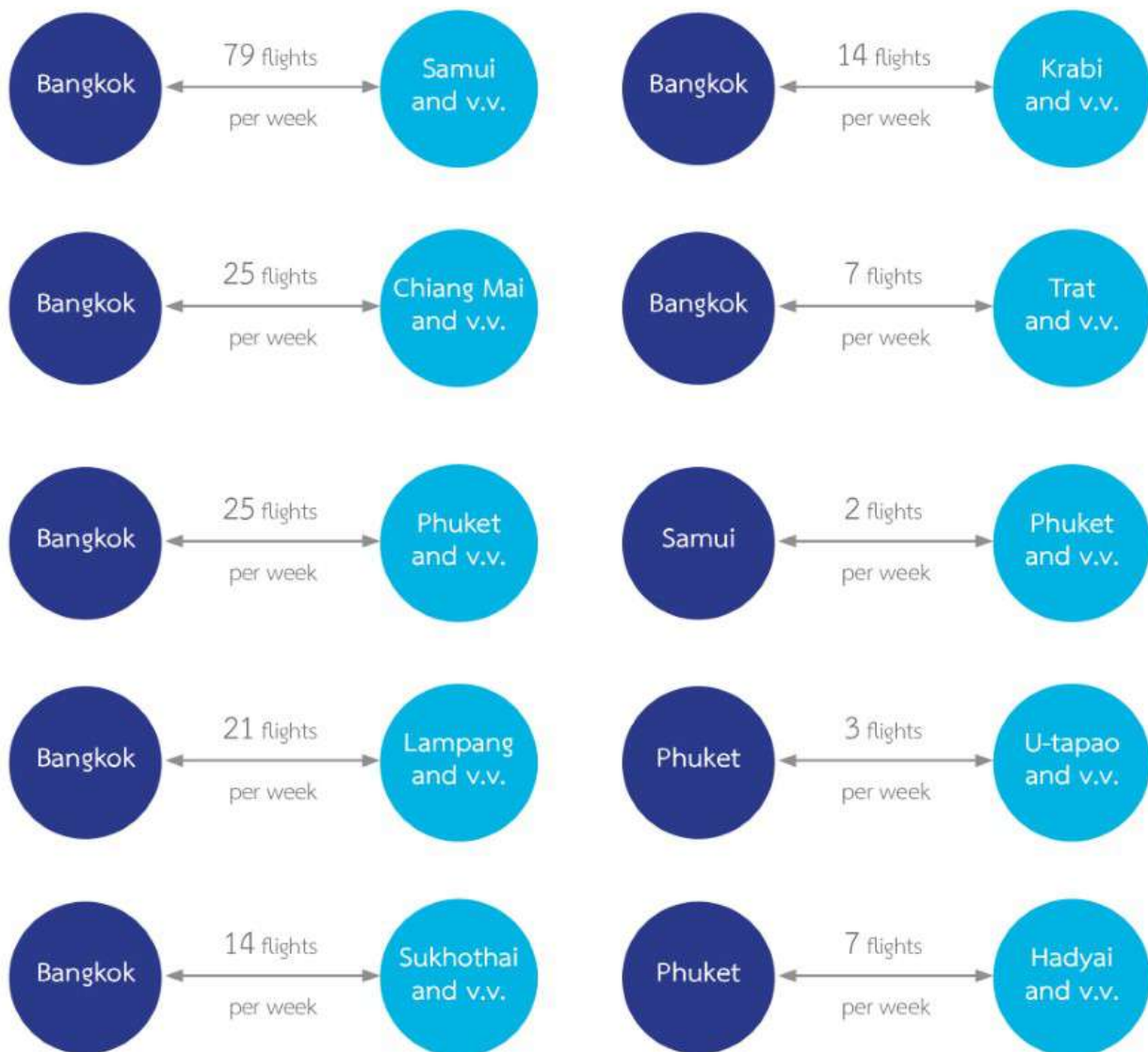
New destinations and additional flights frequency

Due to COVID-19 pandemic, the Company operated flights in consistence with measures issued by the state, announcement of Emergency Decree 2015 and announcement by Civil Aviation Authority of Thailand (CAAT) for protection against the spread of virus infection.

Therefore the Company operated flights in compliance with policy and measures announced by the state and CAAT whereby flights were suspended on all routes from April 2020. When the situation improved, CAAT permitted the Company to operate on domestic routes from mid May 2020 to date with reviewed strategic plan, route

management and flight management as appropriate and in consistence with passenger's demand for travel including current spread of virus. The objectives also include maximized utilization of aircraft and reduced operating costs associated with unnecessary use of aircraft. Coordination with government agencies and related divisions has been made regularly to monitor pandemic situation and policy on tourism and travel both on domestic and international routes, so that plans can be made to resume services on various routes. Some domestic routes that were resumed are as follows: (as on 31.12.2020)

Domestic routes



Flight route suspension

Domestic routes

- Bangkok – Chiang Rai and v.v.
(starting from May 2020)

International routes (starting from March 2020)

- Bangkok – Mumbai and v.v.
- Bangkok – Vientiane and v.v.
- Bangkok – Phu Quoc and v.v.
- Bangkok – Camran and v.v.
- Samui – Chengdu and v.v.
- Samui – Chongqing and v.v.



Product Development and Service

Passenger lounges at the airports

The company provides lounge service to passengers on both domestic and international departure at several airports such as the Suvarnabhumi International Airport, Samui International Airport, Phuket International Airport, Krabi International Airport, and Chiang Mai International Airport for the convenience and impressive experience for our passengers.

Due to COVID-19 pandemic, governments and related organizations issued public health measures to prevent further spread of the disease. Consequently the Company was required to suspend services at the lounge and snack corners in every station. Style of service and products served in the lounge were adjusted to conform to state agency measures on hygiene such as social distancing seating arrangements, individually wrapped packages of food. In any case when the government eased restrictions and permitted airlines to resume services, the Company once again provided services at the lounge and snack corners in several stations.

Partnership through alliance airlines

Pursuant to Air Traffic Control announcement, particularly for international routes during COVID-19 pandemic, total number of flights decreased or suspended for several months and only domestic flights were in operation, therefore it was not possible to link services with airline partners. However the Company continued to cooperate with commercial airlines as normal to exchange news and movements, and to be prepared to reconnect with partnered airlines at any time.

In 2020, there are altogether 28 airlines who entered code-share agreement with Bangkok Airways which are:

 PR Philippine Airlines	 EK Emirates	 JL Japan Airlines
 QV Laos Airlines	 CI China Airlines	 MI Silk Air
 WY Oman Air	 QF Qantas Airways	 AY Finnair
 LY El Al Israel Airlines	 GA Garuda Indonesia	 MH Malaysia Airlines
 VN Vietnam Airlines	 SU Aeroflot	 KL KLM Royal Dutch Airlines
 HX Hong Kong Airlines	 CX Cathay Pacific	 AF Air France
 MF Xiamen Airlines	 BA British Airways	 BR EVA Air
 TG Thai Airways	 EY Etihad Airways	 TK Turkish Airlines
 OS Austrian Airlines	 QR Qatar Airways	 GF Gulf Air
 KC Air Astana		

By entering the code-share agreements, “the Company” aims to increase passenger volume into the flight network as well as expanding our international networks through partners in Europe, Asia, the Middle East, and Australia.

Revenue Structure of “The Company”, subsidiaries, and affiliated companies

Revenues from Core Businesses	2020		2019	
	Baht (Million)	Percentage	Baht (Million)	Percentage
<i>Revenues from Airlines</i>				
Passenger Revenue	5,534.2	54.2	18,516.1	65.0
Freight revenue	50.3	0.5	201.8	0.7
Charter flights and charter services revenue	55.1	0.5	346.0	1.2
Total revenues from Airlines	5,639.6	55.2	19,063.9	66.9
<i>Revenues from Airport-related services</i>				
Revenues from BFS Ground	1,139.1	11.1	2,391.4	8.4
Revenues from PGGS	98.0	1.0	349.8	1.2
Revenues from BAC	302.8	3.0	1,024.0	3.6
Others	309.3	3.0	585.1	2.1
Total revenues from Airport-related services	1,849.2	18.1	4,350.3	15.3
<i>Revenues from Airports</i>				
Passenger service charge	177.3	1.7	547.3	1.9
Total revenues from Airports	177.3	1.7	547.3	1.9
<i>Other revenues</i>				
Dividend income	375.1	3.7	577.3	2.0
Gain on sales of investments in securities and subsidiaries	227.0	2.2	-	-
Gain on sale of investment			1,990.8	7.0
Other income	1,948.4	19.1	1,975.2	6.9
Total other revenues ⁽¹⁾	2,550.5	25.0	4,543.3	15.9
Total Revenue ⁽¹⁾	10,216.3	100.0	28,504.8	100.0

Note:

(1) Interest not considered as income. It will be added under financial income - a new group of financial items



Products and services

Products and services of the Company can be divided into core businesses and segments as follow

1. Airline Passenger Services

Scheduled Flights

We provide full-service scheduled flights in a premium level to both business and leisure travellers.

Route Network

As of 31 December 2020, we operated a route network (“PG Route Network”) covering 22 scheduled destinations (excluding Bangkok)* in 10 countries (including Thailand). Additionally, with destinations covered in our code-share arrangements extended our route network to cover 28 international destinations in 19 countries (excluding Thailand)*.

Our PG Route Network focuses on short-haul routes to airports around leisure and cultural destinations. Through our code-share and other cooperative arrangements (“Extended Route Network”) with other airlines, we are able to extend our reach to passengers originating from destinations including Europe, Asia, and Australia.

*Due to COVID-19 pandemic, the company has not yet resumed operation on international routes.

Our International and Domestic Routes

"The map below illustrates our international and domestic routes as of December 31, 2020"

Fly Boutique, Feel Unique

Bangkok Airways

Asia's Boutique Airline

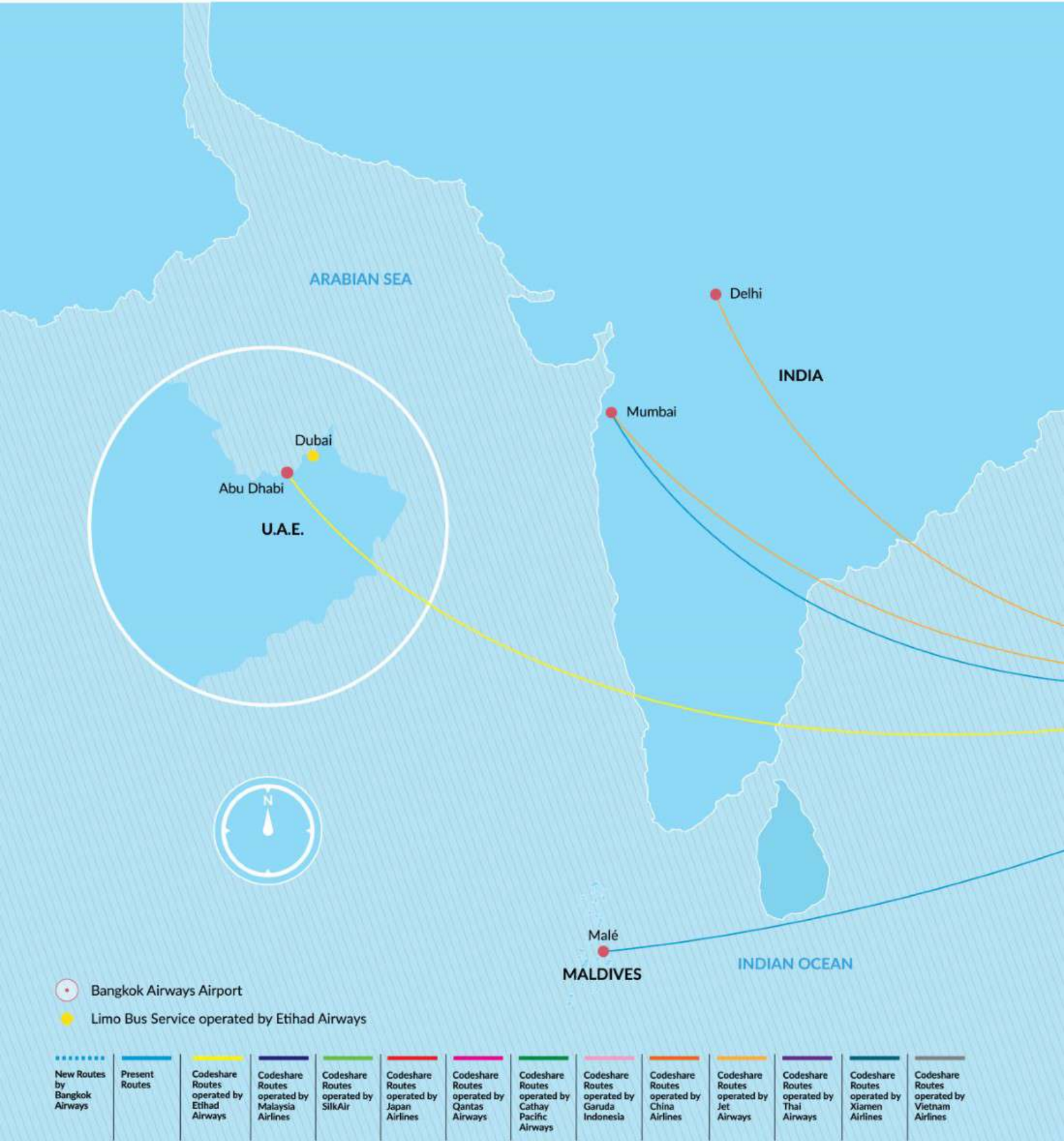


 Bangkok Airways Airport



Our International and Domestic Routes

“The map below illustrates PG operating routes including our code-share network as of December 31, 2020”





Airline Cooperation Arrangements

Airline Cooperation Arrangements can be grouped in Interline Cooperation Agreement and Code Share Agreement.

These interline and code-share arrangements enable us to access broader international markets and serve additional long-distance passengers without operating our own long-distance international flights and having to invest in long-haul fleet. We believe that code-share arrangements are a cost-effective means to expand the scope of our passenger services and enhance our image in the international market.

Through our hubs at Suvarnabhumi International Airport and Samui International Airport, we are

able to provide efficient same airport transfer for passengers of our code-share and interline flights and to connect them to regional and domestic destinations that are part of our PG Route Network.

We have successfully established code-share arrangements with 28 international airlines. We typically seek code-share arrangements that would either increase our passenger traffic on our PG Route Network or add desirable destinations to our Extended Route Network. Our code-share arrangements enable us to access connecting passenger traffic from other airlines traveling from various international destinations in Europe, Asia, Australia and elsewhere.

Airline Operation

1. Our Fleet

As of 31 December 2020, we had an operating fleet of 39 passenger aircraft, with details shown in table below.

Aircraft Model	Total	Finance Lease	Operating Lease	Owned
Airbus A320	9	-	9	-
Airbus A319	15	-	15	-
ATR 72-500	2	-	-	2
ATR 72-600	13	9	-	4
Total	39	9	24	6



2. Route Planning

We focus on short-haul routes to airports in and around major leisure and cultural destinations, typically operating within a radius of up to 3,120 kilometers and a flight duration of up to five hours from our hubs at the Suvarnabhumi International Airport, the Samui Airport, and Chiang Mai Airport.

We cooperate with the DCA in seeking additional air traffic rights under new or existing air services agreements. Our ability to expand our route network and to increase frequency and capacity is subject to our ability to obtain sufficient traffic rights and time slots to these destinations.

The principal factors considered in adding a new route to our existing route network or increasing the frequency of flights on an existing route are aircraft availability and projected passenger and cargo load factors, profitability of the route and contribution to traffic on other routes.

In our current route network strategy, we intend to focus more on network connecting traffic going through our Bangkok hub and our airports, particularly the Samui Airport. Additionally, we connect travelers through Chiang Mai, a gateway location for Northern Thailand. We have entered into code-share and other cooperative arrangements which are also key to our route network strategy, as they enable us to both extend our route network and to increase our passenger load with passengers connecting onto our flights from various international locations, including Europe, Asia, Australia, and other countries. In addition, we are able to reach passengers in China through our chartered flights. We actively monitor flights on our Extended Route Network to match the timing of our flights on our route network to maximize the number of connecting flights available to passengers connecting onto our flights. We also routinely monitor traffic on both our domestic and international routes, and adjust frequency and capacity from time to time to reflect peak travel season in the international markets and fluctuations in demand on these routes.

3. Flight Scheduling

Our network management team formulates flight schedules, based on market demand for various routes. Consistent with market demand and with IATA guidelines, we publish summer and winter flight schedules each year. The winter schedule runs from the last Sunday of October of the previous year to the last Saturday of March and the summer schedule runs from the last Sunday of March to the last Saturday of October each year. From time to time, we also vary the flight frequency and type of aircraft utilized on scheduled routes based on anticipated seasonal demand.

4. Flight Operations

Our operations control center (“OCC”) located outside the Suvarnabhumi International Airport supervises and controls our flights in accordance with our flight operation schedules and relevant regulations of the authorities. Our OCC collects and analyses information relating to the projected payload, weather and airport conditions and aircraft status. Our OCC also approves flight dispatches and coordinates necessary ground service equipment and maintenance services for our aircraft. Our OCC monitors and tracks flights by air and ground radar displays, radio communications, the Air Communication Addressing and Reporting System and Air-to-Ground Data Link communications. In the event of irregularities, our OCC may adjust flight schedules, combine flights and, if necessary, cancel flights.

5. Our Flight Operation Hubs

Bangkok Flight Operation Hub and Facilities

We believe that Bangkok enjoys a number of advantages as a hub. These advantages include its role as a gateway to Southeast Asia, the Mekong region, South Asia and Southern China, and its convenient location as a stopover on routes linking Europe to North Asia and both Europe and North Asia to destinations in Australia, New Zealand and Southeast Asia.

Our primary flight operation hub is based at the Suvarnabhumi International Airport, which is Thailand's principal international and largest airport in terms of the number of aircraft movements and passenger volume. The Airports of Thailand has deployed the Advance Passenger Processing System or APPS to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO)

Following our commencement of operations at the Suvarnabhumi International Airport, we transferred the bulk of our operations previously based at the Don Mueang International Airport, except our heavy maintenance services, to the Suvarnabhumi International Airport. We pay various rents, fees and charges to AOT at the Suvarnabhumi International Airport, including landing and parking charges, space rental and other charges, and concession fees for several revenue-generating activities in which we engage at the Suvarnabhumi International Airport through our subsidiary and associated companies.

We also lease a plot of land at the Don Mueang International Airport which we use for our maintenance services. Our maintenance facility

comprises a hangar, a C-check maintenance facility and adjacent workshops servicing a broad range of equipment.

Samui Hub and Facilities

We have built and developed the Samui International Airport which opened in 1989. Developed at an estimated cost of THB 800 million, the airport was officially opened on 25 April 1989 with a 1,800 meter runway. The airport served domestic flights, primarily to and from Bangkok.

In 1997, the Samui Airport was upgraded to allow for international flights, with the development of customs and immigration facilities, as well as new passenger terminals, which allowed for the operation of new routes to the airport, including services to international destinations.

In 2004, the airport began a THB 500 million expansion program that provided for six new terminals-four domestic and two international. In addition, the program provided for extension of the runway, to 2,100 meters. The development program was completed in 2007, providing airport capacity for 16,000 passengers a day. The program increased annual passenger capacity from 1.3 million to 6 million. Beginning October 1st, 2015; the Airports of Thailand has deployed the Advance Passenger Processing System or APPS to inspect passengers in order to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO) also Suvarnabhumi International Airport

The growth in the airport has coincided and facilitated the growth in popularity of Samui as a tourist destination. Samui has developed into a very popular destination for Europeans, Asians, and others.

With the 2,100 meter runway, we were able to increase the size of the aircraft it operated to the airport. The carrier currently operates a mix of A319s and ATR-72s at the airport. The Samui Airport is also open for other airlines

Samui International Airport has won several awards for its design and architecture, including an environmental impact assessment award for the use of locally produced palm leaves and a natural, open-air cooling system for the terminal buildings.

Chiang Mai Hub and Facilities

We announced Chiang Mai Airport as our hub for the Northern Thailand region. Chiang Mai has becoming more popular for business and leisure purposes. We have observed high potential to develop tourism and create connecting traffic in this region for cultural tourism. We introduced four new route network creating Chiang Mai as the center in the Northern region for connecting traffic such as routes from Chiang Mai-Samui, Chiang Mai-Phuket, Chiang Mai-Krabi, Chiangmai-Mae Hongson, Chiangmai-Luangphabang.

6. Chartered Passenger Services

Chartered passenger services enhance our aircraft utilization and revenues. We determine our charter flight arrangements in accordance with aircraft availability by primarily treating the scheduled passenger services as our first priority

7. Aircraft Maintenance

The Company owns and operates an aircraft maintenance hangar at Don Muang Airport. This facility, certified by The Civil Aviation Authority of Thailand (CAAT), provides maintenance and repair service to aircraft for some parts. Generally, airlines in Thailand don't own this type of facility. Therefore, apart from maintaining and repairing the aircraft parts including equipment used in flight operation of The Company, this hangar apparently gives The Company an edge over the other airlines who don't own a hangar themselves. This facility also helps leverage the country's aviation industry with a substantial cost reduction, as well as bringing in new technology to the industry.

Aircraft maintenance, both in line maintenance and base maintenance, is required to keep airworthiness of aircraft. This activity, including maintenance, repair, and overhaul (MRO); must only be operated by a company certified by The Civil Aviation Authority of Thailand (CAAT). The airworthiness of aircraft is taken very highly for passenger's safety. The efficient use and maintenance of our aircraft is a Preventive Maintenance Measure to optimize utilization of our fleet properly, in consistence with the following key points.

7.1 Continuing Airworthiness Tasks

7.2 Maintenance program

7.3 Airworthiness Directive

7.4 Data for modification and repairs

7.5 Aircraft continuing airworthiness record system

7.6 Operator Technical Log System

7.7 Transfer of aircraft continuing airworthiness

Planning of schedules and cycles for maintenance of our aircraft varies depending on certain factors which includes age and type of aircraft, equipment and specifications determined by aircraft manufacturer. We conduct our maintenance services in compliance with maintenance module issued by the Civil Aviation Authority of Thailand (CAAT), IATA Operational Safety Audit (IOSA) and International Civil Aviation Organization (ICAO). We are certified by the International Organization for Standardization (ISO) for quality of performance and by Civil Aviation Authority of Thailand for standard of maintenance services.

Our aircraft maintenance checks involve light maintenance and line maintenance. These periodic inspections are conducted after either a certain period of time, aircraft operational cycle or period of flight hour, depending on type of aircraft and the manufacturer's specifications. Generally our aircraft maintenance check can be divided as follows:

1. Light maintenance which includes A Checks and B Checks
2. Line maintenance which includes C Checks and D Checks
3. Change of aircraft equipment according to its useful life

Daily maintenance checks, which include visual testing and inspections of equipment and hygiene, fuel level and emergency equipment are conducted before and after each flight to ensure the aircraft are airworthy. In addition to the daily checks, we also perform A Checks, B Checks and D Checks to maintain our fleet as follows:

Light Maintenance A checks / B checks	Line Maintenance C Check
Maintenance schedule ATR72-500, ATR72-600	
Every 750 hours	Every 5,000 hours
Maintenance schedule Airbus A319 and A320	
Every 4 months or 750 flight hours or 750 cycles, which ever comes first	Every 24 months or 7,500 flight hours or 5,000 cycles which ever comes first
Maintenance station	
Bay or aircraft parking area	Hangar
Scope of inspection	
<p>A Check</p> <ul style="list-style-type: none"> - includes lower checks i.e. Daily Check <p>B Check</p> <ul style="list-style-type: none"> - includes detailed maintenance inspection for components and aircraft systems, requiring specific equipment and testing. - includes lower checks i.e. daily checks and A Check <p>At present B Check had been incorporated into C Check and included in 6-year and 12-year checks</p>	<p>Includes lower checks i.e. Daily check, A Check and B check</p> <p>C check, 6-year check and 12-year check are line maintenance with specific management process and systematic control.</p>
Example MPD specified by aircraft manufacturer	
<ul style="list-style-type: none"> - General external inspection of aircraft structure for evidence of damage, deformation, corrosion or missing parts. - Check and test equipment i.e. turn control switches on/off - Check pressure of crew oxygen system - Operation check of emergency lights in the cabin - Operation check of hydraulic systems 	<ul style="list-style-type: none"> - General internal inspection of aircraft structure and wirings. Seats removed to open up cabin walls. - Check safety system of doors and emergency exits - Check aircraft strength and stability by testing for evidence of leaks in door seals - Check condition of pressure system - Test operation of DC and uninterrupted power system. - Operation check of Ramp air turbine deployment system - Operation check of flap asymmetry system - Operation check of flight control mechanism

D Check (or Heavy Maintenance Check) is the most complicated, detailed, line maintenance, conducted every 6 years or 12 years involving detailed inspection of aircraft structure for any defects in aircraft parts, components or structure and non-destructive checks. D Check also includes inspection for traces of decay, abnormality of aircraft structure and other traces of damage which may require technical experts, using special equipment to deconstruct the components in order to carry out maintenance work. At present CAAT has granted permission for the Company to perform D Check and included it in Hangar License. Other services such as maintenance of aircraft equipment and components, overhaul of aircraft engines and calibration are mostly outsourced to third party service providers. Only service providers which have gone through processes in compliance with the Company quality requirement are acceptable.

Through our lease agreements, we are able to rely on or enjoy the benefits of manufacturer's warranties and product support, granted through our lessors.

We maintain an inventory of rotatable and consumable spare parts at our maintenance facilities at Suwannabhumi Airport, Don Muang Airport, Samui Airport and other airports.

8. Privileges under BOI Certificates

Airline Operations

We have obtained BOI Certificates for airline operations under Investment Promotion Act B.E. 2520 (as amended). Tax privileges under the BOI Certificates include (i) corporate income tax exemption for net profit for a period of eight years from the date of first income derived from such activity; (ii) import duties exemption for machines; (iii) dividend tax exemption for each project throughout the period of corporate income tax exemption; and if we suffer losses from the operation of the relevant aircraft during the period of corporate income tax exemption, we are permitted to deduct such losses from the net profits incurred after the period of corporate income tax exemption for a period of not exceeding five years, whereby we may choose to deduct such losses from the net profit of any one year or several years. Non-tax privileges include the permission to import skill non-Thai experts/technicians in amounts and period as deemed appropriate by the Thai Board of Investment (the "BOI").

As of December 31, 2020, we have obtained 13 BOI Certificates under which the corporate income tax exemption for 38 aircraft of which 28 aircraft has been utilized under BOI certificates. The remaining BOI Certificates allow us to exercise tax exemption for 2 aircraft.

2. Airport-related Businesses

Apart from airline services and airport services, we also provide airport-related services including cargo terminal services, ground and passenger services and in-flight catering services to our flights and those of other airlines through our subsidiaries and associated companies as follows:

Company	Shareholding percentage	Relationship with the Company	Business Operations
BFS Ground	98.88	subsidiary	provides passenger services and ground support equipment services
BAC	90.0	subsidiary	provides in-flight catering services
BFS Cargo	49.0	associated company	provides international cargo terminal services

Ground Services

Our ground services include passenger services and ground support equipment services. At the Suvarnabhumi International Airport, BFS Ground provides ground support equipment services on a contract basis for other airlines. Worldwide Flight Services Holding S.A. ("WFS") provides certain services to BFS Ground, which include monitoring

and evaluating the quality of the operational services, marketing the services and facilities of BFS Ground, developing controls and best practice for operating costs, maintaining and administering all agreements of BFS Ground, including the Ground Project Agreement, and assisting in procuring relevant industry certification.



The AOT granted BFS Ground the right to operate ground equipment and ramp services under a build transfer-operate project agreement for a period of 20 years, commencing from September 28, 2006. BFS Ground's principal competitor for its ground services is Thai Airways.

1. Passenger Services

BFS Ground provides a wide range of passenger services for airlines, scheduled flights, charter flights and private jets at the Suvarnabhumi International Airport. Passenger services include check-in and ticketing service, boarding service, baggage handling and interline baggage handling.

BFS Ground provides ramp and passenger services to over 60 other airlines at the Suvarnabhumi International Airport. BFS Ground's passenger service contracts are typically for terms of two to three years, and are denominated in Thai Baht.

2. Ground Support Equipment Services

BFS Ground provides Ramp Service and Ground Handling Service to airlines operating in and out of Suvarnabhumi Airport including scheduled flights, charter flights, and private jets. These services consist of shuttle bus service for passengers, air crews, and baggage; aircraft reloading and unloading service; aircraft towing service; passenger stairs service, interior aircraft cleaning service, Air Conditioning Unit (ACU), Ground Power Unit (GPU), water supply unit, ground equipment maintenance service, and flight operations information service, etc

BFS Ground provides Ramp Service and Ground Handling Service to more than 90 airlines at Suvarnabhumi Airport. In general, the Ramp Service and the Ground Handling Service are engaged in two to three-year contracts with the service fee charged in Thai Baht.

BFS Ground is a service provider that is certified by the International Air Transport Association (IATA) Safety Audit for Ground Operations (ISAGO), the Occupation Health and Safety Management System-ISO 45001:2018 and Quality Management System- ISO9001:2015.

Cargo Services

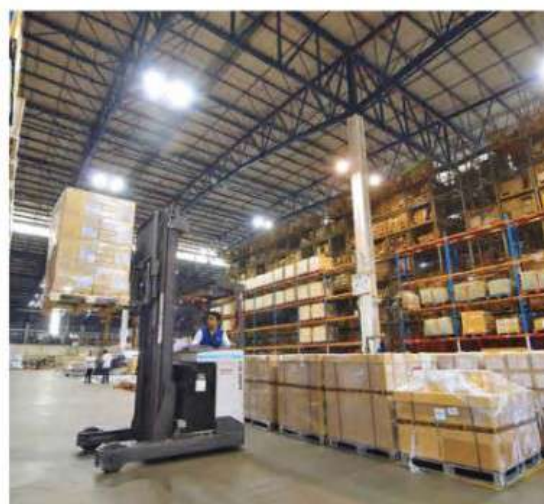
BFS Cargo who provides international cargo service at Suvarnabhumi Airport; has commissioned WFS, a worldwide ground handling and cargo service provider for airlines around the world; to manage and operate the cargo warehouse by controlling quality, evaluating the overall performance including service operations, marketing operations, and cost-effectiveness operation development. These are aimed to ensure that BFS Cargo follows all contractual commitments and the Cargo service contract, as well as to provide guidance and assistance in cargo warehouse operation to be in line with the international standard and being certified in a relevant industry.

BFS Cargo won a 20-year concession from AOT on a cargo operation contract from September 28th, 2006; the date when Suvarnabhumi Airport

was officially open. This allowed BFS Cargo to start providing service following the cargo operation contract on international air cargo at Suvarnabhumi Airport.

BFS Cargo's facilities enable it to handle premium cargo, including perishable goods and valuable cargo, in respect of which it is able to earn higher margins. Security in BFS Cargo's facilities is important to BFS Cargo. BFS Cargo has installed 165 closed circuit televisions located throughout its facilities, and in the areas where BFS Cargo stores high value cargo, BFS Cargo's facilities are equipped with static cameras. BFS Cargo also has x-ray machines to screen for explosives and has outsourced aviation trained security personnel.





BFS Cargo is certified its security standard by the Transported Asset Protection Association (TAPA), quality Management System as in ISO 9001:2015. BFS Cargo was the first and only IATA (International Air Transport Association) Safety Audit for Ground Operations (“ISAGO”) and the Occupational Health and Safety Management System ISO 45001:2018). It also plays a role as a regulated agent 3 which refers to the third country cargo service provider who’s been audited and approved in the standard of EU flight operation and is also certified as a Regulated Agent Certificate from the Civil Aviation Authority of Thailand (CAAT).

BFS Cargo’s cargo terminal is a 55,370 square meter facility at the Suvarnabhumi International Airport. Within BFS Cargo’s facilities, it has a 39,744 square meter cargo warehouse and 15,626 square meter office space. The warehouse area consists of a 2,500 square meter cold storage area, a secured storage area with an enclosed steel vault and biometric access control for valuables, a dedicated ventilated area for livestock and storage for hazardous cargo. The capacity of BFS Cargo’s cargo facility is 523,000 tons per annum

As of December 31, 2020	2020	2019
Weight of handled cargo (Ton)	390,683	409,708
cargo tonnage (Ton per year) ⁽¹⁾	523,000	523,000
Utilization (percentage)	74.70	78.34

On December 31st, 2020; BFS Cargo had more than 80 clients under two to three-year contracts and the service fee is charged in Thai Baht.

In-Flight Catering

BAC, provides in-flight catering for passengers on our own flights as well as for passengers on other airlines. The AOT granted BAC the right to operate in-flight catering services under a build transfer-operate project agreement dated (the “Catering Project Agreement”) for a period of 20 years commencing from September 28, 2006.

Bangkok Air Catering’s facility is located at Suvarnabhumi Airport with a size of approximately 20,000 sq.m. It is divided into a 10,000-sq.m. area for Halal meals preparation; 3,000-sq.m. area for general meals preparation, and 400 more square meters for Kosher meals preparation. BAC is capable of producing meals for all flights of The Company as well as other airlines including charter flights as in the following details.

As of December 31, 2020	2020	2019
Amount of produced and uplifted meals for our flights (million meals)	1.00	3.29
Amount of produced and uplifted meals for other airlines (million meals)	1.06	4.0
Average of produced and uplifted meals (meal)	5,635	19,973

BAC produces all meals in international standards namely the Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) global standards. In addition, BAC is also Halal certified by the Central Islamic of Thailand and Kosher certified by the Thai Kashrut Services Ltd.

Apart from “the Company”, BAC now serves 26 airline clients with contracts typically for terms of one to three years. Such contracts are mostly priced in Thai Baht. Besides the in-flight catering service, BAC also provides meals and refreshments at The Company’s passenger lounge, both in Business and Economic Class, as well as the

Business Class Lounges for the other airlines at Suvarnabhumi international Airport.

BAC is among three other in-flight catering service providers at Suvarnabhumi international Airport which are namely Thai Airways International Public Company Limited, and LSG Sky Chefs Co., Ltd.

In 2020, aviation businesses had been heavily affected by the COVID-19 pandemic, “the Company” which produces meals for airlines was also affected, as can be seen from 2020 meals production statistics above. However “the Company” made adjustments to reduce costs in order to survive and is confident that the business will return to normal with more positive growth when the situation is resolved.



3. Airport Businesses

The company owns and operates three airports namely Samui Airport, Trat Airport and Sukhothai Airport.

Samui Airport

The Samui Airport is our most important airport in terms of passenger traffic and contribution to income. We commenced operations at the Samui Airport in 1989 as the only privately-owned public airport in Thailand. We commenced operations with the Samui Airport Incorporation License.

In 2005, the Samui Airport expansion was completed in order to increase the passenger capacity accommodation. In 2020, Samui Airport recorded 8 hundred thousand passengers in and out and over 10,000 flights.

The Samui Airport operates 16 hours a day. The total area of the airport's premises is approximately 600 rai. The airport has one operating runway, with a length of 2,060 meters. The Samui airport has four taxiways with an area of approximately 28,000 square meters.

The airport can accommodate ATR 72-500/72-600, Airbus A319 and Boeing 737-400 aircraft, as well as business and private jets.

The airport has six terminals, which cover an area of 12,113 square meters, of which 1,939 square meters is commercial space. Within the arrival terminal, there are eight immigration officers on duty for 16 hours a day. Since August 2015, The Airport has provided more convenience to passengers by adding 10 common-use self-service (CUSS) kiosks at departure terminal.

In November 2006, we leased the assets of the Samui Airport to the Samui Property Fund for a period of 30 years from November 24, 2006 in accordance with the terms of the Long-Term Lease Agreement. Under the Long-Term Lease Agreement, we have agreed to, at our expense, among others, maintain the general environment of the Samui Airport and perform required marketing activities.

The Company continues to act as the operator of the Samui Airport in accordance with the terms and conditions under the Sub-lease Agreement and the service agreement dated November 24,



2006 (the “Service Agreement”). Under the Sub-lease Agreement, the Samui Property Fund sub-leased the Samui Airport to us for a three year term, renewable for up to nine additional three year terms upon agreement by both parties. Accordingly, we have the ability to sub-lease the Samui Airport for aggregate term of not exceeding 30 years. Under the Service Agreement, the Company agrees to provide services relating to equipment, machinery and other systems (such as equipment for maintenance of runway, communication system and other systems) in the Samui Airport to the Samui Property Fund for a period of 30 years from the date of the Service Agreement. The Company also agrees to pay to the Samui Property Fund, (i) rent in an amount of THB26.1 million per month and (ii) a service fee, which consists of a fixed service fee in the amount of THB21.4 million and a variable service fee in an amount calculated based on the formula specified in the Service Agreement. Such formula is based on several factors, including the number of the departing passengers and the aircraft (excluding

the rent of commercial areas within the Samui Airport).

Major revenues of the Samui Airport are obtained from passenger service charges, aircraft landing fee, aircraft parking fee and ground handling services fee charged to other airlines operating at the airport, and the rent of commercial areas within the Samui Airport.

Since we granted PGGS the right to provide ground services for other airlines at the Samui Airport, revenues from ground service charges provided to other airlines will not be directly paid to us. Instead, we obtain revenue from granting PGGS such rights. A substantial portion of our revenue from the Samui Airport operation will be paid to the Samui Property Fund as rent, fixed service fee and variable service fee and they will in turn be paid to us as dividend income because we hold a 25.0% ownership interest in the Samui Property Fund.





Trat Airport

Trat Airport was open in 2003 under the Trat Airport Incorporation License which is valid until March 14, 2026. It's located 387 kilometers east of Bangkok. Trat province is a border town between Thailand and Cambodia. Bangkok Airways is the only operator on this route. The airport premise has an area of approximately 1,300 rai. It has one operating runway with a length of 1,800 meters.

Trat Airport is among the three airports that belong to Bangkok Airways Public Company Limited. It's open for Bangkok Airways and other flights as well.

The airport's ICAO Airport Reference Code is 4C. The runway is asphaltic concrete with a length of 1,800 meters, width of 45 meters, and the runway's outer area as specified by the standard of the ICAO (International Civil Aviation Organization). Trat Airport is open for service from 06.00 hrs. to 19.00 hrs. Presently, Trat Airport has the immigration and customs services in place. The landing fee at Trat Airport is priced according to the announcement of the Civil Aviation Authority of Thailand. The air traffic control service is available during the operating hours of the airport



Sukhothai Airport

We commenced operations at the Sukhothai Airport in 1998. Sukhothai is located 440 kilometers north of Bangkok. Approximately 600,000 people live in the town. Old Sukhothai, which is located 12 kilometers west, has been a UNESCO World Heritage site since 1991.

The Sukhothai Airport operates 12 hours. The total area of the airport's premises granted in a license is approximately 1,018 rai. The airport has one operating runway with a length of 2,100 meters, one taxiway occupying an area of 3,870 square meters. The Sukhothai Airport has two operative aprons, with an area of approximately 9,975 square meters. The airport has two terminals which cover an area of 1,026 square meters, of which 784 square meters is commercial space.

Marketing

Promoting Passenger Experience

We are committed to enhancing our passenger experience by providing them with premium, quality services, including the use of complimentary lounges at the airports, friendly and passenger-focused service, a modern and fuel efficient fleet of aircraft and cultural and leisure destinations.

We distinguish our passenger experience with complimentary lounges for all passengers. Our economy class lounges offer our passengers free snacks, beverages and Internet access. We also operate separate business class lounges, or Blue Ribbon lounges, to service our business class passengers. Our Blue Ribbon lounges offer hot meals, shower rooms and Internet access.

To provide the highest quality customer service, we employ staffs who have English proficiency, friendly, and professional. Staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. We specifically budget for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.

Advertising and Marketing

We believe that Thailand's popularity as a tourist destination has historically provided us with a competitive advantage. Our marketing efforts have historically emphasized the unique appeal of Thai

culture, including the attributes of hospitality and friendliness, with the goal of enhancing our positioning as a boutique airline and building a strong reputation of quality personal service.

Our expenditure on marketing relates primarily to media advertising, support to tour operators and travel agents. We advertise mainly through our Internet website, social media, international and domestic trade fairs, outdoor billboards, newspapers and television and radio commercials.

While our marketing efforts focus on destinations within Thailand and Southeast Asia, through our code-share and other cooperative arrangements and our general sales agents and marketing offices located in various locations internationally, we are also able to reach international passengers connecting domestically and regionally to the destinations we serve.

Pricing and Revenue Management

Our business is impacted by the number of passengers flown and the fares charged. We have implemented a revenue management system to maximize revenues by flight, by market and across our entire operations. Revenue management is an integrated set of business processes used to calculate the optimal pricing and seat inventory for premium and budget passengers to maximize revenue generated by the sale of tickets based on forecasting of demand behaviour for each market.

Through our current revenue management system, we seek to maximize revenue per flight by optimizing allocation of seat inventory in the fare classes. We have a multiple pricing structure to meet the varying demands of each market segment. Certain of our aircraft cabins are physically divided into business and economy cabins and virtually divided into 16 fare sub-classes. We determine the number of seats offered at each fare through a continual process of competitive analysis, being one of the most critical processes in revenue management, forecasting and optimization. Booking history and seasonal trends are used to forecast anticipated demand. We use historical forecasts,

combined with current bookings, upcoming events, competitive pressures and other factors to establish a fare structure to maximize revenues.

We use AirVision Revenue Manager, a revenue management system developed by Sabre Inc. This system uses forecasting and optimization models to rapidly analyze economic tradeoffs required to determine the number of seats offered at each fare, which enables us to maximize revenues from existing capacity. We have implemented this system with respect to all of our international and domestic routes since 2008.

We actively manage passenger yields through our marketing and sales policies to maximize passenger revenues. Among other measures, we seek to increase passenger revenues by:

1. Simplifying the pricing structures and at the same time, introducing pricing policies at each point of sale to match the characteristic of each point of sale and channel in order to maximize yield and minimize revenue dilution;
2. Introducing automated ticketing to prevent revenue losses due to human error and increase revenue from optional service fees such as excess baggage fees;
3. Employing marketing initiatives in high-yield markets such as Samui and Siem Reap;
4. Optimizing seat allocation within each booking category according to fare classes and forecasted demand based on historical data for each route (such as by allocating fewer lower fare seats for routes with higher expected demand); and
5. Optimizing priority allocation to passengers based on forecast demand to maximize revenue on a network basis rather than on an individual sector basis

Like most other airlines, we overbook some flights to account for no-shows. Our overbooking percentage varies route by route and depends on historical rates of no-shows and late cancellation.



Maintaining frequent customers by FlyerBonus

Since its establishment in 2005, our frequent flyer program, FlyerBonus, has played a key role in our marketing strategy and is one of our principal means of creating and retaining customer loyalty. FlyerBonus has two membership tiers: regular and premier. We believe our frequent flyer program promotes loyalty by offering fare redemption for continued patronage. Members can earn mileage credits on our flights and with all of our code-share partners. Mileage credits can be redeemed for free, discounted or upgraded travel on our flights or exchanged for certain goods sold through in-flight sales. Including all of our code-share

partners, financial institutions, car rental companies and local and international hotel chains, allowing members to earn miles through everyday spending, car rentals and hotel stays.

Additionally, FlyerBonus continues to reward members by constantly offering more benefits for examples, offering discounts and benefits from hotels, shops, and over 200 well-known restaurants in Bangkok Airways' routes. Also, the special point promotions allow members to redeem awards from the airline and partners' co-promotions throughout 2020.

The screenshot displays the Bangkok Airways FlyerBonus website. At the top, the Bangkok Airways logo and 'FlyerBonus' text are visible, along with a language selector and a search bar. The main navigation bar includes links for 'About FlyerBonus', 'Earn Points', 'Redeem Awards', 'Promotions & Privileges', 'News', and 'Services & Support'. A prominent banner advertises a '15%* Off' promotion, described as 'The Fastest Way to Redeem Air Awards' from January 1 to December 31, 2020. To the right of this banner, there's a section for 'Best Value for KTC-BANGKOK AIRWAYS Credit Card' featuring images of credit cards and a 'click here' link. Below the main banner, there's a section for 'TOP REDEEMERS Summer RETREAT' with a 'Sign in' button. On the right side, there's a 'FlyerBonus Member Sign in' section with fields for 'FlyerBonus ID' and 'Password', a 'Sign in' button, and links for 'Forgot FlyerBonus ID' and 'Forgot Password'. At the bottom left, there's a small section for 'For point transfers from your credit card to FlyerBonus Points' with a 'Sign in' button and a 'Forgot Password' link.

Our target customers

Our target customers are primarily tourists, as we believe that we are well-positioned to benefit from the growth of tourism in Thailand. Our boutique business model provides extra amenities to our customers such as lounge services without charging additional cost, while also supporting our ability to maintain full service fares, which we believe differentiates us from our competitors.

Our passenger base consists of primarily international passengers, and still continue to increase continuously. Our domestic passenger base concurrently to benefit from the expanding domestic passenger market and to minimize our dependence on international passengers. The company has prepared the Customer's Satisfaction survey of 2020



*Remark : Index compute with weighted calculation

Bangkok Airways Average Index is 97.5 higher than Aviation Industry which is 70.66

Sales and Distribution

We have two principal distribution channels: direct sales through our sales offices, call centers and website, and indirect sales

1. Direct sales

Direct sales are made at sales offices, ticket counters, airport counters, Call Centers and on our website.

Sales offices, ticket counters and airport counters.

We operated an aggregate of 33 sales offices via 50 selling agents located in Canada, Australia, Europe, Thailand, Singapore, Hong Kong, Cambodia, Laos and Myanmar. We also sell tickets at our ticket counters located in the airports which we serve. These sales offices, ticket counters and airport counters allow guests to walk in to make or change reservations and settle payments either in cash or by using a credit or debit card.

The Division consistently focusses on improving service mindset for our staffs through training sessions called “PG Service Mind.” This training is aimed at the frontline staffs to better serve the clients with a belief that their satisfaction will repeatedly bring them back to our service. We also encourage staffs to personally introduce FlyerBonus – our frequent flyer program, to the clients and encourage them to become members. This will help expand the membership database in order to provide efficient service, while also generate revenues for The Company.

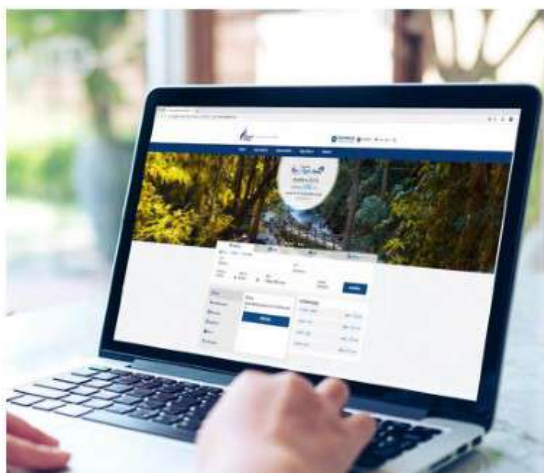
Call Centers

The 1771 Call Center, servicing 24 hours a day, is a key channel that provides convenient access to the service for passengers; such as product and service information enquiry, ticketing and reservation, payment, flight change charges, or other special services including ticketing and reservation for medical care service and check-in service through the Call Center for passengers on domestic routes traveling without checked luggage. Apart from the Call Center, passengers can also make a contact through e-mail at reservation@bangkokair.com or the 24-hour PG Live Chat.



Internet

We rely on our website, <http://www.bangkokair.com>, for our Internet sales. Online bookings are paid for by credit card or direct debit, reducing credit risk and accounting processes. This also improves our operating cash flows as all revenues from Internet sales are received directly by our acquiring bank for crediting to our account. In 2010, we upgraded our website to increase Internet sales and reduce agency commissions. We also revamped the layout to be more sales-focused with more prominent fares and promotional displays. Use of the Internet to make flight reservations increased to 26.9% and 26.3% in 2014 and 2015, respectively. The Internet has become our least expensive distribution channel as it requires lower overhead and operating costs.



2. Indirect sales

We generally appoint general sales agents in locations inside and outside Thailand in order to reach a broader customer network. We have general sales agents in various locations including the United States, Canada, Australia and Europe. General sales agents perform similar functions to our own sale offices, including marketing, promotional functions and ticket sales. General sales agents are particularly important for code-share flights arriving from international destinations to connect to our domestic and regional flights. IATA-authorized sales agents may also sell tickets on our flights. We became a member of the IATA BSP in the year 2000, we had established relationships with over 40 countries around the world to sell our tickets through IATA-authorized sales agents. Payments for tickets sold through IATA-authorized Sales agents are typically settled via a bank settlement plan administered by IATA. The services that travel agents provide are particularly useful for travellers who do not have Internet access and/or credit cards, especially in rural remote areas of Thailand or in other developing countries.

Besides managing the sale channel through the Global Distribution System (GDS); and online travel agent (OTA) which has shown an exponential growth worldwide.

1. Risks Relating to Our Business

1.1 Our business, financial condition, results of operation and prospects are materially and adversely affected by the cost or unavailability of sufficient quantities of fuel.

Aircraft fuel costs represent the largest component of our cost of sales and services, comprising 17.3% and 9.4% of our total consolidated cost of sales and services in 2019, 2020 respectively. As jet fuel constitutes a substantial portion of our operating costs, a relatively small increase in fuel costs can have negative effect on our operating costs. In the event of a jet fuel supply shortage, higher jet fuel prices or the curtailment of our scheduled service could result. We enter into jet fuel derivative contracts to manage our risks resulting from future changes in jet fuel prices. As of December 31st, 2020. However, we cannot assure you that our fuel hedging program will be sufficient to protect us against increases in the price of fuel. Additionally, we are also exposed to potential losses from our other hedging activities.

The COVID-19 pandemic impacted global oil prices in 2020, causing demand for oil to plummet with lowest average price of MOP in April 2020 at US\$ 21.26 a barrel. The demand gradually increased as nations began to ease lockdown so that oil price closed at US\$ 53.86 a barrel in December 2020 but still lower than the same period in 2019 by 31.7 percent.

The Company procured jet fuel from two major suppliers which are Susco Dealers Company Limited and PTT Plc. In 2020 the proportion of jet fuel procured from Susco equals 56% of total volume and 37% of total volume from PTT.

1.2 Our business, financial condition, results of operation and prospects have been in the past and could be in the future materially and adversely affected in the event of an emergency, accident or incident involving any of our aircraft.

We are exposed to potential significant losses in the event that any of our aircraft is lost or subject to an emergency, accident, terrorist incident or other disaster and we incur significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. We cannot assure

you that we will not be involved in any similar or other more serious events, including one where injuries or death occur, in the future. We cannot assure you that the amount of our insurance coverage will be adequate to cover the losses or damages from any future accidents or incidents.

1.3 Changes in code-share agreements with other airlines may have an adversely negative effect on our business, financial condition, results of operation and prospects.

As of December 31st, 2020, we had code-share agreements in place with 28 airlines. This resulted in revenue generation for us from our code-shared partners. We expect more reliance on our code-share arrangements. However, we cannot assure you that we will not be adversely affected by any future changes in our relationships with our code-share airlines. Moreover, certain of our

code-share agreements can be terminated with 30-days written notice, without cause, or immediately, with cause. Any unexpected or premature termination of our code-share agreements may have adverse effect on our business, financial condition, results of operation and prospects.

1.4 The intense competition in the airline industry along with competition from other forms of transportation could materially and adversely affect our business, financial condition, results of operation and prospects.

We have faced a high level of competition on our domestic and international routes. Airlines compete primarily on fare levels, frequency, reliability of service, brand recognition, passenger amenities, frequent flyer programs and the availability and convenience of other passenger services. In addition, some of the airlines with which we compete are larger and may have greater brand recognition, financial resources and penetration in key markets, including Thailand. They may be in a better position to operate unprofitable routes for a longer period of time than us.

Our competition for our scheduled passenger services include other full-service operators, low-cost operators and other forms of transportation. We face competition on our principal domestic routes primarily from carriers such as Thai Airways, Thai AirAsia, NOK Air, Thai Smile and Thai Lion Air. In addition, additional carriers may desire to fly in and out of Samui in the future. The intensity of competition varies from route to route. We cannot assure you that our competitors will not engage in price cutting or other activities in an attempt to shift market share, which may have adverse effect on our business, financial condition, results of operation and prospects.

1.5 Our airline and airport businesses are heavily dependent on travel to Thailand and the broader Southeast Asian markets, by Thai, regional and European passengers, and a reduction in demand for air travel in these markets may have a material adverse effect on our business, financial condition, results of operation and prospects.

The airline business is our core business, contributing 55.20% of our total consolidated revenues in 2020. It comprises air transport services for passengers domestically and internationally. Our growth has focused and will continue to focus on adding domestic and international flights to and from our operations at the Suvarnabhumi International Airport, Samui Airport and Chiang Mai Airport. Our business, financial condition, results of operation and prospects would be affected by any circumstances causing a reduction in demand for air transportation in Thailand, including adverse changes in local economic conditions, declining interests in Thailand as a tourist destination, or significant price increases as a result of increases in airport access costs and fees imposed on passengers.

We believe that a substantial majority of our passenger traffic on our airline and at our airports

comprises tourists attracted by Thailand's appeal as a tourist destination. Accordingly, we are dependent on the health of the Thai tourism industry. We have experienced a significant decline in international passenger traffic by a number of political demonstrations and strikes as well as reports of violence in certain areas of Bangkok including plague. Our business is adversely affected by any circumstances causing deterioration in Thailand's appeal as a tourist destination, such as continued internal political instability, adverse changes in international economic conditions. We cannot assure you that we will be able to take any preventive measures to mitigate potential negative impacts to our operations. Moreover, as some of our interline passengers originate from Europe, any negative external factors affecting travel from Europe could have adverse effect on our business, financial condition, results of operation and prospects.

1.6 Our subsidiary and associated companies have been granted concessions to provide airline related services at the Suvarnabhumi International Airport.

Our subsidiary and associated companies have entered into project agreements with the AOT to provide airport-related services at the Suvarnabhumi International Airport, including cargo terminal services, ground services and in-flight catering services, with a term of 20 years, expiring September 27, 2026. BFS Ground and BAC contributed 11.2% and 3.0%, respectively. We cannot guarantee you that one or more of our project agreements will not be terminated before

their expiration. If our subsidiary and associated companies are unable to renew or extend their project agreements upon expiration or termination, our subsidiary and associated companies will lose their rights to operate the relevant businesses resulting in our loss of revenue stream resulting from such business, which will have adverse effect on our business, financial condition, results of operation and prospects.

1.7 Compliance with environmental laws and regulations may affect our existing and future operations and result in additional costs.

The airline industry is subject to environmental laws and regulations and will likely be subject to more stringent environmental laws and regulations in the future. These environmental laws and regulations relate to, among other issues, aircraft noise, the use and handling of hazardous materials, air emissions and environmental contamination clean-up. Several countries have issued a number of environment related directives and other regulations including regulations relating to aircraft noise, exhaust and age. Further, environmental regulations, especially those with respect to noise and air pollution, have evolved

rapidly and are expected to continue to evolve in ways that may require the termination of use of certain models of aircraft if they do not conform to the regulations. These requirements impose substantial ongoing compliance costs and operational restrictions on airlines, particularly as new aircraft brought into service will have to meet the environmental requirements during their entire service life. Compliance with these laws and regulations could increase our expenses or restrict our ability to continue to expand some of our operations.

1.8 Our maintenance costs will increase as our fleet ages.

The average age of our aircraft was 11.2 years as of December 31, 2020. Generally, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. As our fleet continues to age, it will require more maintenance and our maintenance expenses will increase on an absolute basis, on an available seat kilometer basis and as a percentage of our operating expenses (provided our other operating expenses remain constant). Any significant increase in

maintenance expenses will have an adverse effect on our business, financial condition, results of operation and prospects. Older aircraft typically feature older cabin products, and generally require more frequent maintenance, which may result in disruptions of flight schedules, and generally affect customer satisfaction of our airline, each of which may generally reduce our competitiveness.



1.9 We may incur a significant amount of debt in the future to finance the acquisition of aircraft, capital expenditure or expansion plans.

We have historically leased most of our aircraft pursuant to operating lease arrangements. However, we may consider purchasing a portion of our aircraft requirements in the future. We entered into a sale and purchase agreement for nine new ATR 72-600 aircraft. The delivery seven aircraft of all. We are likely to require financing and incur significant amounts of debt to fund such acquisitions. If we are unable to obtain such financing, we will remain obligated to take delivery of the nine aircraft and will be required to finance through alternative funding sources or renegotiate with the vendor or default under the sale and purchase agreement. We may also obtain

debt financing to finance our operations. If we are unable to obtain financing for new aircraft on acceptable terms, this may affect our profitability and delay our fleet expansion plans. Moreover, our future credit facilities may contain covenants that limit our operating and financing activities and require the creation of security interests over our assets. Our ability to meet our payment obligations and to fund planned capital expenditures will depend on the success of our business strategy and our ability to generate sufficient revenues to satisfy our obligations, which are subject to many uncertainties and contingencies beyond our control.

1.10 We may not be successful in implementing our business strategy

Our business strategy involves increasing the number of our aircraft, increasing the frequency of our flights to destinations we currently serve, expanding the number of destinations we serve and that is part of our extended code-share network and stimulating growth in the markets that we serve. Achieving our business strategy is critical to the success of the Company

Increasing the number of destinations that we serve depends on our ability to obtain suitable landing slots in airports located in our targeted markets in a manner that is consistent with our strategy. We need to obtain air traffic rights and airport landing slots before we can commence services to new destinations. Increasing the number of destinations, increasing the frequency to the destinations that we currently serve depends on our ability to obtain additional departure and landing slots in such destinations, including at the Suvarnabhumi International Airport, Samui Airport,

Chiang Mai Airport, and other Airports where we operate flights. Any failure to obtain these traffic rights, airport departure and landing slots or approvals, to add additional code-share arrangements, or to add additional departure and landing slots may have adverse effect on our business, financial condition, results of operation and prospects

We expect a number of planned future destinations. Adding service to new destinations may require us to commit a substantial amount of financial and other resources, even before the new service commences, and we may initially experience low load factors and be required to offer promotional fares to new destinations, which will adversely affect the profitability of these new destinations., which may affect our business, financial condition, results of operation and prospects.



Other factors that may have an impact on our business strategy include:

- the general condition of the Thai, Asian and global economies and the global capital markets;
- demand for regional air transportation;
- barriers to entry into the Thai and Southeast Asian aviation market;
- our ability to operate and manage a larger operation cost-effectively;
- our ability to acquire additional licenses and traffic rights to our targeted geographical markets in order to expand our route portfolio;
- our ability to hire, train and retain sufficient numbers of pilots, cabin crew and engineers for our aircraft;
- our ability to source and take delivery of aircraft on a timely basis; and
- our ability to obtain the financing necessary to pay for expansion at cost-effective rates.

Many of these factors are beyond our control. We cannot assure you that we will be able to successfully expand within our existing markets or establish new markets, and any failure to successfully implement our business strategy may have a material adverse effect on our business, financial condition, results of operation and prospects.

1.11 Our ability to set fares on certain segments of our business is constrained by fare ceilings set by the Government.

As an airline company, we are regulated by the Government through, among others, The Civil Aviation Authority of Thailand. The Civil Aviation Authority of Thailand is the regulatory authority responsible for regulating the Thai aviation sector. The Civil Aviation Authority of Thailand issues operating licenses required for our flight operations, sets price caps for airfares on domestic passenger services sold in Thailand, regulates fuel surcharges for scheduled domestic passenger and cargo services and agrees international bilateral

air service agreements with other countries. Our domestic fares are subject to fare ceilings prescribed by The Civil Aviation Authority of Thailand. Our revenue from domestic passenger services accounted for 60.9% and 66.0% of our revenues from passenger services in 2014 and the 2015, respectively. Any adverse changes in these policies, in addition to other regulations and policies governing airline operations, could have adverse effect on our business, financial condition, results of operation and prospects.

1.12 Fluctuations in currency exchange rates may have an adverse impact on our business, financial condition, results of operation and prospects.

Due to the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies, in particular the Thai Baht, and U.S. Dollar. However, most of our maintenance, aircraft leasing, jet fuel supply, insurance contracts and substantially all of our purchase contracts with respect to aircraft spares are denominated in U.S. Dollars. A number of currencies, have experienced significant volatility, which could be detrimental depending on our foreign exchange position with respect to both our income and expenses. We may, in the future, enter into derivative contracts to hedge our foreign exchange exposure. However, we cannot assure you that such hedges will be available or commercially viable or effective to hedge our exposure to foreign currency risks.

We may enter into U.S. Dollar commitments in the future, including in relation to future purchases of aircraft. Therefore, any depreciation in the Thai Baht against these foreign currencies would increase our obligations. There can be no assurance that we would be able to generate revenue increases sufficient to offset such increased obligations. As a result, fluctuations in the value of the Thai Baht against other foreign currencies may affect our business, financial condition, results of operations and prospects.



1.13 We are exposed to certain risks against which we do not insure, and may have difficulty obtaining insurance on commercially acceptable terms or at all.

Insurance is fundamental to airline and airport operations. As a result of terrorist attacks or other world events, certain aviation insurance could become unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of coverage required by our aircraft lessors or applicable government regulations. Any inability to obtain insurance, on commercially acceptable terms or at all, for our general operations or specific assets would have a material adverse effect on our business, financial condition, results of operation and prospects.

We cannot assure you that our coverage will cover actual losses incurred. To the extent that actual losses incurred by us exceed the amount insured, we could have to bear substantial losses which may have adverse effect on our business, financial condition, results of operation and prospects. In line with industry practice, we leave some business risks uninsured, including business interruptions, loss of profit or revenue. To the extent that uninsured risks materialize, our business, financial condition, results of operation and prospects could be materially and adversely affected.

2. Risk Relating to the Aviation Industry

2.1 The airline industry tends to experience adverse financial performance during general economic downturns.

It is difficult to predict the effects of a global economic downturn. The airline industry is characterized by low profit margins and high fixed costs. A significant proportion of our expenses, including depreciation, maintenance and overhaul, aircraft handling and navigation fees, finance costs, operating lease payments and labor costs for flight deck and cabin crew and ground personnel do not vary based on our load factors, while revenue generated from a flight is directly related to the

number of passengers or cargo carried and the fare structure. A change in the number of passengers in relevant markets or in pricing, load factors, or traffic mix could have a disproportionate impact on our business, financial condition, results of operation and prospects. In addition, a minor shortfall in expected revenue levels could have adverse effect on our financial performance.



2.2 Limitations of Bangkok's airports and other Thai airports may inhibit our ability to increase our aircraft utilization rates, improve our on-time performance and provide safe and efficient air transportation.

Although Thailand's commercial aviation infrastructure has improved substantially with the opening of the Suvarnabhumi International Airport in September 2006 and the re-opening of Don Mueang International Airport to domestic flights in March 2007, the resources of many segments of the commercial airline industry, including airport facilities and air traffic control systems, have been strained by the rapid increase in air traffic volume. Our ability to increase utilization rates, improve our on-time performance and provide safe and efficient air transportation in the future depends in part on factors beyond our control, including:

- capacity of landing slots, passenger capacity at terminals and air traffic congestion in major hub airports that we serve, particularly at the Suvarnabhumi International Airport in Bangkok and the Phuket Airport;
- the quality of the management of Thai airports by the relevant operator;
- the quality of national air traffic control;
- the quality of navigational systems and ground control operations at Thai airports;
- limitations on runway length and/or strength which restrict our aircraft payload;
- the quality of infrastructure at regional airports that we serve; and
- any increased security measures.

If any of these factors is inadequate, our ability to expand our route network or to increase the frequency of flights on our existing routes, improve our on-time performance and to provide safe air transportation will be compromised, and our business, financial condition, results of operation and prospects may be adversely affected.

2.3 The airline industry is exposed to extraneous events such as terrorist attacks, outbreak of contagious diseases and extreme weather conditions.

Terrorist attacks and their aftermath had a negative impact on the airline industry. The effects experienced by the airline industry include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and reduced passenger traffic and yields due to the subsequent drop in demand for air travel globally. Terrorist attacks, or the fear of such attacks, or otherworld events could result in decreased passenger load factors and yields and could also result in increased costs for the airline industry, including us. If any similar events or circumstances occur in the future, our business financial condition, results of operation and prospects could be adversely affected.

An outbreak or contagious disease with the potential to become a pandemic or the measures taken by the governments of affected countries against such potential outbreaks could also disrupt

our operations, which could have an adverse effect on our business, financial condition, results of operation and prospects.

During the typhoon season or periods of other adverse weather conditions in Thailand or elsewhere, flights may be cancelled or significantly delayed. Thailand has experienced a number of major natural catastrophes over the years, including tsunamis and floods. If we delay or cancel flights for extreme weather conditions, our revenues and profits will be reduced and, notwithstanding that these events are beyond our control, passengers may blame us for such delays and cancellations. We could suffer a loss to our reputation, which could result in a loss of customers and adversely affect our business, financial condition, results of operation and prospects. In addition, adverse weather conditions in other countries or regions which feed passengers onto our route network could adversely affect the number of passengers on our flights.

2.4 The airline industry is under the supervision of international safety and operation standards

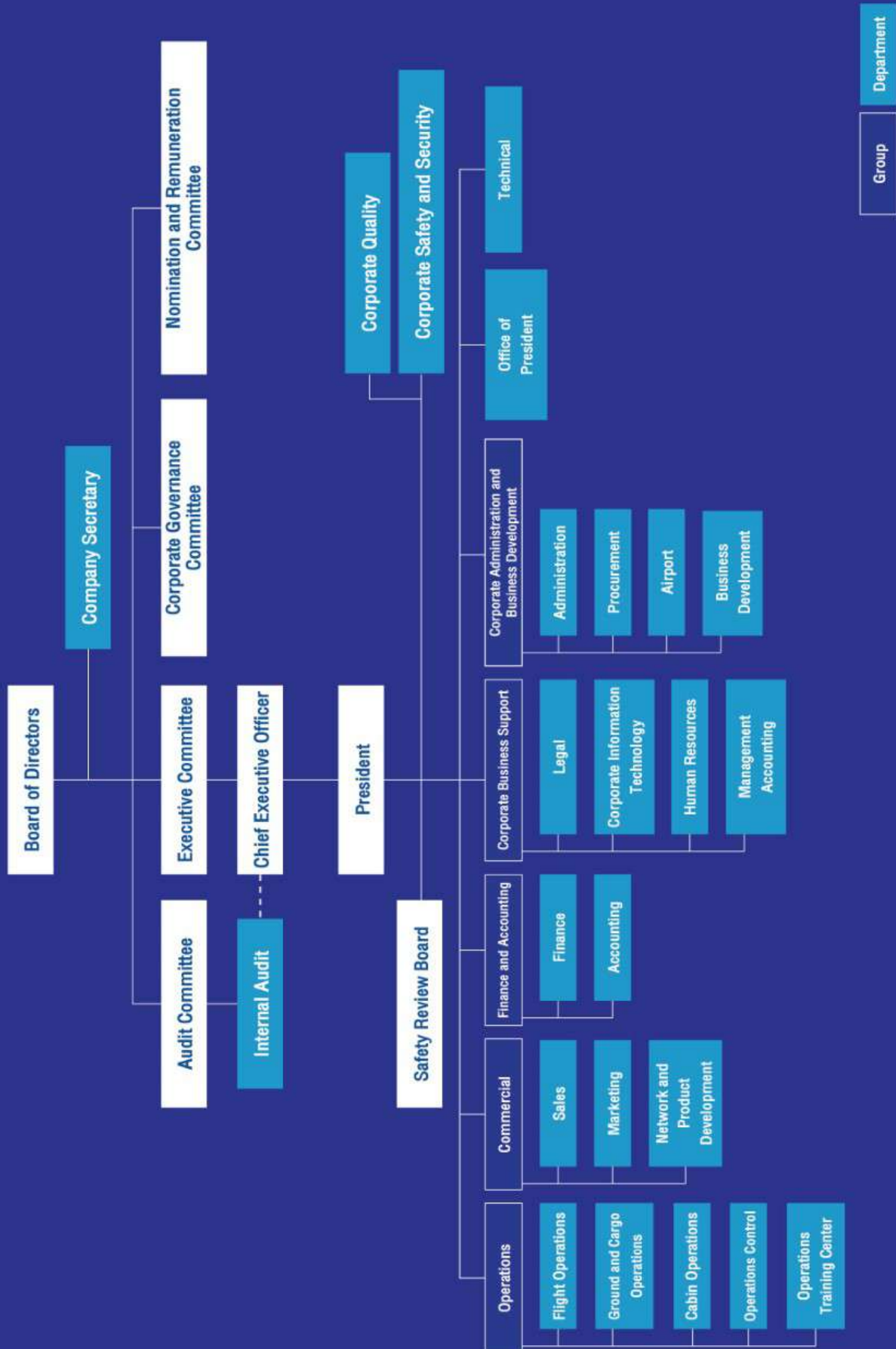
The airline industry is under the supervision of international safety and operation standards which is inspected and directed by international audit scheme. If there are any Significant Safety Concerns will get the status down on safety standard which affects directly and indirectly to the country and the office that administers all airlines in the country as well. Such effects include suspension of expanding

route network, limiting flight frequency, limiting flight timetable, which will also affect the competitiveness, higher operation cost, limiting business opportunity, limiting profit making, higher leasing and insurance cost, to more strict maintenance conditions which will subsequently affect patronage decision making because safety is key for passengers to make their choice of airline service.

Company Organization Chart

As of December 31, 2020

77



Board of Directors

The management structure of the Company consists of five Board of Directors which are the Company's Board of Directors Committee, the Executive Committee, the Audit Committee, the Nomination and Compensation Committee, and the Corporate Governance Committee with details as follows.

1. The Board of Directors of the Company

As of December 31, 2020 our Board of Directors comprised of three non-executive directors, three executive director and four Independent Director as follows:

No.	Names	Position
1	Air Chief Marshal Kaset Rochananil	Chairman / Independent Director
2	Mr. Puttipong Prasarttong-Osoth	Vice Chairman / Chairman of Executive Director /Chief Executive Officer / President
3	Pol.Gen.Visanu Prasattongosoth	Director
4	Mr. Pradit Theekakul	Director / Member of Executive Director
5	Mr. Sripop Sarasas	Director / Independent Director / Chairman of The Audit Committee / Chairman of Nomination and Remuneration
6	Mr. Saharatna Benyakul	Director / Independent Director / Member of Audit Committee / Member of Corporate Governance Committee
7	Mrs. Narumol Noi-am	Director
8	Mrs. Ariya Prasarttong-Osoth	Director / Member of Corporate Governance Committee / Member of Nomination and Remuneration
9	Mr. Anawat Leelawatwatana	Director / Member of Executive Director
10	Mr. Somboon Kittiyansub	Director / Independent Director / Chairman of Corporate Governance Committee / Member of Nomination and Remuneration / Member of The Audit Committee



Scope of Duties and Responsibilities of the Board of Directors

• Policy and Governance

1. The Board of Directors shall perform duties using their knowledge and expertise for the benefit of the Company in accordance with the Company's Articles of Association and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Company's Memorandum of Association, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and approve matters related to the general operation of the Company, such as vision, business direction, strategies, business plan, annual budgets, investment plan, and make financial decisions.
4. Monitor the operational results of the Company in order to ensure consistency with established goals and plans.
5. Procure policies on corporate governance in writing and approve such policies. The Board of Directors shall review such policies and their compliance consistently, at least once a year.
6. Encourage the determination of code of conduct in writing in order to ensure that all directors, executive officers and employees understand ethic standard used in the Company's business operation and strictly monitor the compliance of such code of conduct.

• Financial

1. Set up a reliable financial report and account audit system.
2. Procure the preparation of the Company's statement of financial position and profit and loss statement for the approval of the Annual General Meeting of the shareholders. The Board of Directors shall engage the auditors to audit such statement of financial position and profit and loss statement prior to the proposal to the shareholders.

• Internal Control, Internal Audit and Risk Management

1. Put in place an appropriate internal control and internal audit system by procuring the independent personnel or working unit who is responsible for the inspection of such system and review the internal control system at least once a year.
2. Set up policies on risk management to manage and control all risks covering the organization.
3. Review or evaluate the effectiveness of the internal control system and the risk management at least once a year.

• Human Resources

With respect to the Directors

1. Filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval.
3. The Directors should review the qualifications of persons who are appointed as the "Independent Directors" to ensure that they are truly independent which befit properly to the specific nature of The Company in accordance to the criteria of the Securities and Exchange Commission, Thailand. In addition, the Directors should reassure that the Independent Directors are only able to remain in the position not more than nine consecutive years from the first appointment. In case of extending the position term, the Directors must review thoroughly on the necessity of such period extension.
4. The Directors must set the criteria for each Director who also works for the other companies that they must be capable of adequately contributing to The Company by limiting their jobs with five registered companies considering they already hold a position at The Company. The on-job efficiency could be an issue, if the Directors work for too many companies at the same time.

With respect to Chief Executive Officer and President

1. Approve the appropriate qualifications, methods and rules of the selection, including forms and rules of the payment of remuneration regarding Chief Executive Officer and President.
2. Approve rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and President.
3. Approve the determination of the annual remuneration for Chief Executive Officer and President.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Approve the upper-level organizational structure, including scope of duties, authorities and responsibilities of the management of such level.
2. Approve the pay scale and the criteria for the annual salary adjustment.
3. Approve the executive succession plan for the positions of Chief Executive Officer and President.

• Communication with the Shareholders

Provide appropriate and regular communication channels to the shareholders and provide transparent of disclosure of information in accordance with standards.

- **Management of Conflict of Interest**

1. Supervise and monitor to ensure the complete compliance with laws and the Stock Exchange of Thailand's regulations in relation to procedures of actions and disclosures for the conflict of interest transactions.
2. Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.
3. On the date on which the independent directors accept the appointment and every year afterwards, the independent directors shall submit a confirmation letter to the Company to ascertain their independency as defined by the Company.

- **Investment**

1. Our Board of Directors is authorized to approve any investment that does not carry an unacceptable level of risk of the Company.
2. Authorize the Executive Committee to approve investments not exceeding THB500.0 million per transaction. The Executive Committee is required to present to our Board of Directors for acknowledgment, such approval of investment. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

- **Others**

1. Appoint the Company's corporate secretary according securities and exchange laws.
2. Establish charters of the Board of Directors and sub-committees and approve suggestions proposed by the sub-committees in the adjustment of the content in such charters to be updated and compatible with changing rules, regulations and circumstances.
3. Perform other duties as prescribed in the notifications, regulations, acts or laws governing the Company.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with the connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

2. Executive Committee of the Company

To enable the Company's operation to be efficient and timely in line with circumstances, with the best benefit of the Company, the Board of Directors appointed the Executive Committee of the Company.

As of December 31, 2020 the Executive Committee of the company consists of three following directors and executive officers with the office term of 3 years.

No	Names of Members of Executive Committee	Positions
1	Mr. Puttipong Prasarttong-Osoth	Chairman of Executive Committee
2	Mr. Pradit Theekakul	Member of Executive Committee
3	Mr. Anawat Leelawatwatana	Member of Executive Committee

Scope of Authorities and Duties of the Executive Committee

• Policy and Governance

1. Determine vision, business direction, policies, and strategies of the Company to propose for the Board of Directors' approval.
2. Review business plan, annual budgets, annual expenses, investment plan, Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies, and propose for the Board of Directors' approval.
3. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company.
4. Consider the summary report of the Company's operation and propose for the Board of Directors' approval.

• Financial

1. Approve capital expenditures and operating expenses, including expenses for public interest or charity, which is not included in the annual budget, for the amount not exceeding Baht 100,000,000. except that expenses for the investment in real estates, i.e. lands and/or buildings, leasehold rights in lands and/or buildings, which shall be registered with the land offices, shall be approved by the Board of Directors in any case.

On July 24, 2014, the Company's Board of Directors adopted an adjustment to the scope of authorities, duties and responsibilities of the Executive Committee to cover the approval of the investment and expenses in emergency in order to smooth the management of the Company. The President is authorised to pre-approve capital expenditures and operating expenses, including expenses for public interest or charity, , which is not included in the annual budget within the above specified amount and shall then propose to the Executive Committee afterwards.

2. Approve or review loan facilities made to subsidiaries within the limit of Baht100,000,000; propvided that 5% of the issued and paid-up shares of such subsidiaries shall not be held by related persons of the Comapany, and report to the Board of Directors in the subsequent meeting.

- **Internal Control, Internal Audit and Risk Management**

Ensure that the Company has an effective and appropriate operational system for internal control and the management and control of risks and comply with suggestions and comments from the Audit Committee.

- **Human Resources**

1. Consider and review forms of organizational structure and the scope of authorities, duties and responsibilities of upper-level personnel (President-level) to propose for the Board of Directors' approval.
2. Approve the executive succession plan.
3. Approve the appointment, transfer or removal of executive officers (from the position of Vice President). Determine and approve the list of directors and the managing director of subsidiaries to serve as guidelines for such subsidiaries to have such list further approved according to laws and rules and regulations of each subsidiary.
4. Consider and review the structure of pay scale and the principles of annual salary adjustment of the Company and subsidiaries (however excluding Chief Executive Officer and President) to propose for the Board of Directors' approval.

- **Investment**

1. Authorized to approve any investment with the amount not exceeding Baht500,000,000 per transaction.
2. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management , and any director(s) related to such entities will not attend or vote.

- **Others**

1. Delegate a working team to solve any problem in compliance with the Company's policies
2. Annually review the Executive Committee's charter. If the Executive Committee views that it is necessary to amend any content in such charter to be compatible with changing rules, regulations and circumstances, the Executive Committee shall to further propose for the Board of Directors' approval.
3. Perform other duties as assigned by the Board of Directors.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

3. Audit Committee

The Audit Committee of the Company consists of three independent directors, who are qualified according to the SET and the Capital Market Supervisory Board regulations. As of December 31, 2020, the Audit Committee of the Company is comprised of the following non-executive directors

No.	Names of Members of Audit Committee	Positions
1	Mr. Sripop Sarasas	Chairman of Audit Committee
2	Mr. Saharat Benyakul	Member of Audit Committee
3	Mr. Somboon Kitiyansub	Member of Audit Committee

Mr. Sripop Sarasas is a member of the Audit Committee who has sufficient knowledge and experience to review the reliability of the financial statements. In this regards, Mr.Pairoch Chantasilp is the secretary of the Audit Committee.

The scope of authority, duties and responsibilities of the audit committee

- **Policy and Compliance**

1. The audit committee is required to review and maintain compliance with the rules and regulations of the SET securities law and the law relating to the business of the Company.

- **Financial**

1. Review that the Company's reports and disclose the correct and credible financial report and to cooperate with the external auditor and the management in preparing financial report which are in compliance with the prescribed period by the SET, laws and other applicable government authorities;
2. Consider, select and nominate an independent auditor and to propose such auditor's remuneration, as well as to attend a non-management meeting with such auditor at least once a year; and including to attend a meeting with the auditor without any management personnel in that meeting at least once a year. While also, able to propose to remove the auditor if he/ she is found to be unable to perform his/ her duty, lack of responsibility or engaged in any illegal action.
3. Provide an independent and proper procedure for the employees to report evidence relating to unreasonable financial details.

- **Internal Control, Internal Audit and Risk Management**

1. Review the internal control and internal audit system and ensure that they are suitable and efficient and together with the internal and independent external auditors and, to assess the internal audit unit's independence;

2. Review evidence from internal investigations where there are suspicions that corruption has occurred or the existence of unreasonable flaws in the internal control procedure and to report these to the Board of Directors;
3. Investigate the evidence where there is suspicion of violations of law or regulations of the SET, which materially affect or may materially affect the financial condition and the business operation of the Company;
4. Hire or procure a professional specialist to assist in the inspection and investigation, according to the Company's regulations, in cases where there are suspicions of transactions or acts which may materially affect the financial condition and operating results;
5. Approve the appointment, transfer, dismissal and evaluation of the performance of the chief of internal audit, if the Company establishes an internal audit unit. If the Company hires an internal audit company, the Audit Committee shall approve the hiring and propose the remuneration;
6. Review organizational risk management and recommend an efficient and suitable risk management approach relating to business operations; and
7. Review risk management reports, track potential risks and report on the adequacy of the internal control system and risk management to the Board of Directors.

• Conflict of Interest Management

The audit committee is required to review related party transactions, or any transactions that may lead to conflicts of interest, and ensure that they are done in compliance with laws and the regulations of the SET and are reasonable and beneficial to the Company

• Other

1. Prepare and disclose in the annual report, the audit committee's report, which must include information mandated by the SET regulations and related regulations;
2. Annually review the Audit Committee charter to ensure that it contains the minimum scope of operational requirements for the Audit Committee as prescribed by the regulations of the SET and to also ensure that it includes adequate support to the Audit Committee's operation, such as the hiring of a professional specialist to opine on the specific subjects which require specialized expertise. If the Audit Committee is of the opinion that the Audit Committee charter needs to be amended to be in compliance with the rules and regulations, the Audit Committee shall seek the approval of the Board of Director; and
3. To perform any other act as assigned by the Board of Directors.

The Audit Committee is accountable to the boards of directors of the Company. The office term of the chairman of the Audit Committee is three years.

4. Nomination and Remuneration Committee

The Nomination and Compensation Committee consists of at least three directors who does not participate in management of “the Company” and are independent directors in majority. The Chairman of the Nomination and Compensation Committee must be independent director. As of December 31st, 2020; the Nomination and Compensation Committee consisted of three independent directors as follows.

No.	Names of Members of Nomination and Remuneration committee	Positions
1	Mr. Sripop Sarasas	Chairman of the Nomination and Remuneration committee
2	Mr. Somboon Kitiyansub	Member of the Nomination and Remuneration committee
3	Mrs. Ariya Prasarttong-Osoth	Member of the Nomination and Remuneration committee

Mr. Sripop Sarasas is the Chairman of the Nomination and Remuneration committee who is knowledgeable and has sufficient experience for the position with Ms. Tresarun Sitakalin, the Corporate Secretary, as the secretary for the Nomination and Remuneration committee.



The scope of authority, duties and responsibilities of the Nomination and Compensation committee

• Human Resources

With respect to the Directors

1. Specify appropriate qualifications of the Directors, procedures, and criteria in nominating the Directors. Also, filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval. These must be done with clear, transparent, fair, and following the responsibility and the result of work in a way that is able to appeal and keep such qualified and potential directors with "the Company".

With respect to Chief Executive Officer and President

1. Specify appropriate qualifications, procedures and criteria in nominating the Chief Executive Officer and the President, including filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of the Chief Executive Officer and the President to propose for the shareholders' approval. These must be done with clear, transparent, fair, and following the responsibility and the result of work.
3. Set rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and the President for the Company's directors to approve.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Evaluate results of the performances of Chief Executive Officer and the President following criteria approved by the Company's directors and propose the pay scale and the criteria for the annual salary adjustment in accordance with the evaluation for the Company's directors to approve.
2. Set the succession planning for the positions of Chief Executive Officer and President for the Company's directors to approve.

• Others

1. Prepare a report of the Nomination and Remuneration Committee and include it in a section of the Company's annual report.
2. Review the rules of the Nomination and Remuneration Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Nomination and Remuneration Committee must propose them to the Company's Directors.
3. Conduct any other duties assigned by the Company's Directors.

The Nomination and Remuneration Committee reports directly to the Company's Directors. The Chairman and the members of the Nomination and Remuneration Committee's term in the positions is dependent to the term of the Company's Directors.

5. Corporate Governance Committee

The Corporate Governance Committee consists of at least three directors who does not participate in management of “the Company” and are independent directors in majority. The Chairman of the Corporate Governance Committee must be independent director. The Corporate Governance Committee consisted of two independent directors and a Company’s Director who isn’t involved as a management, or the total of three persons as follows.

No.	Name of The Corporate Governance Committee	Positions
1	Mr. Somboon Kitiyansub	Chairman of the Corporate Governance committee
2	Mrs. Ariya Prasarttong-Osoth	Member of the Corporate Governance committee
3	Mr. Saharatna Benyakul	Member of the Corporate Governance committee

Mr. Somboon Kitiyansub is the Chairman of the Corporate Governance committee who is knowledgeable and has sufficient experience for the position with Mr. Danusorn Chucherdwattanasak, Assistant Corporate Secretary, as the secretary for the Corporate Governance committee.

The scope of authority, duties and responsibilities of the Nomination and Compensation committee

• Policy and Governance

1. Stipulate the corporate governance policy and direction of appropriate practice including ethical rules and business integrity pursuant to the rule of law, criteria, regulations, business direction, standard, and restrictions to be in line with those of the offices in charge of governing the listed companies for examples, the Stock Exchange of Thailand, The Securities and Exchange Commission, Thailand and of any institutes or organizations widely recognized in both Thailand and internationally for good Corporate Governance. This is to support, and strategize business towards a successful goal of the Company upon commercial and social sustainability. This includes the revision of policy, business direction, and regulations to be up-to-date and current for an efficient implementation.
2. Supervise, follow up, and evaluate the business to ensure that the Company and its personnel including the stakeholders practice or run the business according to the policy and the direction or all regulations as well as giving advice or opinions to improve or alleviate the work in accordance with the corporate governance.

• Human Resources

Consider and approve as well as giving opinions or advices on the performance evaluation of the Company's Directors, the Chief Executive Officer, and the Vice President – Corporate Governance.

• Others

1. Promote the knowledge dissemination, understanding and confidence in the corporate governance system to the employees of the company and the subsidiaries.
2. Support, advise, and recommend the Company in preparing to be evaluated or placed in ranking of the corporate governance.
3. Prepare a report of the Corporate Governance Committee and include it in a section of the Company's annual report.
4. Review the rules of the Corporate Governance Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Corporate Governance Committee must propose them to the Company's Directors.
5. Conduct any other duties assigned by the Company's Directors.

The Corporate Governance Committee reports directly to the Company's Directors. The Chairman and the members of the Corporate Governance Committee's term in the positions is dependent to the term of the Company's Directors.

Executive Officers

As of December 31, 2020, our executive officers consist of 17 members as follows:

No.	Names of Executive Officers	Positions
1	Mr. Puttipong Prasarttong-Osoth	Chief Executive Officer President Senior Vice President - Commercial Vice President - Human Resources
2	Mr. Pradit Theekakul	Executive Vice President - Corporate Administration and Business Development Acting Vice President - Administration Senior Director - Office of Chief Executive Officer
3	Mr. Anawat Leelawatwatana	Senior Vice President - Finance and Accounting Vice President – Finance Vice President - Accounting
4	Mr. Chirstophe Clarenc	Senior Vice President - Maintenance & Engineering
5	Mr.Nijjapat Piyapant	Vice President – Airport
6	Mr.Pairoch Chantasilp	Vice President - Internal Audit
7	AM.Dechit Chareonwong	Senior Vice President - Operations Vice President – Flight Operations
8	Mr. Prote Setsuwan ⁽¹⁾	Vice President - Business Development
9	Ms.Aninya Nateprapai	Vice President - Business Development
10	Ms.Chanthip Thongkanya	Vice President-Office of President Director-Corporate Quality
11	Mr.Varong Israsena Na Ayudhya ⁽²⁾	Vice President - Marketing
12	Ms. Poonsuk Teerawanichphol	Vice President - Management Accounting
13	Mr.Tongsook Chompoonuch	Vice President - Maintenance
14	Ms.Tresarun Sitakalin	Vice President - Corporate Secretary
15	Ms. Amornrat Kongsawat	Vice President - Network and Product Development
16	Mr. Chulin Kocharoen ⁽³⁾	Vice President – Sales Acting Vice President - Marketing
17	Ms.Siriporn Noochan ⁽⁴⁾	Acting Vice President - Ground and Cargo Operations

Remarks:

- (1) Mr. Prote Setsuwan was resigned on August 1st, 2020.
- (2) Mr.Varong Israsena Na Ayudhya was resigned on August 1st, 2020.
- (3) Mr. Chulin Kocharoen was appointed on Acting Vice President - Marketing on August 1st, 2020 replacing Mr. Varong Israsena Na Ayudhya who resign.
- (4) Ms.Siriporn Noochan was appointed to the Acting Vice President - Ground and Cargo Operations on September 1st, 2020

Scope of Authorities, Duties and Responsibilities of Chief Executive Officer

Scope of Authorities, Duties and Responsibilities of Chief Executive Officer can be outlined as follows:

• Policies and Governance

1. Jointly with the Executive Committee, supervise the determination of vision, business direction, policies, and strategies of the Company
2. Communicate vision, business direction, policies, and strategies of the Company as approved by the Board of Directors to senior executives of the Company as the outline in preparing work plans and managing business of each unit.
3. Ensure that the Company put in place business plan, annual budget plan, investment plan and Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies. Consider such plans as propose for the Executive Committee's consideration
4. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company in order to achieve the targeted performances, in terms of both monetary and non-monetary.
5. Supervise the management of the Company to be transparent.

• Financial

1. Approve expenses incurred according to the business approved by the Board of Directors, the Executive Committee and according to the authorization.

• Internal Control, Internal Audit and Risk Management

1. Ensure that the Company has an appropriate operational system for internal control according to guidelines assigned from the Executive Committee and/or the Audit Committee.
2. Ensure that the Company has an appropriate system for the management and control of risks according to guidelines assigned from the Executive Committee and/or the Audit Committee.

• Human Resources

Supervise the management of human resources of the Company in general.

• Communication with the Shareholders

1. Acting as the Company's representative in communicating with the shareholders.
2. Encourage the Board of Directors in providing regular and appropriate communication channels with the shareholders. Provide transparent disclosure according to standards.

- **Relationship with Third Parties**

Acting as the Company's representative in relation to public relation, particularly building networking and promoting the Company's good image nationally and internationally.

- **Others**

Perform other duties as assigned by the Executive Committee

The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

Scope of Authorities, Duties and Responsibilities of President

Scope of authorities, duties and responsibilities of President can be laid out as follows:

1. Determine vision, mission, objectives, goals of the Company in determining the business direction in order to create a clear outline for everyone in the Company to comply systematically, and in the same direction.
2. Ensure that the Company conducts its business with integrity on the basis of rules, regulations and laws concerning transparency, and that the operation is accountable and fair to the shareholders, customers and all related parties.
3. Monitor and supervise results of operation and business performance and report to the Board of Directors and shareholders in order to estimate the tendency and determine the business direction.
4. Set policies in order to set managerial capability of the management for the preparation of the Company's personnel development, with an aim to the Company's survival and sustainable growth.
5. Determine long-term growth course to be ready for changes that might occur from economic environment and competitors to enhance the Company's effectiveness and potential in competing.
6. Manage command, control and monitor the performance of the supervisees.
7. Manage the business under ethics and good governance, while being responsible to society and environment in both short-term and long-term, which will lead to sustainable development.
8. Perform other duties as assigned by the Board of Directors.

The President or the authorized persons by the President shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

- **Table of Authority**

The Company's Board of Directors determined that certain transactions such as the annual investment budget, the proposal of annual expense budget, the approval of interim urgently required projects or assets exceeding THB 100.0 million, the approval of out-of-budget expenses exceeding THB100.0 million, the procurement, purchase and long term lease of aircraft and entering into agreements or transactions with related party on terms out of the ordinary course and the investment in business or securities for value of more than THB500,000,000, require approval from the Board of Directors.

Our executive directors are required to present to our Board of Directors, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

- **Nomination and Appointment of the Board of Directors and Senior Executive Officers**

- 1. Independent Directors**

Qualifications of Independent Directors shall be as prescribed by the relevant Notification of the Capital Market Supervisory Board which can be summarized as follows:

1. Holding not exceeding 1% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, or person who may have conflict of interest or controlling person of the Company, inclusive of the shares held by any related person of such independent director (related person shall mean person pursuant to Section 258 of the Securities and Exchange Act.);
2. Not being, nor having been, a director who participates in the management, an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, its subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company, unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission. However, such prohibition shall not apply in the case where such independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company.
3. Not being a person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its executive officers, its major shareholder, its controlling person or the person who will be nominated to take up the position of director or executive officer or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct his independent judgment. Additionally, not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission.
5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person of the Company, major shareholder or controlling person or the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the SEC;

6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being major shareholder or controlling person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the SEC;
7. Not being a director nominated to be a representative of a director of the Company, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and is in competition with the business of the Company or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

2. Directors and Executive Officers of the Company

The Nominating & Remuneration Committee shall set a criteria for selection of directors and executives of the Company pursuant to policies on Good Corporate Governance as specified by the Stock Exchange of Thailand with transparency as per the Corporate Governance principle.

If there is a vacancy or a need for additional member in the Board of Directors, the Nominating & Remuneration Committee shall convene to jointly propose nominees to request an appointment for the vacant or additional position to the Board of Director Committee by considering the appropriate knowledge, capabilities and business-related experiences that will be beneficial for the Company. The selected directors for the Company shall meet all the legal requirements according to Section 68 of the Public Company Limited B.E. 2535 (as amended) and the Notification of the Securities and Exchange Commission, and shall not fall within prohibited characteristic under the Securities and Exchange Act and relevant regulations. After the Board of Directors' Meeting comes to a decision, the selected nominee will be proposed to the shareholders' meeting for consideration (in a case-to-case basis).

The composition, appointment and withdrawal of the Board of Directors of the Company shall be as prescribed by the Article of Association which can be summarized as follows:

1. The Board of Directors of the Company shall consist of at least five directors to conduct the business of the Company. Not less than one half of all directors shall have residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote at the shareholders' meeting in accordance with the following conditions and procedures:
 - (1) One ("1") share represents one ("1") vote. Each shareholder shall exercise all of his voting rights to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes to any nominated director in any number;
 - (2) Each shareholder shall vote to elect directors on an individual basis;
 - (3) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third

must retire from the office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. The retiring directors are eligible for re-election.

4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The shareholders' meeting may pass a resolution to remove any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

3. Audit Committee

The Company's Board of Directors shall appoint at least three members of Audit Committee from independent directors whose qualifications meet the requirements per the Notification of the Capital Market Supervisory Board and the Stock exchange of Thailand. A member of the Audit Committee will have to be qualified pursuant to requirements per the Notification of the Capital Market Supervisory Board including the followings

1. Not being a director authorized by the Board of Directors to make any decision in the business operation of the Company, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or person who may have conflict of interest of the Company;
2. Not being a director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company;
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member;
4. Must not be an Audit Committee member of a listed companies which in the same business or industry with the Company, and shall not be an Audit Committee member in other listed companies in the Stock Exchange of Thailand more than 5 companies, which may result in lack of performance in some companies.

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements of the Company.

• Supervision of Subsidiaries and Associated Companies

The Company will supervise the operation of subsidiaries and associated companies as follows

1. Appoint the Company's director or executives who have qualifications and experience suitable for that particular business which approved by the Company's Board of Directors to represent the Company on the Board of Directors of the subsidiaries and associated companies. Duties of such representative is in determining the policy and supervise the operation of business of the subsidiaries and associated companies as assigned by the Company's Board of Directors.
2. Procure the subsidiaries to set the policies on entering into transactions between the subsidiaries and connected persons, and policies on the entering into acquisition and disposition of assets to be in compliance with relevant laws, regulations, notifications, rules, circulars by the Securities and Exchange Commission.
3. Procure the subsidiaries to prepare financial report to show financial status and operation performance on the basis of correct, complete, and sufficient accounting information pursuant to generally acceptable accounting standard, as well as report on related party transaction between subsidiaries and persons who may have conflict of interest, including acquisition and disposition of assets of such subsidiaries, and report to the Company's Board of Directors' at least four times a year.

4. Procure the subsidiaries which perform core business to set up an Internal Audit Unit or internal auditor from outsource to prepare work plan for conducting internal audit of such subsidiaries annually, and audit as per annual work plan which is approved by the Company's Audit Committee. The Company shall procure the subsidiaries to have report of monitoring and suggestion relating to internal control system on its sufficiency, and to procure that its employees, executives and directors of the subsidiaries have performed in accordance with internal control policy and report to the Board of Directors of the subsidiaries regularly.

• The Use of Internal Information

The Company has set the policy and procedure for the directors and executives in using the inside information that has not been made public for personal interest as follows:

1. Educate the directors and executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act
2. The directors and executives of the Company, along with their spouses, and their minor children shall prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of the Company's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, and copies of such reports shall be submitted to the Company on the same day as submitted to the Securities and Exchange Commission
3. Directors, executives and employees of the Company and its subsidiaries, who have an access of any material inside information that can affect price of stocks, shall take precaution in trading of the Company's securities within 30 days before the financial statements or such inside information are disclosed to the public and within 24 hours after the said information is made available to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand.
4. Directors, executives and employees of the Company shall not use any inside information received from their positions, that can affect price of the Company's securities and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other shares or securities (if any) of the Company, directly or indirectly, which may cause any damage to the Company directly or indirectly, regardless for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

• Auditor Fee

In the fiscal year ending December 31, 2020, the Company has paid the audit fee to Rungnapa Lertsuwankul from EY Office Limited for the audit of the financial statement in the amount of Baht 4.7 million excluding other service fees.

The Meetings of the Board of Directors

• Board of Director's Meetings In 2020

The Company set up a monthly meeting on the fourth Thursday for the Directors. The meeting schedule is announced annually and informed to each Director in advance prior each meeting. This, however, doesn't include any special agenda meetings.

In 2020, the Company set up 8 meetings of the Board of Directors and sub-committees with the details as follows:

Names of Directors	Board of directors	Audit Committee	Nomination & Compensation Committee	Corporate Governance Committee	Annual General Meeting of Shareholders 2020 ⁽¹⁾
	(Total 10 Directors) Total 8 times / year	((Total 3 Directors) Total 5 times / year	(Total 3 Directors) Total 1 times / year	(Total 3 Directors) Total 1 times / year	(Total 10 Directors) Total 1 times / year
1. Air Chief Marshal Kaset Rochananil	8/8	-	-	-	1/1
2. Mr. Puttipong Prasarttong-Osoth	8/8	-	-	-	1/1
3. Pol.Gen.Visanu Prasattongosoth	8/8	-	-	-	1/1
4. Mr. Pradit Theekakul	8/8	-	-	-	1/1
5. Mr. Sripop Sarasas	8/8	5/5	1/1	-	1/1
6. Mr. Saharatna Benyakul	8/8	5/5	-	1/1	1/1
7. Mrs. Narumol Noi-am	8/8	-	-	-	1/1
8. Mrs. Ariya Prasarttong-Osoth	8/8	-	1/1	1/1	1/1
9. Mr. Anawat Leelawatwatana	8/8	-	-	-	1/1
10. Mr. Somboon Kittiyansub	8/8	5/5	1/1	1/1	1/1

Remark :

(1) The annual general meeting of shareholders was held on July 3, 2020

• The Performance Evaluation for the Directors

The Company has a policy for the Directors and the Sub Committee to evaluate their performances at least once every year. This policy is aimed to enable them to review their past works, issues and any obstacles during the past year, while also increase their work efficiency in accordance to the good corporate governance principle.

The evaluation is carried out in the following dimensions namely 1) Structure and Qualifications of the Directors 2) Role, Task, and Responsibility 3) The Directors' Performance during Meetings and on Duty 4) The Directors' Self-Development and The Executive Development.

The evaluation procedures for the Directors and the Sub Committee are as follows.

1. The Company's Secretary will distribute the Director's Performance Evaluation Form for all Directors to fill out as they must evaluate their annual performance as both the Committee and the Sub Committee. Upon completion, they must turn around the form back to the Company's Secretary.
2. The evaluation scores will be analyzed basing on their annual performance. The evaluation conclusion will subsequently be reported back to them to consider as to how to achieve the aforementioned goals.

• The Corporate Secretary

The Company's Board of Directors appointed Ms. Tresarun Sitakalin as the Company's Corporate Secretary since January 28th, 2016, The Corporate Secretary's main duties and responsibilities are as follows:

1. Provide advice and recommendations to the Board of Directors in ensuring that its duties and responsibilities are in compliance with laws and regulations of the companies listed on Stock Exchange of Thailand, the Securities and Exchange Commission and relevant regulators.
2. Provide orientation sessions for new directors to explain the nature of the business, operating results, corporate plans, major investment projects, roles and responsibilities of the directors according to the corporate governance principles for companies listed on the Stock Exchange of Thailand and government regulators.
3. Annually inform the Board of Directors of the assessments, roles and responsibilities of the Board of Directors as advised by the Thai Institute of Directors and State Enterprise Policy Office.
4. Communicate information between the Company's and subsidiaries' directors in an effective manner and in compliance with the laws and regulations of the Stock Exchange of Thailand, the Capital Market Committee, the Securities and Exchange Commission, as well as relevant regulations and resolutions of the shareholders' meetings.
5. Coordinate and collect information from the management covering finance, budget, risk management, internal control, internal audit and report to the Board of Directors every quarter.
6. Prepare and compile personnel records of directors.
7. Retain complete records of policies and regulations of the Company that have been approved by the Board of Directors along with supporting documents and minutes for the Board Meetings.
8. Prepare and keep the shareholders' letters of invitation, supporting documents, and minutes of meetings with complete information within the timeframe of the law.
9. Maintain conflict of interest reports submitted by directors and executives.
10. Supervise and be responsible for the preparation and maintenance of annual statements (Form 56-1) and annual reports (Form 56-2).
11. Ensure that information is disclosed and reported to the regulatory agencies.
12. Support the directors in proceeding in line with good corporate governance practices of listed companies according to Good Corporate Governance Guidelines for Listed Companies (2012) of the Stock Exchange of Thailand and ASEAN CG Scoreboard. This includes director training courses, annual self-assessment of the Board of Directors and reporting assessments to the Board of Directors to acknowledge and consider for further implementation of the operating development plan.
13. Carry out other missions as assigned by the Board of Directors.

• Compensation of Directors and Executive Officers

1. Monetary Compensation

- Remuneration of Directors

In 2020, the total remuneration paid to our 10 directors was THB 22.25 million, which was paid in the form of meeting allowance and annual returns with the following details:

Names of Board of Directors and Positions	Remuneration	Allowance					Total Remuneration as Directors In 2020 (Million Baht)
		Board of Directors	Committee Executive	Committee Corporate	Governance Committee	Nomination & Remuneration Committee	
1. Air Chief Marshal Kaset Rochananil Chairman / Independent Director	3,000,000.00	780,000.00	-	-	-	-	3.78
2. Mr. Sripop Sarasas Director / Independent Director / Chairman of The Audit Committee / Chairman of Nomination and Remuneration	1,322,222.22	390,000.00	255,000.00	-	-	45,000.00	2.01
3. Mr. Saharatna Benyakul Director / Independent Director / Member of Audit Committee / Member of Corporate Governance Committee	1,322,222.22	390,000.00	170,000.00	-	22,500.00	-	1.90
4. Mr. Somboon Kittiyansub Director / Independent Director / Chairman of Corporate Governance Committee / Member of Nomination and Remuneration / Member of The Audit Committee	1,322,222.22	390,000.00	170,000.00	-	33,750.00	30,000.00	1.95
5. Pol.Lt.Gen.Visanu Prasattongosoth Director	1,322,222.22	390,000.00	-	-	-	-	1.71
6. Mrs. Narumol Noi-am Director	1,322,222.22	390,000.00	-	-	-	-	1.71
7. Mrs. Ariya Prasarttong-Osoth Director / Member of Corporate Governance Committee / Member of Nomination and Remuneration	1,322,222.22	390,000.00	-	-	22,500.00	30,000.00	1.76
8. Mr. Anawat Leelawatwatana Director / Member of Executive Director	1,322,222.22	390,000.00	-	570,000.00	-	-	2.28
9. Mr. Puttipong Prasarttong-Osoth Vice Chairman / Chairman of Executive Director /Chief Executive Officer / President	1,322,222.22	390,000.00	-	1,140,000.00	-	-	2.85
10. Mr. Pradit Theekakul Director / Member of Executive Director	1,322,222.22	390,000.00	-	570,000.00	-	-	2.28
Total	14,900,000.00	4,290,000.00	595,000.00	2,280,000.00	78,750.00	105,000.00	22.25

22,248,750.00

- Remuneration of Executive Officers

In 2020, the total remuneration paid to the chairman of the Executive Committee, the President and our 17 executive officers of was approximately THB 89.7 million, which was paid in the form of salary, bonus and other remunerations.

2. Non-monetary Remuneration

Other benefits provided to the Company's directors are detailed and conditioned as follows:

- A director is entitled to benefit of the medical treatment expense in the amount for each director not exceeding THB 1,000,000 per year and in total not exceeding THB 2,000,000 during his term.
- A Director and one follower are entitled to the Company's airplane tickets for not exceeding 24 airplane tickets per year.
- When flight schedule is available, a director is entitled to use the Company's aircrafts of not exceeding 100 hours per year for the activities of the Company and/or of the Board of Directors and/or the directors and such activities are beneficial to the Company; or promote the image of the Company or promote the Company's business; or for public interest, corporate social responsibility and other special missions.
- The Company shall provide the Directors and Officers Liabilities Insurance for the benefits of the directors and managements of the Company



In 2020 Nomination and Remuneration Committee performed duties under restriction from impact of COVID-19 pandemic, with emphasis on holding meetings, discussions and communication through appropriate channels. Significant actions taken relating to nomination and remuneration can be summarized as follows:

- (a) Appointment of directors to replace those retired by rotation, gathered diverse data to support consideration of candidates based on their qualifications, knowledge, caliber, experience and expertise in commercial aviation and related businesses. Leadership skill, business vision, positive attitude and determination on organizational development were also taken into consideration as they contribute to operation of sustainable business, in line with environment of aviation industry and competitive environment of commercial aviation business.
- (b) Determination of remuneration for Board of Directors and sub committees by consideration of suitability to role and responsibility, result of performance, overall operation result, environment of company business and other significant factors effective to the company, commercial aviation business or overall economic situation. Then compared with other companies in the same type of industry with reference to evaluation result of the Board, to ensure the remuneration is suitable, transparent and verifiable. Remuneration of the Board and senior management is disclosed in this edition of annual report.
- (c) Conducted annual evaluation of Chief Executive Officer and the President with recommendations for development and improvement of performance in 2020.
- (d) Considered 2020 operation result to support proposal for payment of bonus, salary increment for Chief Executive Officer and the President.

Regarding Annual General Meeting of Shareholders 2020, Board of Directors of Bangkok Airways Public Company Limited provided opportunities for shareholders to propose names of individual to be selected and appointed as directors but no shareholder had proposed any name to be included in the nomination process.



(Mr. Sripop Sarasas)

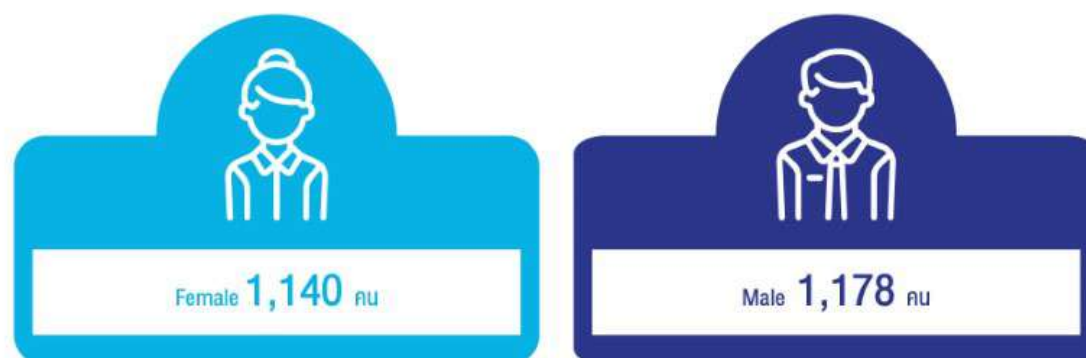
Chairman, Nomination and Remuneration Committee
Bangkok Airways Public Company Limited

Employees Overview

- General information

As of December 31, 2020, the Company had 2,318 employees as follows:

By Gender



By Level

Positon	Officer	Supervisor	Manager	Director	VP	S/E VP	CEO
Number of employees December 31, 2020	1,373	335	545	47	12	5	1
Total 2,318							

The company must hire highly-skilled, dedicated and efficient pilots, engineers and other personnel. Our growth plans will require us to hire, train and retain a significant number of new employees in the future. We recognize the need to ensure continuity in our management in order to maintain our edge over our competitors. Our directors believe that our continued success depends, among other the factors, on the support and dedication of our management personnel. We have put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment and a succession plan.

The Company strives on creating motivation to keep the employees to stay with the Company be offering appropriate remuneration through work evaluation. This includes heightening their skills through trainings. The Company encourages to attend meetings and trainings constantly in order to be equipped with relevant skills and calibers. Also, on-job trainings is another important approach to pass on knowledge from the experienced employees to the new recruits or those of entry levels. Investing in human resource helps increase the caliber of employees. These skill development will gradually prepare the mid and entry levels employees to be able to handle the responsibilities of the high-levelled executives in the future.



- **The Provident Fund**

The Company has set up a Provident Fund on January 1st, 1999 with the Siam Commercial Asset Management Co., Ltd. with an objective to promote long term saving for the employees and forming up security for the employees and their families in case of having to leave the Company, retiring, or passing away. Besides, the Provident Fund is a motive for the employees to remain with the Company for a long period of time which creates a bond between the employees and subsequently helps with work efficiency. On December 14th, 2000; the Company appointed the Mutual Fund Public Company Limited, which later on changed its name to the MFC Asset Management Public Company Limited; as a provident fund asset management company. The Company contributes 3-8% of the employees' salaries into the provident fund and employees pay the fund to accumulate at the rate of 3-15% of the employees' salaries.

Name	Shares volume on 13/3/2019	Shares volume on 11/6/2020	Change of shares volume
1. Air Chief Marshal Kaset Rochananil	700,000	700,000	-
2. Mr. Puttipong Prasarttong-Osoth	523,387,900	523,387,900	-
3. Pol.Gen.Visanu Prasattongosoth	300,000	300,000	-
4. Mr.Sripop Sarasas	-	-	-
5. Mrs. Narumol Noi-am	350,000	350,000	-
6. Mr. Pradit Theekakul	9,000,000	9,000,000	-
7. Mr. Anawat Leelawatwatana	293,000	293,000	-
8. Mr. Saharat Benyakul	-	-	-
9. Mrs. Ariya Prasarttong-Osoth	243,440,900	243,440,900	-
10. Mr.Somboon Kittiyansub	-	-	-
11. AM.Dechit Chareonwong	-	-	-
12. Mr.Christophe Clarenc	36,900	36,900	-
13. Mr.Nijjapat Piyapant	5,000	5,000	-
14. Ms.Tresarun Sitakalin	31,500	31,500	-
15. Ms. Aninya Nateprapai	2,600	2,600	-
16. Mrs.Chanthip Thongkanya	-	-	-
17. Ms. Poonsuk Teerawanichphol	-	-	-
18. Mr.Tongsook Chompoonuch	-	-	-
19. Mr. Pairoch Chantasilp	-	-	-
20. Ms.Amornrat Kongsawat	9,800	9,800	-
21. Mr.Chulin Kocharoen	-	-	-

Remark:

(1) This table shows shares volume comparison on the book closing day in preparation of the 2019 and 2020 annual reports.



Shareholder

As of June 11th, 2020, the company's top ten shareholders are:

Names of Shareholders	As of June 11 th , 2020	
	Number of shares	%
1. Puttipong Prasarttong-Osoth and Spouse	523,387,900	24.92
2. Ariya Prasarttong-Osoth	243,440,900	11.59
3. Prasert Prasarttong-Osoth	238,942,000	11.38
4. Poramaporn Prasarttong-Osoth	136,250,000	6.49
5. Bangkok Bank Public Company Limited	105,000,000	5.00
6. Somruthai Prasarttong-Osoth	77,542,900	3.69
7. Sahakol Estate Co., Ltd. ⁽¹⁾	63,934,400	3.04
8. Thai NVDR Co., Ltd.	64,301,671	3.06
9. Bualuang Long-term Equity Fund	57,918,100	2.76
10. Bangkok Airways Public Company Limited	40,000,000	1.90

Remark:

(1) Sahakol Estate Co., Ltd. is a wholly owned company by Prasarttong-Osoth family.

The board of directors of the Company or the subsidiaries may consider the dividend payment to the shareholders as per the following policies

1. Dividend Policies of the Company

The Company has a policy to pay dividends at the rate of not less than 50.0% of the Company's separate net profits after deducting corporate income tax and other reserve funds as required by law and our Articles of Association. However, our dividend payment policy may be subject to changes, depending on the business expansion and our demand in use of funds in each year, as necessary and suitable, as our board of directors deems appropriate, subject to our shareholders' approval. For the payment of interim dividends, our board of directors may approve to pay the interim dividends from time to time when our board of directors views that the Company has sufficient net profits to do so.

2. Dividend Policies of Subsidiaries

Dividend payments by each of our subsidiaries is subject to shareholders' approval in accordance with such subsidiary's respective board of directors' recommendation. The following factors are taken into account when considering dividend payment: the results of operation, liquidity, cash flows and financial status of each subsidiary, conditions and limitations of the dividend payment as provided in the relevant loan agreements, debentures or other related agreements with which each subsidiary must comply, future business plans, investment capital requirement and other factors as deemed appropriate by such subsidiary's board of directors.

The Company upholds and complies with the principles of good corporate governance in operating the Company's business by the directors, management and employees; and considers that the principles of good corporate governance is an essential factor to support the overall achievement of the Company as the organization responsible for the society. The Company's policies on corporate governance will comply with the guideline on good corporate governance in accordance with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand. The details of the policies on Good Corporate Governance are as follows:

- **Good Corporate Governance**

The policies on Corporate Governance complies with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand, which is a guideline in preparing the policies on corporate governance of listed companies in accordance with the

principles of corporate governance of the Organization for Economic Co-operation and Development (OECD) and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) that comprise five following topics.

1 Shareholder's rights

Principle : The shareholders have the rights in an ownership of "The Company", hence "The Company" should encourage the shareholders to exercise their rights.

Good practice : "The Company" realizes an importance of rights exercise by the shareholders and wouldn't engage in any actions deemed violating, limiting, or depriving the shareholders' rights. On the other hand, "The Company" would foster and facilitate all groups of shareholders to meet and constantly exercise their rights on different issues for the benefits of "The Company" and the shareholders themselves.

The shareholders' rights don't merely include the rights in trading, selling, or transferring shares; but they also include the rights to receive the dividends, the rights in obtaining news and important notifications about the business or that may have any effects on the business, the rights in attending the shareholders' meetings and voting on any matters.

2 Equal treatment to shareholders

Principle : Every shareholder should be equally treated and subject to fair treatment.

Good practice : “The Company” will govern on equal and fair treatment to all groups, including the major and minor shareholders, by assigning directions and instructing equal approach on information disclosure; giving an opportunity to the minor shareholders to propose or consider any matters during the shareholders’ meetings. For examples, the nomination of candidates by minor shareholders can be done in advance or allowing minor shareholders to propose any agenda item and on screening those proposed by them. This includes assigning preventive measures against abusive self-dealing, or an exploitation of internal information for own benefit which may render illicit effects to all other shareholders such as insider trading. “The Company” also assigned the directors and management to disclose the information relating to the interests of the directors, management and related party to eliminate any conflict of interests. The directors and/or the management who are bound to such tendency aren’t allowed to consider, give any opinion, or continue with such conflict through any transaction. Moreover, “The Company” will constantly organize activities to create good relations among the shareholders and between the shareholders and “The Company”.

3 Stakeholder’s roles

Principle : The stakeholders should be taken care of by “The Company” through the rights of relevant laws. “The Company” should have a mechanism or procedures to promote collaboration between “the Company” and the stakeholders.

Good practice : “The Company” sets policy for decent and fair treatment to each stakeholder group by considering their rights either by the rule of law, commercial agreement or by the mission that they have with “The Company”. Meanwhile, “the Company” will develop a mechanism of stakeholder’s participation including any collaborations with “the Company” to support the business in a viable and sustainable manner.

Moreover, “the Company” already has the corporate social responsibility policy in place. This policy is based on the social and environmental factors which relate directly to the business.

To achieve the objective of this practice; the key stakeholders are the clients, business partners, employees, shareholders, investors, creditors, community, social units, government sector, business competitors, etc.

4 Disclosure and transparency

Principle : “The Company” should conform to a disclosure of key relevant information of “the Company” in a correct, complete, timely, and transparent manner through channels which are equally accessible and reliable.

Good practice : “The Company” realizes and emphasizes on the information quality. This includes the correct disclosure that is done in a complete, timely, and transparent manner through channels which are equally accessible and reliable. “The Company” has the policy to disclose both financial and non-financial information sufficiently, reliably, timely, and currently. The information that is disclosed must be thoroughly prepared, clear, precise, auditable, and using language that is concise and easy to understand. Such disclosure must be carried out regularly by presenting both positive and negative points, and conforming to rules, laws, relevant government sector’s regulations, and “the Company’s” regulations.



5 Responsibility of the Board of Directors

Principle : The Board of Directors plays a key role in supervising business towards the highest benefit of “the Company”. They are responsible for their roles to the shareholders and independent from the management.

Good practice : The Board of Directors consists of directors who obtain various work experiences, skills, and expertise in particular fields which contribute benefits to the business of “the Company”.

The Directors are to perform their duties with integrity, carefulness, and meticulousness; while consider the highest benefits for “the Company” and to the shareholders as a whole. All Directors are prompt to devote time to perform their duties that they are responsible for to the most of their capacity. It’s also a duty for the Directors to attend every Board’s meeting unless when there’s an appropriate reason for their absence.

The Board of Directors must set the vision, business direction, and strategies which are clear and practical along with the regulation and monitoring procedures, including an efficient evaluation procedures on the management work. All directors understand their duties and responsibilities as well as the nature of the business very well. They are prompt to independently share their opinions and ready to cope with any changes as it’s prone to occur from time to time.

The Board of Directors will distinctly assign roles and responsibilities between the Board of Directors and the executive management while also regulate “the Company” to have a certain work flow that can be assured as lawful and ethical.

“The Company” has the Director selection process in place for consideration at the shareholders’ meeting. This must be done transparently, and without any domination of the shareholders who has rights to control or belong to the executive management team. The Directors are not allowed to stipulate their own remuneration which is considered their direct interest. On the other hand, there must be certain procedures to set appropriate remunerations that are transparent and without any dominations of any particular individual or party.

Corporate Governance Committee of Bangkok Airways Public Company Limited consists of three non-executive directors, chaired by an independent director.

In 2020, Nomination and Remuneration Committee carried out duties to monitor performance, set governance policy and guideline, ensured implementation of work according to policy set by the Board, and operation of the business complies with corporate good governance principles, as summarized below:

- Reviewed, advised and monitored performance pursuant to continuing Corporate Good Governance Plan, with objective to support international corporate governance principles. The Committee also improved and developed guideline to promote and support performance in consistence with corporate good governance principle.
- Reviewed, improved measures and advised working group pursuant to General Data Protection Regulations – GDPR and Personal Data Protection Act B.E. 2562, effective on 27 May 2020. The Committee also advised Information Security working group to ensure operation of company business complies and consistent with International Personal Data Protection Measure and law on Security of the Company Information Technology Systems, and reassured that the Company has the ability to operate business fully and correctly according to the law, which would mitigate risks from actions considered as violation of above mentioned laws.

- Considered evaluation result according to corporate good governance practice and Corporate Governance Survey of Thai Listed Companies Project 2020, organized by Thai Institute of Directors Association. The evaluation result and recommendations were analyzed to determine frame work and guideline and proposed to the Board for consideration.

Corporate Governance Committee maintained its commitment to perform duties under restriction of impact from COVID-19 pandemic, with emphasis on using suitable communication channels to hold meetings, discussions and to communicate in order to implement operation of Company business according to the policy and Corporate Good Governance Principle pursuant to international standard. The Committee also arranged systematic checks, supervision, performance evaluation and operation of the business to support performance of duties by the Board with a view to ensure efficiency of operation, continual development and sustainable growth of the business.



(Mr. Somboon Kittiyanasub)

Chairman, Corporate Governance Committee
Bangkok Airways Public Company Limited

In 2010, the unpredictable economic, social and environmental situations, particularly the COVID-19 pandemic, affected the Company and resulted in quick and continuous adjustments of policy in order to survive through the challenges and provide answers to stakeholders based on 7 items in [Corporate Social Responsibility Management Policy](#) to ensure efficient and sustainable implementation of social and environmental responsibilities and corporate governance.



In addition, as the trend to invest in sustainability is gaining strength, the Company increased its focus on development of Business Plan in 2021 by stressing the need to communicate to all divisions to implement environment, social and governance (ESG) factors in the work process more efficiently and effectively in order to improve the standard of report on sustainability.

The guideline to achieve corporate sustainability, apart from creating awareness among all staff, is to maintain the commitment to establish a **Happy and Healthy society** in communities around the airports and other routes operated by the airline, to ensure sustainable growth by the organization and the community at the same time. The strategy is to source knowledge and link into the community to improve standard of living of the local in 5 dimensions – economy, society, education, health care and environment. The **BLUE HEART – A Love to Share** concept is the response to the value and needs of the community with genuine sense of giving.

Sustainable Management of the Environment

Energy Management

At Samui Airport, Sukhothai Airport and Trat Airport

Airports Department implemented energy management practices according to Energy Conservation Promotion Act B.E. 2535 (amended B.E.2550) by utilizing Energy Management systems in all divisions in order to reduce cost of energy for the Company, national import of energy and impact on global warming. The Energy Conservation Policy contains guideline for all staff to be involved in management of energy in their own division for most efficient result.

Guideline on energy management contained in Energy Conservation Policy

1. Appropriate implementation and development of energy management system and imposed that Energy Conservation is part of operation at Samui Airport in accordance to related laws and requirements.
2. Continuous improvement of efficiency for utilization of company resources, suitable to existing technology and good practice.
3. Set annual plan and target for conservation of energy, communicate to all staff to ensure the plan is clearly understood and correctly implemented.
4. Airports Department considered that energy conservation is the duty and responsibility of all levels of management and each member of staff. They are required to cooperate by observation of imposed measures, monitor results and report to Energy Management Working Committee.
5. Provide necessary support for energy development work, training and involvement in presenting ideas. The support in terms of finance and manpower.
6. Management and Energy Management Working Committee to review and improve policy, target and energy action plan annually.

Electricity Reduction Plan

Airports Department developed a plan to reduce consumption of electricity by adopting energy saving measures as strategy and tool. Target had been set to reduce electricity consumption by 5 – 20% of total amount used during current year.

Waste and Pollution Management

Airports Department considered environmental policy as its main policy. Each airport is required to set action plans and measures based on this policy and set up Environment Working Committee for implementation according to the department's policy to ensure waste management complies with related laws, regulations and requirements; management of airport general waste and hazardous waste complies with laws on public health, dangerous goods, health and occupational safety; and ensure observation of Environmental Mitigation Measures and Monitoring Program. Therefore management at each airport formed Airport Working Committee for management of general waste and hazardous waste, and Airport Waste Management unit to set rules for adoption by all units concerned to ensure compliance with related measures.

Environmental Principle, Standard and Guideline (used for reference by the Company)

Guideline and methods for waste management adopted by Airports Department comply with Environmental Mitigation Measures and Monitoring Program.

Waste and pollution reduction plan

Waste reduction plan is adopted by all three airports with a view to reduce the volume of waste produced and delivered to the municipality for disposal by 30% from previous year and in 2020 set Waste Management System Development Plan and implemented with most effective and efficient result.

Management and mitigation of Green house effect

The Company developed flight operation measures to reduce air pollution by application of one-engine take off/landing technique to reduce noise, reduce fuel consumption and any effect on the community around the airports. Therefore flights are operated with minimal noise impact according to the context of each airport. Efficient implementation of fuel saving measure resulted in saving cost of aircraft fuel for the Company by more than 35 million Baht.

Social sustainability management

Personnel Development Policy

The Company supports and promotes continuous development of staff potential by providing internal and external training to all levels of management and staff including new staff, in line with Bangkok Airways' Training Development Framework that includes core value, core competency, leadership competency and functional competency. In addition, Functional or Specific Training is also provided to maintain standard of performance according to aviation industry requirements at national, regional and international levels and to help staff to gain appropriate knowledge and skills to enable them to perform duties according to standard, laws, rules, regulations and requirements of related aviation industry. Furthermore the annual General Training Plan also included new courses, such as Innovation, to respond to the organization's business policies and strategies.

In 2020, the Company launched personnel development plan in consistence with Preventive Measure of COVID-19 pandemic to enable management and staff to continuously develop their potential, knowledge and skills by adapting to different styles of training, in addition to internal training and class room training. Guidelines for personnel development by Multi-Platform Learning, as appropriate to the development objective and subject content, are as follows:

- Virtual Classroom via Microsoft Team. Instructors and students not required to meet in a room but are able to interact during the class. Students can communicate directly with instructors, ask and answer questions, by using microphone or chat box.
- Promote self-learning for management and staff via Learning Management System (LMS). They can search for online content developed by the Company at any time, any place via electronic devices such as computer note book, I-Pad, mobile phone. Evaluation is made by Online Quiz.
- In addition to online content developed internally, in 2020 the Company received support from SAP Thailand and Skill Soft institute, a world class Online Learning Company, allowing management and staff to access more than 5000 courses online and be certified by the institute on successful completion of the course such as Business Strategy and Digital Transformation, Management and Leadership Management, Project Management, Supervisory Skills, IT course and Customer Service. Universities and leading training institutes in Thailand and international aviation association also rendered support making it possible for management and staff to attend courses such as IATA-Distribution and Airline Retailing with NDC, Aviation Industry, Professional Accounting and Finance etc.

Proportion of Curriculum for Training Development of Management and Staff

Sorted by proportion of total training hours

With emphasis on continuous promotion of personnel development, the Company set policy to encourage staff to prepare Individual Development Plan (IDP) via SAP Success Factors: PG-HRC. Each year management and staff have to work together to prepare plan and identify methods for development e.g. internal company course, job rotation, self-learning, On the Job Training etc. After completing the course, at the end of the year, an individual assessment of staff with feed back from instructors is made. The assessment record is useful for preparation of IDP for the following year. By creating sustainable training culture, the Company demonstrated its commitment for continuous development of staff potential, promoting development of knowledge, skills and ability to perform professional duties with a view to become the best regional airline in Asia. Training and development of staff are made indiscriminately without prejudice of age or gender. Staff at all levels have opportunities to attend training courses as suitable to their positions according to career development plan, supporting personnel development drive and sustainability in operation of the business.

Overall Personnel Development statistics

Training hours per person per year



*Note: Reference of training records from PG-HRC as on 31 December 2020

Average training hours in 2020

Average training hours per person per year in 2020 (classified by level)



Average training hours per person per year (classified by gender)



Total training hours (classified by age)



Note: Reference age statistics from <https://en.wikipedia.org/wiki/Generation>

Responsibility towards customers

Customer Care services through Call Center is an important channel to facilitate customers wishing to contact the Company to ask for information on reservation and issuance of tickets, payments for tickets and fees or special services to Flyer Bonus members and other customers in general. The service is also provided through the telephone, e-mail and Live Chat.

In 2020, due to COVID-19 pandemic that affected airlines and other businesses worldwide, the government announced closure of border, cancellation of all international flights from 29 March 2020 and domestic flights from 7 April to 14 May 2020, Customer Care Division was responsible for answering telephone calls, responding to e-mail or chat box and taking care of customers affected by flight cancellation or route adjustment. On 1 June 2020 adjustments were made to reduce Call Center service hours from 24-hours to daily service from 08.00 to 20.00. Reservation and Ticketing services were also adjusted. Domestic Ticket Offices were opened at 9 stations - at Suvarnabhumi Airport, Samui Airport and Chawang Office, Chiang Airport and City Office, Phuket Airport and City Office, Krabi Airport, Haadyai Airport, Trat Airport, Sukhothai Airport and Lampang Airport – in consistence with total flights operated and flight frequency, so as to provide continuous service to customers affected by flight cancellation. Customer Care Division was also responsible for receiving and managing complaints by unsatisfied customers, suggesting solution to problems to close the case, enhancing customers satisfaction and coordination with Customer Service Division.

Other Ticket Offices in Thailand and abroad were temporarily closed because flights were cancelled and international border closed resulting from COVID situation.

Customer data protection

Customer Care Division is aware of safe-keeping of customer personal data. Therefore the Division set standard to strictly manage the data, set requirements and monitor procedure to ensure customers who contact the Company are real owners of data, defined eligibility of data access and period for data retention. All procedures are monitored regularly to ensure no leakage of data to external persons and complied with standards of Personal Data Protection Act.

Business Resilience Management

Business Resilience Management Division's main missions are to create and maintain the ability to adjust the organization in response to unexpected changes, crisis or emergencies related or unrelated to aircraft; the ability to ensure continuity of business according to legal requirements, rule, regulations of state agencies and related organizations; development of strategies, response process, preparedness, training and exercise for management and staff; preparation of necessary equipment. Two main functions under supervision are:

- **Emergency planning and Response Section** is responsible for management of crisis and emergency, particularly providing humanitarian assistance to victims of aviation disaster, passengers, flight crew and their families for own airline, partner airlines and other airlines with agreement on aviation incident. The Company developed and maintained Crisis & Emergency Response Manual, approved by Civil Aviation Authority of Thailand (CAAT). The Manual is current, complies with the law, requirements of the state and aviation organizations, both in Thailand and abroad. In addition the Company produced Personnel Development Plan for management and staff in relevant divisions to help them to gain knowledge and clear understanding of procedures for management of crisis and emergency.
- **Business Continuity Management (BCM) Section** is well aware of the importance and necessity of Business Continuity Management to ensure the Company can continue to operate business without disruption or with minimal impact. Therefore BCM is considered as key corporate culture, strictly observed by management and staff and BCM policy is reviewed, updated and revised. To ensure that the business can be resumed and recovered quickly after the crisis, the Company prepared Business Continuity Management Plan, Business Continuity Plan (BCP) and Business Impact Analysis (BIA).



Emergency Response Planning 2020

- **Corporate Crisis and Emergency Management Manual**

In 2020, Crisis and Emergency Management (CEM) Section revised and reviewed Crisis and Emergency Response Manual (CERM) twice to ensure that the manual is updated and complied with requirements, regulations and restrictions of state agencies including local and international aviation associations. The Manual has been approved by Civil Aviation Authority of Thailand.

- **Training and Exercise for management in Corporate CEM management team and officers handling emergencies at stations.**

In 2020 Online Training (New Normal) course and Table Top Emergency Exercise for company management team and staff based at stations were conducted in full according to scheduled plan.

- **Preparedness of Crisis Management Center and Equipment**

In order to handle any crisis that may happen, the Company set up 24-hours Crisis Management Center (CMC) and used as operation control center for corporate Crisis Management Team to issue orders and manage the situation. CM section is responsible for maintenance of CMC, checking readiness of the venue including all necessary tools and equipment.

- **Monitoring COVID-19 Pandemic situation**

Since the report of first case of COVID-19 infection in Thailand at the beginning of 2020, Crisis and Emergency Response Section regularly monitored the situation and coordinated with related division in the Company, made sure there is a ready process to handle the situation should an infected person travel on the Company flight. The process complies with WHO standard, practice of Department of Disease Control, Ministry of Public Health, announcement of Civil Aviation Authority of Thailand and practice of ICAO and IATA.

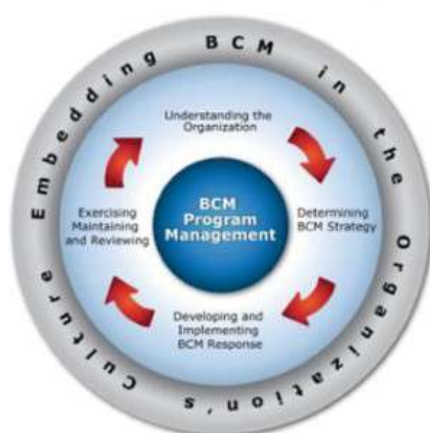


Business Continuity Management 2020

- **Business Continuity Management Policy**

Based on realization that it is important to be ready to respond to unpredictable crisis that can interrupt business operation, therefore in 2020 Business Continuity Management Division reviewed and revised Business Continuity Management Plan and submitted for approval. The objectives of the Plan, effective on 3 February 2020 are to ensure the Company can maintain continuity of operation or essential functions; to have in place a recovery and resumption process for return to normal within specific time frame; to minimize impact on company assets and personnel, image and reputation and to ensure frame work of Business Continuity Management complies with international standard.

- **Review and improvement of process in Business Continuity Management System**



In 2020 Business Continuity Section reviewed and improved Business Continuity Management process by analysis of internal risks in operation area and head office support, to find out what are the strength and weaknesses. Then identify external risks by analysis of threats and opportunities based on assessment by divisions concerned and situations that may have serious, positive or negative impact on the organization. Also analyzed global trend of disruption by specifying main risks and factors that may have long term or short term effect, in terms

of economy, social, environment and technology. All these are used for preparation of Strategic Plan and Business Continuity Management Plan. In addition there are other processes in consistence with Business Continuity Management based on Business Continuity Management Standard ISO 22301:2012 e.g. Analysis of impact on business, Risk specification and assessment, preparation of Business Continuity Management Plan, communication, training, evaluation, monitoring and assessment etc.



- **Business Continuity Plan (BCP)**

Related divisions had been coordinated to revise plan to support Business Continuity covering four main areas e.g. Head Office, Samui International Airport, Hangar and Operations Division at Suwannabhumi Airport. These operation plans are based on annual Business Continuity Policy and analysis by specialist in each department or division. Specialists analyze internal processes to ensure all staff involved that when essential functions are interrupted, there are plans to mitigate loss or damage and facilitate continuation of operation. The key plans are at present are 1. Master Plan. 2. Location Plan and 3. Activity Plan

- **COVID-19 pandemic**

Business Continuity Management has a supportive role, jointly with related divisions e.g. Personnel Management Division, Occupational Health and Safety Section etc., to deal with the virus infection which has an impact on performance of staff in all divisions concerned. It is done by applying Business Continuity Management Plan to Specific Pandemic Plan, using data from the state department of epidemiology including data and recommendations from aviation agencies to ensure effective mitigation of impact and risks in all work processes.

Regarding Crisis and Emergency Management and Business Continuity Management, the Company is well prepared with both Action Plan and training for all staff in compliance with requirements, rules and regulations, standard of state agencies and standard of related international organizations to respond to unexpected event which may affect operation of the business.

Ensuring Occupational Safety

The Company emphasizes on occupational safety for all staffs and in between the work process to ensure that employees, passengers, business partners, contractors, and visitors are safe. This is done on a basis of law, safety standard recognized domestically and internationally, and The Company's regulation and policy to prevent risk on safety, health, and working environment.

The Company promotes activities in safety, health, and working environment systematically in compliance with The Company's standard and the law. The Safety Day activity has been held consistently in different areas.

Moreover, The Company encourages to submit reports on Occupational Safety, Health, and Environment consistently through the Integrated Quality and Safety Management System (IQ SMS OSH) in order to make use of such information to plan on the occupational safety management for employees.

Community/Social Responsibility

Financial support Project for Vocation of disabled persons

With reference to Article 35 of Promotion and Development of Quality of Life of persons with disabilities Act 2007, the Company jointly with Government Saving Bank implemented a project to support 41 disabled persons living in communities around Samui Airport, Sukhothai Airport and Trat Airport. In addition the Government Saving Bank provided further financial support to 100 disabled persons or care workers at 110,000 Baht per person per year. Representatives from the Bank and staff from the Company CSR Section jointly identified persons, living in the three communities, who are eligible to receive the fund. Through out the year 2020, CSR Section monitored the project to ensure proper utilization of the fund as requested by disabled persons or care

workers. The Company received positive response from related parties from this project as the result is quite clear. Disabled persons or care workers received financial support fully and directly, and used to earn additional income as wished, The project also strengthened relationship between the Company and the 3 communities around the airports, the main target for sustainability initiative by identifying disabled persons, giving advice on vocational plans, preparing documents for registration to receive benefits according to Section 35, and monitor results.



The Company has always conducted its business by adhering to Good Corporate Governance, business ethics, and laws. Also, the Company has communicated, publicized for acknowledgment and understanding of not to demand, or agree to receive money, items, or any other benefits, including not to act in the way which may give rise to such actions, either for the benefits of the Company, oneself or others; and these have been prescribed in the Company's Code of Conduct as fundamental guidelines for our employees.

Additionally, the Company emphasizes the significance of anti-corruption; whereby the Company's Board of Directors' meeting No. 5/2014 held on May 22, 2014 has approved the Anti-Corruption Policy so that the Company's guidelines of avoiding and opposing corruption issues are more explicit. In this regard, the Company's directors, executives, employees, including the Company's subsidiaries and the businesses over which the Company has controlling power will not or support any corruption behaviors in whatever forms and will strictly comply with fundamental guidelines in Anti-Corruption Policy, including cooperate with the internal audit investigation with an aim to avoid and correct corruption behaviors which may arise internally.

The Company has established the following guidelines for preventing corruption:

1. Define the principles for giving or receiving gifts or entertainment as part of the Company's Code of Conduct. Employees must not offer, demand, receive, or agree to receive money, items, meals, entertainment, or any other benefits which may give rise to the suspicion of bribery and corruption behavior. Gifts received should be modest, and should not be cash or cash equivalents. Employees must always be aware that all actions and non-actions must take into consideration transparency, fairness, and accountability.
2. Set out regulations on procurement, and objectives for entering into transactions, entering into agreements, and disbursement; whereby each step requires definitive supporting documentation, as well as specify approval limits and authorization approvals for each level.
3. Arrange to put in place an internal audit system to cover finance, accounting, recording information, and other aspects of accounting and finance to ensure that financial transactions are entered into for approved purposes, and that business is conducted with transparency.
4. Communicate the values of Good Corporate Governance, as well as the Anti-Corruption Policy, to work units within the Company, its subsidiaries, and the businesses over which the Company has controlling power via various channels such as employee training, the Company's internal communication channels, such as the Company's website or intranet, to inform the relevant parties to ensure further compliance.

5. The Audit Committee has the duty to audit and review transactions of the Company to ensure that the Company has sufficient good corporate governance in line with the relevant policies and requirements. If the Audit Committee has found or has any question about any transaction or action which may affect the Company's transparency in its business operation, the Audit Committee may independently report such a transaction or action to the Board of Directors and/or the President (as the case may be as it deems appropriate) in order for the issue to be addressed timely and appropriately.
6. Establish whistleblower channels for reporting to or filing complaints with the Audit Committee in the event that encounter situations which may constitute dishonest behavior or misconduct by individuals, as well as the Company. Whistleblowers can raise their concerns or file complaints, and submit details and evidence by mail to the following persons at Bangkok Airways Public Company Limited, No. 99 Mu 14, Vibhavadirangsit Road, ChomPhon, Chatuchak, Bangkok 10900, based on the type of issue as follows:

Issue	Recipient
<ul style="list-style-type: none"> Violations of the law, dishonest behavior, violations of the work rules and Code of Conduct 	<ul style="list-style-type: none"> The President or the highest-ranking officer of the Human Resources Department
<ul style="list-style-type: none"> Matters which affect the reputation and image of the Company 	<ul style="list-style-type: none"> The President
<ul style="list-style-type: none"> Non-compliance with the Code of Conduct by Directors 	<ul style="list-style-type: none"> The Chairman, the Chairman of the Audit Committee, or the Company Secretary
<ul style="list-style-type: none"> Irregularities regarding financial transactions 	<ul style="list-style-type: none"> The Chairman of the Audit Committee

7. In order to prevent any potential adverse impact on whistleblowers, the Company has put in place mechanisms to protect them by establishing a confidentiality policy regarding their identity. Therefore, if information regarding whistleblowers is disclosed, persons who are responsible for such information shall be subject to disciplinary action in accordance with the Company's Work Rules.

1. Internal Control and Risk Management

Bangkok Airways Public Company Limited truly believes that internal audit process plays a part in helping the Company to achieve its goal. Internal Audit Division had adjusted its audit process from Risk Based Resource Plan to Risk Based Internal Auditing (RIBA).

The organization has adapted to the pandemic situation and effect of COVID-19 in which Internal Audit Division played an important role to reassure and advise both management and the Board on changes of risks and internal control, anticipation of new risks, and emphasized on Agile audit planning. Agile auditing reduces planning hours, responding to continuous adjustments, leading to clear objectives to be achieved, based on resources on hand. In previous year, Internal Audit implemented Remote Audit, and together with other related divisions, considered impact of Remote Audit on control environment and performance methods, using insight analytic of data to increase coverage, with emphasis on unusual points to minimize business impact, while providing useful and reliable information sufficiently and appropriately.

The Audit Committee considered Evaluation of Adequacy of Control System, answered questions raised by management and related divisions in compliance with guideline of the Committee of Sponsoring Organizations of the Treadway Commission. Evaluation of Internal Control can be summarized as follows:

- **Control Environment**

The Company stipulated clear objectives for operation of business; adhered to ethical value, moral values and transparency of operation for best interest of stakeholders, society and the environment; determined to promote risk management culture with awareness that attitude and views employees are basis for their engagement; ensured risk management and business continuity management measures are clearly understood by all concerned. In addition, employees have opportunities to express their views which may be adopted by senior management in support of company vision and missions through adequate and suitable internal control process.

In the past year, the Company restructured the organization, realizing that internal communication needed to be more flexible as effective communication is an important tool for all executives to connect with people internally and externally to create strong corporate culture. The restructure was also aimed to drive the Company towards an organization with learning environment, flexibility, adaptability and receptiveness to change. At the same time to equip employees with risk, opportunity and adaptability mindset.



- **Risk management**

The Company realized the significance of risk management and assigned all employees in each department to participate in risk analysis, audit and assessment and to work together in setting Risk Prevention and Control plan. In so doing they need to make sure that the plan is suitable to the assignment and potential effect on the Company. In the past year many departments in the Company were subjected to different types of risk due to COVID-19 pandemic such as risks in operation, compliance, finance, reputation and image of the Company. Recognition of the importance of risk management can provide effective and sustainable mitigation of risks or avoidance of risks which may cause loss and damage to the organization

- **Control Activities**

Currently, the Company finds itself under unpredictable situation, making it necessary for all divisions to cooperate in conducting effective and efficient internal control activities as suitable to present situation. Three Lines of Defence were implemented to enable all divisions to support development of risk management and continuity management, with agility to identify quick solution to problems. Every division needed to realize that it has a role to create and maintain robust internal control system, to protect or mitigate damages or failings that may arise and able to successfully meet internal control objectives. Control activities can be found at all levels and in each unit in the Company such as policy and procedures, approval and delegation of authority, validation and verification, performance tests, security review, restrict access to resources and segregation of duties. In this regard, middle management is responsible not only to consider whether or not control activities are consistent with risk management process but also to ensure that each employee is involved in checking whether or not control activities are implemented correctly in order to support building effective Internal Control System and consistent understanding by every one concerned.

- **Information Technology system and communication**

Information Technology and Communication systems used in the Company are adequate for operation and management of the business based on analyzed input from internal and external sources. The Company stipulated Information Technology Security Measure conforming to ISO 27001 standard, Personal Data Protection Measure in consistent with related regulations and due to increasing cases of cyber attack, Cyber Security Measure has also been added to support new normal working environment. Information Technology systems such as VPN, Office 365, MS Teams are necessary to support Work From Home policy ensuring continuity in operation of the business.

The Company internal and external communication systems are sufficient, reliable and timely. Disclosure of information is made via Intranet and company website, such as company performance, state rules and regulations, customer satisfaction survey, awards received, demonstrating to stakeholders on transparency of information disclosed, enhancing their confidence in operation of the business. The Company has opened a channel according to the Whistle Blower policy to enable individuals from both inside and outside the Company to expose information on business corruption according to Anti-Corruption Policy and to receive complaints or suggestions from external parties for further improvement and efficiency of internal management.

- **Monitoring and Evaluation**

In monitoring internal control, Internal Audit Division has followed up the auditing outputs exactly as stated in the audit plan including ongoing monitoring, ensuring it is conducted regularly and continuously. Regarding monitoring and evaluation, explanation on Remote Audit has been provided because the technique is new to auditors and auditees, so it is crucial for them to have additional information and clear understanding of the process, particularly when current crisis forced people to adapt and adjust from traditional ways of working to Work From Home. They need to be aware of the differences between On-site audit and Remote Audit including sharing of data on various platforms

once Remote Audit is fully implemented to ensure monitoring and evaluation achieve target.

There are also procedures to report on Internal Control Monitoring to Audit Committee and management on quarterly basis and continuous follow up of guideline for problem solving. It is also stipulated that management and each member of staff are required to report to related auditor immediately when corruption or a suspected case of corruption is found, including non compliance to rules and regulations or any other actions that may have an impact on the organization.



2. Head of Internal Controls and Head of Corporate Governance of The Company

Currently, Mr. Pairoj Chantasit is the Head of Internal Controls was appointed on September 1st, 2018. A total of 5 staff inclusive of himself. The team is split into three units as follows.

1. **Internal Audit** is tasked for auditing, evaluating and ensuring the sufficiency of the Internal Control System including the corporate management in order to achieve the corporate objective.
2. **Risk and Compliance** is tasked for identifying, sequencing, and risk management supervising to ensure all procedures are carried out in accordance to the corporate objective.
3. **IT Audit** is tasked for auditing and evaluating the IT system to ensure that all information is safe, correctly linked with the database, and limited with information accessibility pursuant to the corporate standard.



Attention: Shareholders, Bangkok Airways Public Company Limited

Audit Committee of Bangkok Airways Public Company Limited (the Company) has been appointed by Board of Directors of the Company, consisting of independent directors with expertise in finance, accounting, laws and administration.

Audit Committee has taken the responsibility to review financial reports and internal control system, supervise risk management, review all other pertaining information apart from the financial reports and participate in supervision of subsidiaries via review of internal control system. The objectives of the Committee are to control management, ensure compliance with Company policies, correctness and transparency of transactions in accordance to the law and announcements of the Stock Exchange of Thailand. Role and scope of work of the Committee are stated in Audit Committee Charter which is under regular review.

Bangkok Airways Public Company Limited has always been aware of the importance of Risk Assessment and Adequacy of Internal Control system particularly during COVID-19 pandemic situation. Top management of the Company, Internal Audit Division and auditors coordinated in holding a meeting on quarterly basis.

The Company Audit Committee, comprised of three members, arranged five meetings in 2020 details as follows:

Number	Name	Position	Appointment year	Attendance
1	Mr. Sripop Sarasas	Chairman, Audit Committee	2014	5/5
2	Mr. Saharatna Benyakul	Audit Committee	2015	5/5
3	Mr. Somboon Kittiyansub	Audit Committee	2019	2/2

Audit Committee has performed duties according to scope of responsibility stated in Audit Committee Charter, pursuant to regulations of the Stock Exchange of Thailand. The summary of performance in 2020 is as follows:

1. Reviewed financial report and financial budget on quarterly and annual basis, jointly with Management Committee, Internal Audit Division and auditor, discussed findings and made recommendations on completeness and correctness of financial budget, adequacy of disclosure and issues that may affect financial status and operation under the pandemic situation including any other issues to ensure financial report of Bangkok Airways Public Company Limited is correct, credible and complies with generally accepted accounting standard.

2. Reviewed auditor' performance and considered appointment of auditor. Audit Committee arranged an exclusive meeting with the auditor without any interference of the management. This procedure was carried out to ensure that the auditor is independent and able to clearly understand the plan and scope of work of auditor. The Committee considered and endorsed appointment of EY Office Company Limited as auditor of Bangkok Airways Public Company Limited in 2021. The appointment to be proposed for approval at AGM of Shareholders 2021.
3. Considered related party transactions or other transactions that may cause conflict of interest to ensure compliance with the law and regulations of the Stock Exchange of Thailand. The Committee requested explanations from management whenever in doubts of significance differences from previous year to reassure that the Company has operated according to normal business condition, fully and correctly complied with the laws.
4. Considered and approved Internal Audit Plan 2020. The Committee reviewed and supervised internal audit work; made adjustments to utilize technological support to mitigate impact from COVID-19 infection and duplication of work; built confidence to enable staff to perform duties independently and reduce work hours. The Committee held a quarterly meeting with Internal Audit Division and auditor to review performance as suggested in Internal Audit System Evaluation Reports, from Internal Audit Division, auditor and other regulators, to ensure effective improvement of drawback in work process. Internal and external auditors were able to perform their duties independently with cooperation and coordination from all divisions in the organization.
5. Reviewed significant risk management, conforming to corporate Risk Management Plan 2020, in order to conduct quarterly assessment of adequacy and efficiency of annual risk management system. Audit Committee has an understanding of significant risks to the Company and conducted the review to ensure existence of a process for management of risks, inclusive of risks due to the pandemic. The Committee reviewed risk management framework and recommended necessary improvement. For example, if an infection should occur internally within the Company, there is a back-up operation plan to ensure efficient and effective management of risks.
6. Reviewed and approved Audit Committee Charter and Audit Charter in consideration of the scope of responsibilities of the Committee and Internal Audit Division pursuant to regulations of the Stock Exchange of Thailand.
7. Strictly reviewed compliance with Corporate Good Governance policy, principles of law, guideline stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand and other related laws, to ensure transparency of performance by the Company and to enhance shareholders and investors confidence.

In conclusion, Audit Committee performed its duties fully, according to the scope of assigned responsibilities, applied knowledge and skills cautiously and expressed opinion honestly and independently for best interest of all stakeholders. In the opinion of the Committee, the Company produced financial statements in consistence with financial reporting standard, pursuant to generally accepted accounting principles with sufficient disclosure, efficient Internal Control System and Risk Management, abiding by rules of law and relevant regulations in accordance to good corporate governance.



(Mr. Sripop Sarasas)

Chairman, Audit Committee

Bangkok Airways Public Company Limited



Name of persons who may have conflicts of interest

1. Transactions with Bangkok Airways Pcl. (Company)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Paradise Shopping Co.,Ltd. Relationship • Common shareholders and directors	• Other revenue	1,350	Company provides cargo services for Paradise Shopping Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Expenses	23,364	Company buys goods from Paradise Shopping Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue • Deposit	126,805 1,596,174 446,360	Company provides rental space for Paradise Shopping Co.,Ltd. at Samui Airport. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions. Contracts should be reviewed on regular basis. Fees must be collected as stated in the contracts.
2. Samui Accom Co.,Ltd. Relationship • Common shareholders and directors	• Trade account payable • Expenses	49,500 114,900	Company uses passenger and baggage services from Samui Accom Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue • Deposit	80,444 1,369,365 252,000	Samui Accom Co.,Ltd. rents space and parking lots at Samui Airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
3. Dhammachart Na Thai Co.,Ltd. Relationship • Common shareholders and directors	• Trade account receivable • Freight revenue	200 17,855	Company provides cargo services for Dhammachart Na Thai Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
4. Bangkok Travel Club Co.,Ltd. - BTC Relationship • Common shareholders and directors	• Expenses	200,898	BTC provides services on visa application and hotel reservations for company's executives and staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue • Deposit	1,188 1,725,553 346,400	BTC rents office space and provides rental deposit. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
5. Bangkok Air Tour (1988) Co.,Ltd. - BAT Relationship • Common shareholders and directors	• Trade account receivable • Other revenue • Deposit	235,278 8,202,058 417,000	BAT is an air ticket agent. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account payable • Expenses	585 12,630	BAT provides services on visa application and air ticketing for company's executives and staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
6. Bangkok Media & Broadcasting Co.,Ltd. - PPTV Relationship • Common shareholders and directors	• Trade account payable	121,746	PPTV produced advertising media for company Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
7. Samui Palm Beach Resort Co.,Ltd. - SPB Relationship • Common shareholders and directors	• Trade account payable • Expenses	24,909 3,506,032	Company uses accommodation services at SPB. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	• Other revenue • Deposit	215,000 180,000	Other revenue from advertising space. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
8. Krungthep Limousine Co.,Ltd. Relationship • Common shareholders and directors	• Trade account payable • Expenses	540 103,600	Krungthep Limousine Co.,Ltd. provides passenger and baggage services at Trat airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
9. Smart Limousine and Car Rent Co.,Ltd. Relationship • Common shareholders and directors	• Trade account receivable • Other revenue • Deposit	5,805 146,866 110,000	Smart Limousine and Car Rent Co.,Ltd. pays fees to company for its operation in Trat airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
10. Natural Rice Co.,Ltd. Relationship • Common shareholders	• Expenses	225,883	Company buys goods from Natural Rice Co.,Ltd. . Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	• Trade account receivable • Other revenue	5,280 41,758	Company provides cargo services for Natural Rice Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
11. Sukhothai Property Co.,Ltd. Relationship • Common shareholders and directors	• Expenses	130,433	Company uses accommodation services for company's staffs. Opinion from Audit Committee: Transactions were justified where room rate and services fees were charged at market terms and conditions.
12. Bangkok Dusit Medical Services Pcl. - BDMS Relationship • Common shareholders and directors	• Charter flight revenue	1,977,634	Company provided chartered flight services for BDMS. Opinion from Audit Committee: Price quotation for the services provided must calculated from actual costs and expenses plus margin.
	• Investment • Dividend income	17,148,266,883 248,525,607	Company has long term investment in BDMS shares, recorded as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy
	• Trade account payable • Expenses	130,498 2,220,821	BDMS provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Other revenue	214,717	Company received sponsorship for Bangkok Airways's sport activities from BDMS. Other revenues from airport pass Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
13. Samitivej Pcl. – SVH Relationship • Subsidiary of BDMS • Common directors	• Expenses	173,065	SVH provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
14. Bangkok Hospital Samui Co.,Ltd. - BSH Relationship • Subsidiary of BDMS • Common directors	• Trade account receivable • Revenue • Other revenue • Expenses	7,946 367,610 8,430 1,961	Company sells air tickets to BSH. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
15. Paolo Medic Co.,Ltd. – PLP Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	155,800 838,646	PLP provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
16. Save Drug Center Co.,Ltd. – Save Drug Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	33,624 871,334	Company buys first aid kits from Save Drug . Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
17. National Healthcare Systems Co.,Ltd. – N-Health Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable Other revenue 	21,371 346,490	Company provides cargo services for N- Health. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Expenses 	108,969	Company buys Automated External Defibrillator (AED) from N- Health. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
18. Bangkok Helicopter services Co.,Ltd. Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable Other revenue 	273,920 3,088,354	Company provides management and helicopter maintenance services. Opinion from Audit Committee: Management and maintance services provided were justified. Contract should be reviewed every 3 years.
19. Aeronautical Radio of Thailand Co.,Ltd. – AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Investment 	4,661,700	Company has long term investment in AEROTHAI shares, recorded as other investments. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	<ul style="list-style-type: none"> Trade account payable Expenses Deposit 	9,755,261 177,488,262 72,000	AEROTHAI provides aeronautical services and related services for company. Rental deposit was paid for the usage of radar display system. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	<ul style="list-style-type: none"> Other revenue 	46,060	Utilities used by AEROTHAI at Samui Airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	<ul style="list-style-type: none"> Trade account receivable Air ticket revenue Freight revenue 	106,606 923,705 12,483	Company sells air tickets to AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
20. Bangkok Aviation Fuel Services Pcl. - BAFS Relationship • Common directors	• Investment • Dividend income	1,516,940,600 65,011,740	Company has long term investment in BAFS shares, recorded as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy
	• Other revenue • Trade account receivable • Rental deposit • Deposit	192,048 17,580 32,000 3,000	Company provides communication equipments and utilities. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	• Trade account payable • Rental expenses • Deposit	93,202 1,118,426 186,404	Company leases a plot of land from BAFS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
21. Fuel Pipeline Transportation Co.,Ltd. - FPT Relationship • Subsidiary of BAFS • Common directors	• Investment	529,947,690	Company has long term investment in FPT shares, recorded as other investments. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy
22. Bangkok BSS Security Guard Co.,Ltd. - BSS Relationship • Deem Related Parties Transaction	• Trade account payable • Expenses	2,395,162 46,414,747	BSS provides cleaning and security services for company's offices, Suvarnabhumi and Samui airports. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	• Trade account receivable • Other revenue • Rental deposit • Deposit	33,553 298,295 347,200 89,540	BSS rents office space and provides rental deposit for company. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
23. Bangkok Aviation Services Co.,Ltd. - BASE Relationship • Deem Related Parties Transaction	<ul style="list-style-type: none"> Trade account payable Expenses 	4,066,641 86,030,958	BASE provides cleaning and security services for company's airports. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Rental expenses 	962,721	Company rents office space from BASE to use as its Sales office. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions.
	<ul style="list-style-type: none"> Trade account receivable Other revenue Rental deposit Deposit 	33,550 291,247 543,120 92,305	BASE rents office space and provides rental deposit for company. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
24. Bags Ground Services Co.,Ltd. - BAGS Relationship • Deem Related Parties Transaction	<ul style="list-style-type: none"> Trade account payable Expenses 	19,068,871 234,909,467	Company uses BAGS's ground handling services. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Rental revenue Deposit 	3,647,980 1,576,100	BAGS rents office space from company. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions
	<ul style="list-style-type: none"> Other revenue 	639,479	Company provides public utility, radio communication equipment and other services for BAGS. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions
	<ul style="list-style-type: none"> Trade account receivable Air ticket revenue Freight revenue 	218,440 300,135 20,716	Company sells air tickets to BAGS's on duty staffs and provides cargo services for BAGS. Opinion from Audit Committee: Transactions were justified where tickets fares, and services fees were charged at market terms and conditions.

2. Transactions with Bangkok Airways Holding Co.,Ltd. (BAH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Investment Dividend income 	4,243,500,000 61,500,000	BAH has long term investment in BDMS shares, recored as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy

3. Transactions with Bangkokair Aviation Training Center Co.,Ltd. (BATC)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Sukhothai Property Co.,Ltd. Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	97,300 196,380	BATC uses accommodation services. Opinion from Audit Committee: Transactions were justified where room rate and services fees were charged at market terms and conditions.
2. Samui Accom Co.,Ltd. Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Expenses 	50,000	BATC uses passenger and baggage services from Samui Accom Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
3. Bangkok Travel Club Co.,Ltd. - BTC Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	105,000 117,238	BTC provides hotel accomodation and transportation services. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
4. Sabai Sabai Sukhothai Co.,Ltd. Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	1,504,518 1,977,673	BATC uses accommodation services. Opinion from Audit Committee: Transactions were justified where room rate and services fees were charged at market terms and conditions.
5. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	30,442 44,088	BATC rents communication equipments from AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
6. Bags Ground Services Co.,Ltd. – BAGS Relationship <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Expenses 	35,650	BAGS provides car services in the airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

4. Transactions with Gourmet Primo Co.,Ltd. (GP)

- No Transaction

5. Transactions with More Than Free Co.,Ltd. (MOR)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Prasatthong Osoth Co.,Ltd. Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Expenses 	660	MOR buys goods from Prasartthong Osoth Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

6. Transactions with Worldwide Flight Services Bangkok Air Ground Handling Co.,Ltd. (BFS Ground)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Service fee revenue 	397,650	BFS Ground provided meet & assist services for BDMS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Equipments expenses Expenses 	13,239,170 27,600	BFS Ground rents communication equipments from AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

7. Transactions with SA Services Co.,Ltd. (SA)

- No Transaction

8. Transactions with BFS Cargo DMK Co.,Ltd. (DMK)

- No Transaction

9. Transactions with Bangkok Air Catering Co.,Ltd. (BAC)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
<p>1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI</p> <p>Relationship</p> <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Equipments expenses Installation fees 	<p>42,051 866,250 13,800</p>	<p>BAC rents communication equipments from AEROTHAI.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>2. Paradise Shopping Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account receivable Service fee revenue 	<p>73,385 263,966</p>	<p>BAC provides storage space and services for Paradise Shopping Co.,Ltd.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.</p>
<p>3. Bangkok Air Tour (1988) Co.,Ltd. - BAT</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Expenses 	<p>112,400</p>	<p>BAC buys air tickets.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.</p>
<p>4. Dhammachart Na Thai Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Expenses 	<p>14,950</p>	<p>BAC buys agricultural products from Dhammachart Na Thai Co.,Ltd..</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>5. A.P.Sheriff Security Guard Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses 	<p>48,812 654,597</p>	<p>A.P.Sheriff Security Guard Co.,Ltd. provides cleaning and security services for BAC.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.</p>

10. Transactions with BAC Gourmet House Co.,Ltd. (BACGH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Bangkok Hospital Chiang Mai Co.,Ltd. - BCM Relationship <ul style="list-style-type: none">Subsidiary of BDMSCommon directors	<ul style="list-style-type: none"> Trade account receivable Catering revenue 	34,026 4,472,834	BACGH provided catering services for BCM. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
2. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none">Common shareholders and directors	<ul style="list-style-type: none"> Trade account receivable Catering revenue 	9,574,556 108,313,602	BACGH provided catering services for BDMS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Trade account payable Rental expenses Utilities expenses Deposit 	520,749 1,956,431 5,819,941 835,036	BACGH rents space from BDMS for its restaurant facility. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.

11. Transactions with Bangkok Air Catering Samui Co.,Ltd. (BACUSM)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Bangkok Samui Hospital Co.,Ltd. - BSH Relationship <ul style="list-style-type: none">Subsidiary of BDMSCommon directors	<ul style="list-style-type: none"> Catering revenue 	6,064,784	BACUSM provided catering services for BSH. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Expenses 	38,890	BSH provides medical check up services for BACUSM's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
2. Bangkok BSS Security Guard Co.,Ltd.- BSS Relationship <ul style="list-style-type: none">Deem Related Parties Transaction	<ul style="list-style-type: none"> Expenses 	859,771	BSS provides cleaning and security services. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

12. Transactions with Bangkok Air Catering Phuket Co.,Ltd. (BACHKT)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	7,597 190,950	BACHKT rents communication equipments from AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2. Bags Ground Services Co.,Ltd. - BAGS Relationship <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account receivable Catering revenue 	138,205 177,249	BACHKT provided catering services for BAGS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

13. Transactions with Bangkok Air Catering Chiang Mai Co.,Ltd. (BACCNX)

- No Transaction

14. Transactions with Bangkok Air Catering Don Muang Co.,Ltd. (BACDMK)

- No Transaction

15. Transactions with Bangkok Airways Ground Services Co.,Ltd. (PGGS)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2020 (Baht)	Rationale
<p>1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI</p> <p>Relationship</p> <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Cash advance 	<p>1,126,073</p>	<p>PGGS provides ground handling services for airline operations (including payment in advance for communication services to AEROTHAI). Its customer will reimburse money to PGGS.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>2. Bangkok Aviation Services Co.,Ltd.- BASE</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Expenses 	<p>747,201</p>	<p>BASE provides security services for PGGS.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>3. Bags Ground Services Co.,Ltd. - BAGS</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses Deposit 	<p>196,337</p> <p>10,713,798</p> <p>1,500,000</p>	<p>BAGS provides passenger services for PGGS.</p> <p>Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.</p>

For the period ended 31 December 2020

Bangkok Airways Public Company Limited and Its Subsidiaries

Bangkok Airways Public Company Limited and its Subsidiaries

Management's Discussion and Analysis for the year ended 31 December 2020

Executive Summary

In the last quarter of 2020, the Thai economy contracted in all business sectors, despite some improvements from the previous quarter. Private consumption turned to expand, due to the gradual recovery in household purchasing power, supports from government stimulus measures, and temporary factor from additional special long holidays. However, the tourism sector continued to shrink due to travel restrictions on foreign tourist arrivals. On the stability front, headline inflation was less negative due to an increase in energy and fresh food prices. Meanwhile, core inflation decreased (Source: Bank of Thailand). Thailand's GDP in fourth quarter of 2020 declined

by 4.2 percent (%YoY), improving from a contraction of 6.4 percent in the previous quarter. These factors contribute to a drop in Thailand's GDP by 6.1 percent in 2020 (Source: Office of the National Economic and Social Development Council).

The overall global aviation industry has been severely hit in 2020 by the COVID-19 pandemic. The industry reveals a massive decline in both demand and supply side. Worldwide Revenue Passenger Kilometers (RPK) dropped by 65.9 percent. Middle East region experiences the highest drop rate at 72.2 percent, followed by

Europe and Africa at 69.9 and 68.8 percent respectively. For supply side, Available Seat Kilometers (ASK) shrank by 56.5 percent worldwide in 2020. Middle East, same as RPK, shows the highest drop rate at 63.3 percent, followed by 62.1 percent in Europe and 61.0 percent in Africa. As a result, passenger load factor (PLF) dropped by 17.8 percent compared to the previous year. Worldwide average passenger load factor (PLF) fell down to 64.8 percent. (Source: International Air Transportation Association: IATA)

For Thailand's tourism in 2020, the coronavirus (COVID-19) pandemic has triggered an unprecedented crisis in the tourism economy given the immediate and immense shock to the sector. Additionally, the restriction policy of international flight imposed by Civil Aviation Authority of Thailand (CAAT) are still remained in place since April 2020. As a consequence, the number of international tourist arrivals to Thailand decreased by 83.21%, compared to previous year. Although there was some upward trend of international tourist arrivals during October to December after the government relaxed some travel restriction for those who wish to travel Thailand under the purpose of business, medical treatment (Long term stay) and leisure that required to apply for Special Tourist VISA (STV) or Thailand Privilege Card, the total amount of those visitors remained small. (Source: Ministry of tourism and sport)

Year 2020, the company has been extremely challenged from an impact of COVID-19 pandemic due to travel restrictions and a drastic slump in traffic demand since the beginning of year 2020. The Company suspended and terminated some routes during March 2020 to cooperated with government orders as well as the announcement from Civil Aviation Authority of Thailand (CAAT). Main domestic routes have been resumed with gradually increased and arranged seat capacity to match with travel demand in May 2020 such as Bangkok to Samui, Bangkok to Chiang Mai, Bangkok to Sukhothai and Bangkok to Lampang, Bangkok to Phuket. The company carried 1.9 million passengers with overall load factor at 62.9 percent.

For year 2020, the Company reported total revenue amount 10,216.3 million baht, decreased by 64.2 percent. The downward of total revenue was resulted from airline business decreased by 70.4 percent, airport business decreasing by 67.6 percent and airport-related businesses decreasing by 57.5 percent. The Company reported net loss at 5,327.8 million baht of which loss attributable to the equity holders of the Company was 5,283.2 million baht. Loss per share for the period of year 2020 was 2.56 baht.

Notable Events 2020

Airline Business

Regarding to the outbreak of COVID-19 in 2020, the Company decreased operational activities to corporate with government orders related to COVID-19, the Announcement of the Government Administration in an Emergency Situation 2015 (Emergency Act), the Announcement from Civil Aviation Authority of Thailand (CAAT) regarding to COVID-19 spread out as well as the declining travel demand. CAAT, Civil Aviation Board Regulations No. 97 granted permission to the company to temporarily suspend 8 domestic routes and all international routes started from 29 March 2020). However, all flight operations were suspended during 6 April – 14 May 2020 in accordance with Civil Aviation Board Regulations No. 97. In 15 May 2020, first resumed route was Bangkok-Samui with 14 flights per week.

In the second quarter, when COVID-19 pandemic situation was under controlled and recovered, the Company operated 4 domestic routes: Bangkok-Samui, Bangkok-Sukhothai, Bangkok-Lampang and Bangkok-Chiangmai.

In the third quarter, the Company added flight frequency to accommodate the higher travel demand as well as resumed 2 domestic routes: Bangkok-Phuket (3 flights per week) and Samui-Phuket (2 flights per week).

The Company adjusted flight frequency to match with travel demand in the fourth quarter as shown in table below when comparing with the third quarter this year.

Route	Number of Flight per Week	
	3Q2020	4Q2020
Bangkok-Samui	98	79
Bangkok-Chiang Mai	21	25
Bangkok-Lampang	14	21
Bangkok-Sukhothai	7	14
Bangkok-Phuket	21	25
Bangkok-Trat	-	7
Bangkok-Krabi	-	14
Phuket-Samui	-	2
Phuket-Had Yai	-	7
Phuket-U-Tapao	-	3

The Company has announced precaution and transmission prevention plans for the airline and three airports regarding COVID-19, to reassure of passenger health and safety.

In the fourth quarter, the Company resumed inflight hot meal services for domestic routes. For flights that operate by Airbus, inflight meals were served on tray. For flights that operate by ATR72, the hot meals are available only outbound flights from Suvarnabhumi airport, while inbound flights to Suvarnabhumi airport, snack boxes are served to comply with the announcement from the Civil Aviation Authority of Thailand (CAAT). Additionally, food and beverages kiosk services were resumed at Sukhothai airport and Trat airport.

Airport Related Business and Investments

The Airport of Thailand PCL. (AOT) approved the relief measurement due to COVID-19 pandemic to all business operators including Bangkok Air Catering (BAC), Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) and WFS-PG Cargo Company Limited (BFS Cargo). The relief measures offered 50% discount of rental fee and waived for minimum guarantee obligation.

Bangkok Aviation Training Center Co., Ltd. (BATC), a wholly owned and subsidiary of Bangkok Airways Holding, was granted a certificate of training organization by CAAT.

In June 2020, the consortium of Bangkok Airways PCL., BTS Group Holdings PCL. and Sino Thai Engineering and Construction PCL. established a special purpose company named U-Tapao International Aviation Co., Ltd. (UTA) with paid up capital of 4,500 Million Baht. UTA signed the PPP agreement with the EEC to develop U-Tapao Airport and Eastern Airport City project for the concession of 50 years.

Management's Discussion and Analysis

Bangkok Airways is a full serviced airline providing premium service to passengers. Company owns and operates 3 airports which are Samui Airport, Trat Airport and Sukhothai Airport. In addition to airline and airport businesses, it operates airport related businesses which include passenger and ramp services, catering services and international cargo.

Consolidated financial statement of the Company consists of Separate Financial Statement and Financial Statements of the 14 subsidiaries that include: 1) Bangkok Air Catering Company Limited (BAC) 2) Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) 3) Bangkok Airways Ground Service Company Limited (PGGS) 4) Bangkok Airways Holding Company Limited (BAH) 5) SA Services Company Limited 6) BFS Cargo DMK Company Limited 7) BAC Gourmet House Company Limited 8) Bangkok Air Catering Phuket Company Limited 9) Gourmet Primo Company Limited

10) Bangkok Air Catering Samui Company Limited and 11) Bangkok Air Catering Chiang Mai Company Limited 12) More Than Free Company Limited 13) Bangkok Air Aviation Training Center Co., Ltd. 14) Bangkok Air Catering Don Mueang Co., Ltd.

Airline Operating Data

	Unit	January-December	
		2020	2019
Scheduled passenger revenues⁽¹⁾	Million Baht	5,558.5	19,028.2
• Domestic		4,186.2	11,878.3
• International		1,372.3	7,149.9
Available Seat Kilometers (ASK)	Million Seat	2,014.7	6,497.2
• Domestic	- Kilometers	1,368.1	3,365.7
• International		646.6	3,131.5
Revenue Passenger Kilometers (RPK)	Million	1,268.1	4,422.8
• Domestic	Passenger	932.4	2,491.0
• International	- Kilometers	335.7	1,931.8
Passenger Load Factor	Percentage	62.9	68.1
• Domestic		68.2	74.0
• International		51.9	61.7
Number of scheduled passengers carried	Thousand	1,884.6	5,860.2
• Domestic	Passengers	1,529.7	4,007.6
• International		354.9	1,852.6
Number of flight flown	Flights	24,901	70,810
• Domestic		19,612	45,434
• International		5,289	25,376
Total seat capacity	Thousand Seats	2,920.3	8,558.9
• Domestic		2,249.1	5,436.5
• International		671.2	3,122.4
Aircraft utilization	Block Hour	4.6	8.4
• Airbus A320	per Day	4.5	9.4
• Airbus A319	per Aircraft	4.7	8.5
• ATR 72		4.6	7.3
Number of aircraft at period end	Aircraft	39	40
• Airbus A320		9	9
• Airbus A319		15	16
• ATR 72-500		2	2
• ATR 72-600		13	13

Airline Operating Data (continue)

	Unit	January-December	
		2020	2019
Kilometers flown	Million Kilometers	16.2	50.7
Average Stage Length	Kilometers	672.9	754.7
Passenger Yield ⁽²⁾	Baht per Passenger - Kilometer	4.38	4.30
Revenue ASK (RASK)	Baht per Available Seat	3.05	3.33
Cost per ASK (CASK)	- Kilometer	4.84	3.58
Cost per ASK excluding fuel cost		4.14	2.86
RASK – CASK		(1.79)	(0.25)

Remarks:

- (1) These figures are different from those included in Company's consolidated Financial Statements as they include revenues (before deducting discounts and commissions) from scheduled flights, net interline revenues from flights operated by other airlines and marketed by it on a code-share basis, revenues derived from non-codeshare interline sales by it of seats on other airlines' flights, fuel and insurance surcharge revenue. Exclude revenues from cargo services, charter services and other revenue.
- (2) Scheduled passenger revenues including fuel surcharge and insurance surcharge, but excluding excess baggage divided by RPKs.

Operating performance summary for the period ended December 31, 2020

Unit: Million Baht

	January-December			
	2020	2019	Variance	
			Amount	%
Total revenue	10,216.3	28,504.8 ⁽³⁾	(18,288.5)	(64.2)
Operating revenue ⁽¹⁾	7,946.4	25,755.0	(17,808.6)	(69.1)
Total expenses	14,914.2	26,928.0	(12,013.8)	(44.6)
Net profit for the period	(5,327.8)	356.7	(5,684.5)	(1,593.6)
Profit attributable to equity holders of the Company	(5,283.2)	350.8	(5,634.0)	(1,606.0)
EBIT ⁽²⁾	(3,556.4)	(364.2)	(3,192.1)	(876.4)
EBITDA ⁽²⁾	(713.8)	1,057.3	(1,771.1)	(167.5)
EBIT Ratio (%)	(44.8)	(1.4)	(43.3)	
EBITDA Ratio (%)	(9.0)	4.1	(13.1)	

Remarks:

- (1) Comprises of total revenue net dividend income, gain on foreign exchange, interest income and non-operating revenues.
- (2) (2) EBIT, EBIT margins, EBITDA, EBITDA margins are not standard measures, nor measurements of financial performance or liquidity, under TFRS, and should not be considered alternatives to net profit (loss) or any other performance measure or as an alternative to cash flow from operating activities. Since there are various calculation methods, its presentation may not be comparable to similarly titled measures used by other companies.
- (3) Exclude interest income which is reclassified to be presented as financial income

Operating Profit and Net Income

The total revenue of the Company for year 2020 was 10,216.3 million baht, decreased by 64.2 percent while total expenses were 14,914.2 million baht, dropped by 44.6 percent. The earnings before interest and tax, depreciation, amortization (EBITDA) were derived from total income (excluding dividend income, gain on sale of investments, gain on sale of assets, interest income, gain on exchange rate and reversal of long term lease liabilities from related party) less total expenses plus depreciation and amortization expenses, equaled to negative 713.8 million baht or decreased by 167.5 percent.

For year 2020, the Company presented net loss of 5,327.8 million baht, being a further loss of 5,684.5 million baht from last year. The net loss amounts attributable to equity holders of the Company at 5,283.2 million baht.

Revenue

Consolidated revenue of the Company, excluding the inter-segment revenue, are divided into 4 segments as follows:

Unit: Million Baht

	January-December			
	2020	2019	Variance	
			Amount	%
1. Airlines	5,639.6	19,063.9	(13,424.3)	(70.4)
• Net scheduled passenger revenue	5,534.2	18,516.1	(12,981.9)	(70.1)
• Charter flights and charter services revenue	55.1	346.0	(290.9)	(84.1)
• Cargo revenue	50.3	201.8	(151.5)	(75.1)
2. Airports	177.3	547.3	(370.0)	(67.6)
3. Airport-related Operations	1,849.2	4,350.3	(2,501.1)	(57.5)
• Bangkok Air Catering Company Limited (BAC)	302.8	1,024.0	(721.2)	(70.4)
• Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)	1,139.1	2,391.4	(1,252.3)	(52.4)
• Bangkok Airways Ground Service Company Limited (PGGS)	98.0	349.8	(251.8)	(72.0)
• Other revenue ⁽¹⁾	309.3	585.1	(275.8)	(47.1)
4. Unallocated revenue	2,550.2	4,543.3⁽²⁾	(1,993.1)	(43.9)
Total Revenue	10,216.3	28,504.8	(18,288.5)	(64.2)

Remarks:

- (1) Other revenue includes revenue from BAC Gourmet House Company Limited, the subsidiary of BAC which main activity is to provide food services in business district and major tourist attractions in Bangkok, Gourmet Primo Company Limited and More Than Free Company Limited, a subsidiary of Bangkok Airways Holding Company Limited
- (2) Exclude interest income which is reclassified to be presented as financial income

Revenue from Airline Operations

Year 2020, total revenue mainly derived from airline business which was accounted for 55.2 percent of total revenue. Revenue from airlines consists of earnings from scheduled flights, charter flights and charter services and cargo.

Revenue from scheduled flights was 5,534.2 million baht, dropped by 70.1 percent from last year. A decreasing of scheduled revenue was mainly from the lower number of passengers which dropped by 67.8 percent. Especially number of passengers in international routes lowered by 80.8 percent due to a suspension of all international flights according to the announcement from Civil Aviation Authority of Thailand (CAAT) regarding to COVID-19 pandemic. As at 31 December 2020, the company resumed domestic routes which were Bangkok to Samui, Bangkok to Phuket, Bangkok to Chiang Mai, Bangkok to Lampang, Bangkok to Trat, Bangkok to Sukhothai, Bangkok to Krabi, Hat Yai to Phuket, U-Tapao to Phuket and Samui to Phuket. Consequently, the load factor for domestic routes reported at 68.2 percent and overall load factor performed at 62.9 percent. The average fare was at 2,949.4 baht per passenger, lower by 9.2 percent from year 2019 mainly from domestic flight operation.

Revenue from charter flights and charter services decreased from 346.0 million baht to 55.1 million baht, lower by 84.1 percent. That was mainly resulted from terminated flights from Samui to Chongqing and Samui to Guangzhou since February 2020, together with travel restrictions from COVID situation.

Revenue from Airport Operations

In year 2020, revenue from airport operations was accounted for 1.7 percent of total revenue. Majority of the airport revenue derived from passenger services charges which were passengers outbound from Samui Airport. As a result of COVID-19 situation, revenue from airport operations for year 2020 reported at 177.3 million baht, decreased by 67.6 percent from year 2019.

Revenue from Airport-Related Operations

Bangkok Air Catering Company Limited (BAC)

For year 2020, the operating performance of BAC was 302.8 million baht, decreased by 70.4 percent from last year. The decreasing amount resulted from severely affected by covid-19 pandemic. Consequently, all airline customers have temporally suspended flight operations according to the Announcement from the Government of each country. Year 2020, the average meal produced reported at 2.1 million meals, dropped by 71.8 percent compared with the same period of last year.

Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)

The operating performance of BFS Ground for services provided to other airlines for year 2020 reported at the amount of 1,139.1 million baht, dropped by 52.4 percent from the previous year.

A decreasing revenue was from lower number of flights by 52.1 percent from year 2019. As of 31 December 2020, BFS Ground has 94 airline customers. As a result of covid-19, there were activated 58 airline customers.

Bangkok Airways Ground Service Company Limited (PGGS)

The total revenue of PGGS in year 2020 reported at the amount of 98.0 million baht, lower by 72.0 percent compared with last year. This was resulted from impact of covid-19 pandemic situation. Likewise, the number of handling flights dropped by 72.6 percent from year 2019.

Unallocated Revenues

Total unallocated revenues of the Company for year 2020 was 2,550.2 million baht or declined by 43.9 percent. Main contributions of unallocated revenues were dividend income from BDMS, gain on exchange rate and other revenues. For year 2020, the other revenue mainly derived from revenue from airline related fee and reversal of long term lease liabilities from related party. However, that was off set from loss from impairment assets during the period.

Share of Profit from Investments in Associates

The Company reported share of profit from associated companies for year 2020 reported at 554.5 million baht, decreased by 34.1 percent compared with the same period last year. The lower profit contributed to shareholders was from the lower performance of Samui Airport Property Fund and WFS-PG Cargo Company

Unit: Million Baht

	January-December			
	2020	2019	Variance	
			Amount	%
WFS-PG Cargo Company Limited	352.0	415.4	(63.4)	(15.3)
Samui Property Fund (SPF)	209.6	393.3	(183.7)	(46.7)
U-Tapao International Aviation Company Limited	(7.1)	-	(7.1)	n.a.
Share of Profit from Investments in Associates	554.5	808.7	(254.2)	(31.4)

Expenses

For year 2020, total expenses were 14,914.2 million baht, dropped by 44.6 percent from same period last year. The cost of sales and services reported at 10,857.4 million baht, dropped by 51.4 percent compared with last year. The lower amount of cost of sales and services was fuel cost that declined from lower fuel consumption and fuel price and cost related to flight operation such as flight pay, aircraft maintenance, landing and parking fee, passenger services, together with reflected a decline in personal cost from voluntary resignation program. Meanwhile, the depreciation expense increased due to a recognition of the right of use assets from the adoption of TFRS16. The company reported loss from derivative transactions and goodwill expense at 1,644.6 million baht and 26.2 million baht respectively.

Expenses consist of costs of sales and services, selling expenses and administrative expenses with details as follows:

Unit: Million Baht

	January-December			
	2020	2019	Variance	
			Amount	%
1. Cost of sales and services	10,857.4	22,324.4	(11,467.0)	(51.4)
• Airlines	8,364.1	18,112.5	(9,748.4)	(53.8)
- Aircraft Fuel Cost	1,397.3	4,667.3	(3,270.0)	(70.1)
- Aircraft Repair and Maintenance	1,745.3	3,547.6	(1,802.3)	(50.8)
- Personnel Expenses	1,839.3	3,427.1	(1,587.8)	(46.3)
- Landing, Parking and Navigation fee	325.4	1,188.4	(863.0)	(72.6)
- Depreciation	2,304.2	966.5	1,337.7	138.4
- Others*	752.6	4,315.6	3,563.0	(82.6)
• Airports, Airport-related Operations and Others	2,493.3	4,211.9	(1,718.6)	(40.8)
2. Selling Expenses	505.1	1,894.7	(1,389.6)	(73.3)
• Airlines	483.9	1,858.8	(1,374.9)	(74.0)
• Airports, Airport-related Operations and Others	21.2	35.9	(14.7)	(40.9)
3. Administrative Expenses	1,879.2	2,702.9	(823.7)	(30.5)
• Airlines	1,323.3	1,910.1	(586.8)	(30.7)
• Airports, Airport-related Operations and Others	555.9	792.8	(236.9)	(29.9)
4. Others	1,672.5	6.0	1,666.5	27,775.0
Total Expenses	14,914.2	26,928.0	(12,013.8)	(44.6)

Remark:

*Mainly comprised of passenger services expenses which eliminated from related party transactions

Costs of Sales and Services

Costs of sales and services principally consist of fuel costs, aircraft repair and maintenance costs, personnel expenses, cost of passenger service and depreciation. For year 2019 and year 2020, costs of sales and services were 22,324.4 million baht and 10,857.4 million baht, accounted for 82.9 percent and 72.8 percent of total expenses respectively.

Selling Expenses

For year 2019 and year 2020, selling expenses were accounted for 7.0 percent and 3.4 percent of total expenses respectively. The selling expenses for year 2020 reported at 505.1 million baht, dropped by 73.3 percent from last year. The decreasing amount was mainly from the usage of reservation, advertising and marketing promotion campaign and supporting selling system expenses.

Administrative Expenses

The administrative expenses of the Company for year 2019 and year 2020 were accounted for 10.0 percent and 12.6 percent of total expenses respectively. The significant decrease of administrative expenses was from tax related expenses.

Finance Costs

Finance costs consist of lease payments under the sub-lease agreement from the Samui Property Fund (SPF) for Samui Airport which include the rental portion of the sub-lease agreement and the variable portion based on the number of departing/arriving passengers from and to Samui Airport. In addition, finance costs also include interest expenses paid to financial institutions and interest paid under lease liabilities.

Unit: Million Baht

	January-December			
	2020	2019	Variance	
			Amount	%
Interest expenses paid to the Samui Property Fund	690.5	1,359.6	(669.1)	(49.2)
Interest and Fee expenses ⁽¹⁾	426.8	409.9	16.9	4.1
Total	1,117.3	1,769.5	(652.2)	(36.9)

Remark:

(1) Interest and fees including expenses related to financial institutions, lease liabilities and credit card fee

Financial cost paid to the Samui Property Fund (SPF) for year 2020 amounted to 690.5 million baht, decreased by 49.2 percent compared to year 2019. The decreasing amount was due to steeply decreasing number of departing passenger and flights in-out Samui Airport by 64.2 percent and 61.4 percent respectively.

The interest costs and fee expenses increased from 409.9 million baht to 426.8 million baht which mainly due to interest paid under long term loan agreements and also interest expense of lease liabilities under TFRS16.

Assets

As of 31 December 2020, the Company and its subsidiaries have total assets amounted of 50,601.5 million baht, decreased by 11,306.2 million baht.

Unit: Million Baht

	As at December 31, 2020	As at December 31, 2019	Variance
Current assets			
• Cash & cash equivalents	2,181.1	5,273.1	(3,092.0)
• Current investment	-	4,046.1	(4,046.1)
• Trade and other receivables	400.7	1,535.4	(1,134.7)
• Reimbursable maintenance expense	15.6	857.8	(842.2)
• Other current assets	659.4	877.1	(217.7)
Total current assets	3,256.8	12,589.5	(9,332.7)
Non-current assets			
• Investments in associates	4,881.2	2,920.2	1,961.0
• Other non-current financial assets	23,424.1	-	23,424.1
• Other long-term investments	-	29,050.5	(29,050.5)
• Property, plant and equipment	9,776.8	15,608.2	(5,831.4)
• Right-of-use assets	7,762.5	-	7,762.5
• Deposits	529.0	643.7	(114.7)
• Other non-current assets	971.1	1,095.6	(124.5)
Total Non-current assets	47,344.7	49,318.2	(1,973.5)
Total assets	50,601.5	61,907.7	(11,306.2)

Current assets

Total current assets of the Company as of 31 December 2020 was 3,256.8 million baht, decreased from 31 December 2019 by 9,332.7 million baht. This was mainly due to:

- Cash and cash equivalents and Current investment lower by 7,138.1 million baht, mainly resulted from cash paid for operating activities, capital paid in associated company, long term lease liabilities and interest expenses during the period.
- Trade and other receivables decreased by 1,134.7 million baht in a consequence of lower advanced bookings and refund ticket during the period.
- Reimbursable maintenance expense decreased by 842.2 million baht mostly due to cash received from amount claimed from maintenance reserve fund.

Non-current assets

Total non-current assets of the Company were 47,334.7 million baht, decreased from the end of 2019 by 1,973.5 million baht. This was resulted from:

- A decreasing amount of 5,626.4 million baht from other non-current financial assets compared with other long-term investments at the end of year 2019, was resulted from the mark to market of long-term investments in marketable securities.
- Property, Plant and Equipment which decreased by 5,831.4 million baht, mainly from reclassification of property, plant and equipment to be right-of-use assets from the adoption of TFRS 16.
- Right-of-use assets amounted of 7,762.5 million baht which were comprised of the amount of reclassification of property, plant and equipment and right-of-use assets adjustment due to TFRS 16 adoption. The reported amount also included impairment of aircraft during the period.
- Investments in associates increased by 1,961.0 million baht, mainly from an investment in associated company, U-Tapao International Aviation Company Limited during the period.

Liabilities

As of 31 December 2020, the Company and its subsidiaries have liabilities amounted of 30,995.9 million baht. A decrease of 907.3 million baht from 31 December 2019 was as follows:

Unit: Million Baht

	As at December 31, 2020	As at December 31, 2019	Variance
Current liabilities			
• Short-term loan	1,105.0	50.0	1,055.0
• Trade and other payables	1,119.0	3,183.2	(2,064.2)
• Current portion of long-term loans	916.9	582.9	334.0
• Current portion of long term lease liabilities	4,240.7	-	4,240.7
• Current portion of liabilities arising from financial lease of aircrafts and Finance lease liabilities	-	411.7	(411.7)
• Unearned revenue	571.6	2,343.7	(1,772.1)
• Other current financial liabilities	1,089.0	-	1,089.0
• Other current liabilities	1,635.2	2,685.0	(1,049.8)
Total current liabilities	10,677.4	9,256.5	1,420.9
Non-current liabilities			
• Long-term loans- net current of portion	2,046.4	2,400.7	(354.3)
• Long-term loans- related party	1,000.0	-	1,000.0
• Long-term lease liabilities - net of current portion	2,359.1	-	2,359.1
• Liabilities arising from financial lease of aircrafts and finance lease liabilities – net of current portion	-	2,914.6	(2,914.6)
• Long-term loans from related party – net of current portion	9,623.0	11,252.4	(1,629.4)
• Employee benefits	798.5	956.6	(158.1)
• Deferred tax liabilities	3,955.6	5,060.0	(1,104.4)
• Other non-current financial liabilities	522.3	-	522.3
• Other non-current liabilities	13.6	62.4	(48.8)
Total non-current liabilities	20,318.5	22,646.7	(2,328.2)
Total liabilities	30,995.9	31,903.2	(907.3)

Current liabilities

Total current liabilities amounting to 10,677.4 million baht, increased from 31 December 2019 by 1,420.9 million baht, the changes were mainly due to;

- Current portion of long term lease liabilities reported at 4,240.7 million baht which were comprised of current portion of liabilities arising from financial lease of aircrafts and finance lease, together with long term lease liabilities adjustment due to TFRS 16 adoption. The reported amount of current liabilities was mainly from outstanding of long term lease liabilities of 9-ATR72-600 under financial lease agreement.
- Trade and other payables amounting to 1,119.0 million baht, decreased by 2,064.2 million baht. This was mainly from a decreasing of major expenses related to lower flight operations.
- Unearned revenue decreased by 1,772.1 million baht as a consequence of lower advanced bookings resulted from covid-19 pandemic.
- Other current financial liabilities amounting to 1,089.0 million baht, mainly from liabilities arisen from mark to market of equity swap transactions.

Non-current liabilities

Total non-current liabilities of the Company were 20,318.5 million baht, decreased by 2,328.2 million baht from 31 December 2019, largely derived from:

- Long-term lease liabilities - net of current portion amounting to 2,359.1 million baht, a decreasing amount of 555.5 million baht compared with Liabilities arising from financial lease of aircrafts and finance lease liabilities – net of current portion at the end of year 2019 was mainly resulted from TFRS 16 adoption of long term lease liabilities transactions.
- Long-term loans from related party – net of current portion amounting to 9,623.0 million baht. The lower amount of 1,629.4 million baht was from reversal of long term lease liabilities from related party.
- Deferred tax liabilities decreased by 1,104.4 million baht mainly due to lower unrealized gain on re-measuring of marketable securities during the period.

Shareholders' Equity

Unit: Million Baht

	As at December 31, 2020	As at December 31, 2019	Variance
Shareholders' equity			
• Paid up capital	2,100.0	2,100.0	-
• Premium on ordinary shares and capital reserve for share-based payment transactions	9,319.5	9,319.5	-
• Treasury stocks	(491.6)	(491.6)	-
• Other components of shareholders' equity	14,264.4	18,934.9	(4,670.5)
• Retained earnings (loss)	(5,389.9)	296.3	(5,686.2)
• Others ⁽¹⁾	(196.9)	(154.6)	(42.3)
Total shareholders' equity	19,605.5	30,004.5	(10,399.0)

Remark:

(1) Comprised of discount on changes in shareholding in subsidiaries and non-controlling interests of the subsidiaries

As of 31 December 2020, total shareholders of the Company and its subsidiaries was 19,605.5 million baht. A decreasing amount of 10,399.0 million baht mainly from retained loss and mark to market of marketable securities. The Company has retained loss at the amount of 5,389.9 million baht.

Statement of Cash Flow

Unit: Million Baht

	As at December 31, 2020	As at December 31, 2019
Net cash flows from operating activities	(4,268.5)	1,175.8
Net cash flows from investing activities	2,419.2	1,495.1
Net cash flows used in financing activities	(1,242.7)	(1,745.6)
Cash and cash equivalents at end of period	2,181.1	5,273.1

Cash flows from operating activities

As of 31 December 2020, the loss of the Company and its subsidiaries before changes in operating assets and liabilities is 1,956.2 million baht while the amount of net cash flows used in operating activities was 4,268.5 million baht.

Cash flows from investing activities

As of 31 December 2020, net cash flows from investing activities of the Company and its subsidiaries was 2,419.2 million baht which mainly from cash received from fixed deposit and dividend received from investment in associates and investment in equity. However, this was offset by cash outflows used for acquisition of investment in associates (U-tapao International Aviation Co., Ltd) and acquisition of property, plant and equipment during the period.

Cash flows from financing activities

As of 31 December 2020, the Company and its subsidiaries have cash flow used in financing activities at the amount of 1,242.7 million baht, mainly from cash paid for long term lease liabilities, interest expense and dividend payment. However, this was offset by cash received from short term loan and long term loan from related party during the period.

Summary Consolidated Financial and Ratio

		As at 31 December	
		2020	2019
Liquidity Ratio	Current Ratio (Time)	0.3	1.4
	Quick Ratio (Time)	2.4	3.8
	Collection Period (Day)	43.8	24.2
	Stock Turnover Period (Day)	16.4	8.5
	Payment Period (Day)	43.9	33.5
Profitability Ratio	Gross Profit Margin (%)	(41.6)	6.8
	Operating Profit Margin (%)	(46.4)	(1.5)
	EBITDA Margin (%)	(9.0)	4.1
	Net profit Margin (%)	(52.2)	1.2
	Return on Equity (%)	(21.5)	1.2
Efficiency Ratio	Return on Assets (%)	(9.5)	0.6
	Return on Fixed Assets (%)	(19.6)	11.4
	Asset Turnover (Time)	0.2	0.5
Leverage Ratio	Debt to Equity (Time)	1.6	1.1
	Interest Coverage Ratio (Time)	(0.6)	0.6

Bangkok Airways Public Company Limited and its subsidiaries
31 December 2020

Independent Auditor's Report

To the Shareholders of Bangkok Airways Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Airways Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Airways Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Airways Public Company Limited and its subsidiaries and of Bangkok Airways Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to the following matters.

1. As discussed in Note 1.2 to the consolidated financial statements, the COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and directly affecting the Group's business activities as the Group has temporarily suspended flight routes and services since the end of March 2020 until the middle of May 2020. After the COVID-19 situation has improved from June 2020, the Group resumed the flight operation and reopened the routes. However, since the second wave of the COVID-19 pandemic has been spreading since December 2020 to date, the Group decided to reduce flight frequencies on some routes. The flight operation and the route opening will be gradually resumed when the COVID-19 situation tends to be improved. However, the Group therefore incurred significant operating losses in 2020 and its total current liabilities significantly exceeded its total current assets. This is significantly impacting the Group's financial position, operating results, cash flows, and debt covenants under the aircraft lease agreements at present, and is expected to do so in the future.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

2. As discussed in Note 3 to the consolidated financial statements, in the fourth quarter of 2020, the Company assessed the financial impacts of the uncertainties of the COVID-19 pandemic on the valuation of significant assets. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Company decided to discontinue application of some relief measures, which the Company elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.
3. As discussed in Note 4 to the consolidated financial statements, during the current year, the Group changed its accounting policies due to the adoption of financial reporting standards related to financial instruments and TFRS 16 Leases, which the Group recognised the cumulative effect from the adoption of new financial reporting standards as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition of passenger fare

As disclosed in Note 5.1 to the consolidated financial statements with respect to revenue recognition, passenger fare is the most significant amount in the statement of comprehensive income. In addition, the Company's passenger fare has been directly impacted by a competitive market environment, fuel prices, economic conditions and other external factors. I therefore considered the revenue recognition of passenger fare to be a key audit matter and have focused on the audit of occurrence and timing of revenue recognition.

The following significant audit procedures were performed in respect to above matter.

- Assessing and testing the Company's IT system and its internal controls with respect to the ticket reservation and recognition of passenger fare revenue when passengers travel to the route they have reserved by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select the ticket reservation transactions and check them against payment information and external reports obtained from financial institutions.
- Applying a sampling method to select and check the flight data recorded in the revenue report against the flight schedule, including entries in corresponding ledgers, to ensure the accuracy and completeness of passenger fare occurring during the year and near the end of the accounting period.
- Applying a sampling method to select and send confirmation of the flight data recorded in the revenue report against external reports obtained from Airport Authorities to ensure the existence of revenue.
- Selecting representative samples of the recorded adjustment transactions to check them against documents relating to passenger fare.
- Performing analytical procedures on disaggregated data to detect possible irregularities in passenger fare transactions throughout the accounting period.

Impairment of property, plant and equipment and right-of-use assets

As disclosed in Note 16 and 17.1 to the consolidated financial statements, the Group recorded property, plant and equipment and right-of-use assets, net of allowance for loss on impairment of assets. The Group recorded allowance for loss on impairment of assets amounting to Baht 1,153 million which is significant in expense account during the current year. In determining the impairment loss of property, plant and equipment and right-of-use assets, management is required to exercise significant judgement with respect to identification of cash generating units and expected recoverable amount from future operating asset performance including consideration of assets fair value. There is therefore a risk of recognising insufficient loss on impairment of assets and overstating property, plant and equipment and right-of-use assets. I have therefore considered the impairment of property, plant and equipment and right-of-use assets determination to be a key audit matter.

The following significant audit procedures were performed in respect to above matter.

- Enquiring of the management and considering the reasonableness of policy on determine the estimated useful lives of property, plant and equipment and right-of-use assets, together with the revisions of estimated useful lives of assets.
- Gaining an understanding of the management's consideration of the cash generating units whether it is consistent with asset utilisation and recoverable amount calculation.
- Consideration and testing the significant assumption applied by management for preparing future cash flow projection from operating assets in order to evaluate the exercise of management judgement.
- Considering the scope and objectives of the fair value measurement performed by the independent appraiser, and evaluating the techniques and models as specified in the appraisal report, applied by the independent appraiser to measure the fair value, and also reviewing the data and key assumptions used in the measurement of fair value.
- Reviewing the disclosures made with respect to the assessing of assets impairment.

Estimation of long-term lease liabilities from related party

As discussed in Note 24 to the consolidated financial statements, because the valuation of long-term lease liabilities from related party is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying assumption to determine the number of passengers, the number of arrival flights and returning to normal flight situations period after the COVID-19 situation, including determining appropriate long-term growth rate, that affect the valuation of the long-term lease liabilities from related party.

The following significant audit procedures were performed in respect to above matters.

- Reviewing the relevant contract terms and conditions of long-term lease.
- Evaluating the appropriateness of methods and assumptions used in making an estimation by comparing those assumptions with information from both internal and external sources including aviation industry and also comparing past cash flow projections with actual operating results in order to evaluate the exercise of management judgment in making an estimation.
- Considering the impact of changes in key assumptions on long-term lease liabilities from related party, especially changes in number of passengers.
- Reviewing the disclosures made with respect to the estimation of long-term lease liabilities from related party, as well as sensitivity of the impact of changes in key assumptions to the estimation.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

(Rungnapa Lertsuwankul)

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 25 February 2021

Statement of financial position

176

Bangkok Airways Public Company Limited and its subsidiaries as at 31 December 2020

Unit: Baht

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
• Cash and cash equivalents	8	2,181,116,771	5,273,123,851	1,694,253,979	4,718,138,616
• Current investments	9	-	4,046,141,552	-	4,000,000,000
• Trade and other receivables	7, 10	400,706,672	1,535,366,561	144,019,354	949,363,874
• Inventories	11	476,618,307	509,698,930	378,584,587	394,446,355
• Prepaid expenses		95,734,073	186,264,066	78,458,469	154,862,361
• Reimbursable maintenance expenses		15,557,614	857,812,137	15,557,614	857,812,137
• Other current financial assets	9	-	-	-	-
• Other current assets		87,050,569	181,056,552	38,592,317	62,237,242
Total current assets		3,256,784,006	12,589,463,649	2,349,466,320	11,136,860,585
Non-current assets					
• Restricted bank deposits		-	3,559,826	-	-
• Other non-current financial assets	12	23,424,118,757	-	19,177,058,931	-
• Investments in subsidiaries	13	-	-	4,336,046,479	5,912,474,174
• Investments in associates	14	4,881,216,177	2,920,216,782	5,651,408,941	3,626,408,941
• Other long-term investments	12	-	29,050,557,607	-	23,771,807,607
• Long-term loan to and interest receivable from related party	7	-	-	105,329,041	100,842,466
• Investment properties	15	238,345,070	258,565,533	487,878,613	505,211,539
• Property, plant and equipment	16	9,776,845,685	15,608,164,766	7,769,936,317	13,486,279,374
• Right-of-use assets	17.1	7,762,521,311	-	7,199,302,137	-
• Intangible assets	18	482,761,263	557,708,705	196,939,581	225,890,535
• Leasehold rights		-	31,992,443	-	31,992,443
• Deferred tax assets	35.1	33,375,273	59,943,582	-	-
• Goodwill	19	-	26,247,681	-	-
• Deposits	7	529,010,277	643,750,905	517,142,128	621,215,311
• Other non-current assets	20	216,598,346	157,556,981	171,830,400	156,691,182
Total non-current assets		47,344,792,159	49,318,264,811	45,612,872,568	48,438,813,572
Total assets		50,601,576,165	61,907,728,460	47,962,338,888	59,575,674,157

The accompanying notes are an integral part of the financial statements.

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
• Short-term loans from financial institutions	21	1,105,000,000	50,000,000	670,000,000	-
• Trade and other payables	7, 22	1,119,047,642	3,183,179,251	933,796,248	3,098,734,086
• Dividend payables		2,600,831	-	2,600,831	-
• Current portion of long-term loans	23	916,856,019	582,931,143	108,619,118	165,573,294
• Current portion of lease liabilities	17.1	4,240,685,649	-	4,119,659,246	-
• Income tax payable		-	277,320,995	-	220,867,235
• Current portion of liabilities arising from finance lease of aircrafts		-	363,414,425	-	363,414,425
• Current portion of finance lease liabilities		-	48,286,242	-	30,103,238
• Current portion of long-term lease liabilities from related party	24	47,500,000	78,599,105	47,500,000	78,599,105
• Unearned income		571,603,116	2,343,723,750	570,287,924	2,342,435,423
• Other current financial liabilities	44.1	1,089,047,114	-	1,089,047,114	-
• Other current liabilities	7, 25	1,585,089,561	2,329,096,839	1,422,109,374	1,883,120,194
Total current liabilities		10,677,429,932	9,256,551,750	8,963,619,855	8,182,847,000
Non-current liabilities					
• Long-term loans - net of current portion	23	2,046,395,905	2,400,692,285	1,669,326,645	1,691,415,240
• Long-term loan from related party	7	1,000,000,000	-	1,000,000,000	-
• Lease liabilities - net of current portion	17.1	2,359,178,133	-	1,863,257,564	-
• Liabilities arising from finance lease of aircrafts - net of current portion		-	2,879,028,844	-	2,879,028,844
• Finance lease liabilities - net of current portion		-	35,629,295	-	15,096,213
• Long-term lease liabilities from related party - net of current portion	24	9,622,984,988	11,252,380,024	9,622,984,988	11,252,380,024
• Provision for long-term employee benefits	26	798,460,861	956,604,393	672,076,690	702,894,415
• Deferred tax liabilities	35.1	3,955,614,669	5,060,031,358	3,302,934,044	4,197,875,285
• Other non-current financial liabilities	44.1	522,285,967	-	507,466,163	-
• Other non-current liabilities		13,632,541	62,317,619	-	-
Total non-current liabilities		20,318,553,064	22,646,683,818	18,638,046,094	20,738,690,021
Total liabilities		30,995,982,996	31,903,235,568	27,601,665,949	28,921,537,021

The accompanying notes are an integral part of the financial statements.

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
• Registered					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Issued and paid-up					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Premium on ordinary shares		9,319,481,872	9,319,481,872	9,319,481,872	9,319,481,872
• Discount on changes in shareholding in subsidiaries		(211,165,781)	(211,165,781)	(211,165,781)	(211,165,781)
• Retained earnings (Deficit)					
- Appropriated					
Statutory reserve	27	210,000,000	210,000,000	210,000,000	210,000,000
Others	28	491,556,177	491,556,177	491,556,177	491,556,177
- Unappropriated		(6,091,420,999)	(405,300,980)	(5,322,055,960)	300,891,179
• Treasury stocks	28	(491,556,177)	(491,556,177)	(491,556,177)	(491,556,177)
• Other components of shareholders' equity		14,264,412,808	18,934,929,866	14,264,412,808	18,934,929,866
• Equity attributable to owners of the Company		19,591,307,900	29,947,944,977	20,360,672,939	30,654,137,136
• Non-controlling interests of the subsidiaries		14,285,269	56,547,915	-	-
Total shareholders' equity		19,605,593,169	30,004,492,892	20,360,672,939	30,654,137,136
Total liabilities and shareholders' equity		50,601,576,165	61,907,728,460	47,962,338,888	59,575,674,157

The accompanying notes are an integral part of the financial statements.

Directors

Directors

Statement of comprehensive income

Bangkok Airways Public Company Limited and its subsidiaries for the year ended 31 December 2020

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
• Passenger fare	7	5,589,273,407	18,862,113,903	5,589,468,992	18,862,525,618
• Sales and service income	7	1,849,230,044	4,350,332,043	-	-
• Freight	7	50,344,260	201,812,779	50,698,652	201,950,465
• Passenger service charge		177,258,783	547,293,126	177,258,783	547,293,126
• Dividend income	7	375,109,347	577,335,914	932,164,108	1,277,735,511
• Gain on sales of investments in equity instruments	12, 31	-	1,990,774,573	-	1,990,774,573
• Gain on exchange rate	31	226,988,612	-	221,584,576	-
• Other income	7, 16, 24	1,948,111,652	1,975,166,495	1,996,393,842	1,999,465,928
Total revenues		10,216,316,105	28,504,828,833	8,967,568,953	24,879,745,221
Expenses					
• Cost of sales and services	7	10,857,352,029	22,324,445,406	9,083,959,957	19,346,214,376
• Selling and distribution expenses	7	505,062,425	1,894,714,571	483,940,019	1,858,762,266
• Administrative expenses	7	1,879,195,288	2,702,851,499	1,328,265,450	2,052,961,525
• Loss on exchange rate	31	-	2,074,656	-	13,609,074
• Loss on derivatives	31	1,644,581,679	-	1,644,581,679	-
• Goodwill written-off		26,247,681	-	-	-
• Other expenses		1,756,175	3,878,841	-	-
Total expenses		14,914,195,277	26,927,964,973	12,540,747,105	23,271,547,241
Operating profit (loss)		(4,697,879,172)	1,576,863,860	(3,573,178,152)	1,608,197,980
• Share of profit (loss) from investments in subsidiaries	13.2	-	-	(567,429,250)	542,232,112
• Share of profit from investments in associates	14.2	554,554,156	808,682,185	-	-
• Finance income	7, 32	33,182,470	104,398,055	30,569,760	104,025,027
• Finance cost	7, 33	(1,117,284,287)	(1,769,495,769)	(1,042,618,938)	(1,712,443,358)
Profit (loss) before income tax expenses		(5,227,426,833)	720,448,331	(5,152,656,580)	542,011,761
• Income tax expenses	35.2	(100,395,241)	(363,776,212)	(67,352,335)	(209,259,655)
Profit (loss) for the year		(5,327,822,074)	356,672,119	(5,220,008,915)	332,752,106

The accompanying notes are an integral part of the financial statements.

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
• Loss on cash flow hedges		(52,295,671)	-	(48,768,062)	-
• Share of other comprehensive income from investments in subsidiaries	13.2	-	-	(2,540,052)	172,199,898
• Loss on changes in value of available-for-sale investments		-	(1,127,152,425)	-	(1,342,402,426)
• Less: Income tax effect	35.3	3,482,002	225,430,485	2,776,432	268,480,485
Other comprehensive income to be reclassified					
• To profit or loss in subsequent periods - net of income tax		(48,813,669)	(901,721,940)	(48,531,682)	(901,722,043)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
• Share of other comprehensive income from investments in subsidiaries	13.2	-	-	(822,081,499)	(6,811,078)
• Loss on changes in value of equity investments designated at fair value through other comprehensive income		(5,629,389,476)	-	(4,594,139,476)	-
• Less: Income tax effect	35.3	1,125,877,895	-	918,827,895	-
• Actuarial gain (loss) on defined benefits plan	26	(116,877,826)	85,700,005	(126,611,953)	95,159,837
• Less: Income tax effect	35.3	11,261,302	(7,724,887)	13,010,644	(9,616,853)
Other comprehensive income not to be reclassified					
• To profit or loss in subsequent periods - net of income tax		(4,609,128,105)	77,975,118	(4,610,994,389)	78,731,906
Other comprehensive income for the year		(4,657,941,774)	(823,746,822)	(4,659,526,071)	(822,990,137)
Total comprehensive income for the year		(9,985,763,848)	(467,074,703)	(9,879,534,986)	(490,238,031)

The accompanying notes are an integral part of the financial statements.

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit (loss) attributable to:					
• Equity holders of the Company		(5,283,181,795)	350,834,694	(5,220,008,915)	332,752,106
• Non-controlling interests of the subsidiaries		(44,640,279)	5,837,425		
		(5,327,822,074)	356,672,119		
Total comprehensive income attributable to:					
• Equity holders of the Company		(9,942,707,869)	(472,155,443)	(9,879,534,986)	(490,238,031)
• Non-controlling interests of the subsidiaries		(43,055,979)	5,080,740		
		(9,985,763,848)	(467,074,703)		
Earnings per share	37				
• Basic earnings per share					
- Profit (loss) attributable to equity holders of the Company		(2.56)	0.17	(2.53)	0.16
Weighted average number of ordinary shares (shares) of Baht 1 each		2,060,000,000	2,060,727,917	2,060,000,000	2,060,727,917

The accompanying notes are an integral part of the financial statements.

Unit: Baht

Consolidated financial statements															
Equity attributable to owners of the Company															
	Note	Retained earnings (Deficit)					Other components of shareholders' equity								
		Issued and paid-up share capital	Premium on ordinary shares	Discount on shareholding in subsidiaries	Appropriated		Unappropriated	Surplus on changes in value of available-for-sale investments	Gain on changes in value of equity investments from value through other comprehensive income	Loss on cash flow hedges	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Statutory reserve	Others									
Balance as at 1 January 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	366,783,940	(545,295,343)	19,836,651,909	-	-	-	19,836,651,909	30,709,672,657	67,341,948	30,777,014,605
• Profit for the year		-	-	-	-	-	350,834,694	-	-	-	-	-	350,834,694	5,837,425	356,672,119
• Other comprehensive income for the year		-	-	-	-	-	78,731,906	(901,722,043)	-	-	-	(901,722,043)	(822,990,137)	(756,665)	(823,746,822)
• Total comprehensive income for the year		-	-	-	-	-	429,566,600	(901,722,043)	-	-	-	(901,722,043)	(472,155,443)	5,080,740	(467,074,703)
• Repurchase ordinary shares	28	-	-	-	-	-	-	(124,772,237)	-	-	-	-	(124,772,237)	-	(124,772,237)
• Reserve for treasury stock	28	-	-	-	-	124,772,237	(124,772,237)	-	-	-	-	-	-	-	-
• Share capital - non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	320	320
• Dividend paid	40	-	-	-	-	-	(164,800,000)	-	-	-	-	-	(164,800,000)	-	(164,800,000)
• Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(15,875,093)	(15,875,093)
Balance as at 31 December 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(405,300,980)	18,934,929,866	-	-	-	18,934,929,866	29,947,944,977	56,547,915	30,004,492,892
Balance as at 1 January 2020	4	2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(405,300,980)	18,934,929,866	-	-	-	18,934,929,866	29,947,944,977	56,547,915	30,004,492,892
• Cumulative effect of changes in accounting policies		-	-	-	-	-	(89,454,920)	(18,934,929,866)	18,934,929,866	(118,474,288)	(118,474,288)	(118,474,288)	(207,929,208)	(903,360)	(208,832,568)
Balance as at 1 January 2020 - as restated		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(494,755,900)	-	18,934,929,866	(118,474,288)	18,816,455,578	29,740,015,769	29,740,015,769	55,644,555	29,795,660,324
• Loss for the year		-	-	-	-	-	(5,283,181,795)	-	-	-	-	(5,283,181,795)	(5,283,181,795)	(44,640,279)	(5,327,822,074)
• Other comprehensive income for the year		-	-	-	-	-	(107,483,304)	-	(4,503,511,581)	(48,531,189)	(4,552,042,770)	(4,659,526,074)	(4,659,526,074)	1,584,300	(4,657,941,774)
• Total comprehensive income for the year		-	-	-	-	-	(5,390,665,099)	-	(4,503,511,581)	(48,531,189)	(4,552,042,770)	(9,942,707,869)	(9,942,707,869)	(43,055,979)	(9,985,763,848)
• Share capital - non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	2,450,000	2,450,000
• Dividend paid	40	-	-	-	-	-	(206,000,000)	-	-	-	-	-	(206,000,000)	-	(206,000,000)
• Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(753,307)	(753,307)
Balance as at 31 December 2020		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(6,091,420,693)	-	14,431,418,285	(167,005,477)	14,264,412,808	19,591,307,930	14,285,269	19,605,593,169	

The accompanying notes are an integral part of the financial statements.

Separate financial statements												
	Note	Issued and paid-up share capital	Retained earnings (Deficit)				Other components of shareholders' equity					
			Appropriated		Unappropriated		Treasury stock	Share of other comprehensive income from investments in subsidiaries	Surplus on changes in value of investments available-for-sale	Gain on changes in value of equity investments, net of their value through other comprehensive income	Loss on cash flow hedges	Total other components of shareholders' equity
			Statutory reserve	Others								
Balance as at 1 January 2019		2,100,000,000	210,000,000	366,793,940	178,979,404	(366,793,940)		3,533,597,528	16,303,054,381	-	-	19,836,651,909
• Profit for the year		-	-	-	332,752,106	-	-	-	-	-	-	-
• Other comprehensive income for the year		-	-	-	78,731,906	-	-	172,199,898	(1,073,921,941)	-	-	(822,990,137)
• Total comprehensive income for the year		-	-	-	411,484,012	-	-	172,199,898	(1,073,921,941)	-	-	(490,238,031)
• Repurchase ordinary shares	28	-	-	-	-	(124,772,237)	-	-	-	-	-	(124,772,237)
• Reserve for treasury stock	28	-	-	124,772,237	(124,772,237)	-	-	-	-	-	-	-
• Dividend paid	40	-	-	-	(164,800,000)	-	-	-	-	-	-	(164,800,000)
Balance as at 31 December 2019		2,100,000,000	210,000,000	491,556,177	300,891,179	(491,556,177)		3,705,797,426	15,229,132,440	-	-	18,934,929,866
Balance as at 1 January 2020		2,100,000,000	210,000,000	491,556,177	300,891,179	(491,556,177)		3,705,797,426	15,229,132,440	-	-	18,934,929,866
• Cumulative effect of changes in accounting policies	4	-	-	-	(89,454,920)	-	-	(8,130,205)	(15,229,132,440)	15,229,132,440	(110,344,086)	(207,929,211)
Balance as at 1 January 2020 - as restated		2,100,000,000	210,000,000	491,556,177	211,436,259	(491,556,177)		3,697,667,221	-	15,229,132,440	(110,344,086)	18,816,465,575
• Profit for the year		-	-	-	(5,220,008,915)	-	-	-	-	-	-	(5,220,008,915)
• Other comprehensive income for the year		-	-	-	(107,483,304)	-	-	(830,739,556)	-	(3,675,311,581)	(45,991,630)	(4,659,526,071)
• Total comprehensive income for the year		-	-	-	(5,327,492,219)	-	-	(830,739,556)	-	(3,675,311,581)	(45,991,630)	(9,879,534,866)
• Dividend paid	40	-	-	-	(206,000,000)	-	-	-	-	-	-	(206,000,000)
Balance as at 31 December 2020		2,100,000,000	210,000,000	491,556,177	(5,322,055,960)	(491,556,177)		2,866,927,665	-	11,553,820,659	(156,335,716)	14,264,412,008
												20,360,672,939

The accompanying notes are an integral part of the financial statements.

Statement of cash flows

Bangkok Airways Public Company Limited and its subsidiaries for the year ended 31 December 2020

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	(5,227,426,833)	720,448,331	(5,152,656,580)	542,011,761
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
• Depreciation and amortisation	2,842,552,866	1,421,529,437	2,455,286,333	1,096,399,250
• Gain on terminated lease contracts	(3,401,735)	-	(1,329,333)	-
• Allowance for expected credit losses/ Allowance for doubtful accounts (reversal)	16,038,230	4,574,524	6,414,378	(9,021,161)
• Reduction of inventory to net realisable value (reversal)	373,074	(711,182)	(54,176)	(24,066)
• Gain on sales of equipment	(5,268,810)	(179,255,316)	(8,757,026)	(182,025,178)
• Gain on sales of leasehold rights	-	(2,416,443)	-	(2,416,443)
• Gain on sales of investments in equity instruments	-	(1,990,774,573)	-	(1,990,774,573)
• Share of (profit) loss from investments in subsidiaries	(554,554,156)	(808,682,185)	-	-
• Share of profit from investments in associates	108,451,098	347,287,744	81,205,653	273,185,549
• Provision for long-term employee benefits	(245,695,588)	-	(113,942,630)	-
• Reversal of provision for long-term employee benefits	(80,951,684)	(80,823,935)	(80,706,533)	(81,595,549)
• Unrealised gain on exchange rate	934,964,074	-	934,964,074	-
• Unrealised loss on derivatives	148,470,562	-	148,470,562	-
• Impairment loss on equipment	1,004,417,263	-	1,004,417,263	-
• Impairment loss on right-of-use assets	-	-	-	-
• Reversal of long-term lease liabilities from related party	(1,629,395,036)	-	(1,629,395,036)	-
• Goodwill written-off	26,247,681	-	-	-
• Dividend income	(375,109,347)	(577,335,914)	(932,164,108)	(1,277,735,511)
• Finance income	(33,182,470)	(104,398,055)	(30,569,760)	(104,025,027)
• Finance cost	1,117,284,287	1,769,495,769	1,042,618,938	1,712,443,358
Profit (loss) from operating activities before changes in operating assets and liabilities	(1,956,186,524)	518,938,202	(1,708,768,731)	(565,809,702)
Operating assets (increase) decrease				
• Trade and other receivables	1,121,807,520	173,431,338	802,049,027	200,083,573
• Inventories	32,707,549	32,657,079	15,915,944	6,841,677
• Other current assets	866,488,913	307,046,970	822,020,159	303,881,017
• Other non-current assets	117,990,994	121,795,971	113,175,297	132,754,988
Operating liabilities increase (decrease)				
• Trade and other payables	(1,884,905,424)	340,194,404	(2,028,094,379)	446,035,981
• Other current liabilities	(2,068,570,483)	(151,599,603)	(1,824,947,387)	(202,836,059)
• Long-term employee benefits paid	(137,776,868)	(27,566,427)	(124,692,701)	(23,776,476)
• Other non-current liabilities	(48,685,078)	378,352	-	-
Cash flows from (used in) operating activities	(3,957,129,401)	1,315,276,286	(3,933,342,771)	297,174,999
• Cash received from corporate income tax return	-	28,272,112	-	28,272,112
• Corporate income tax paid	(311,365,565)	(167,706,611)	(239,842,543)	(40,922,366)
Net cash flows from (used in) operating activities	(4,268,494,966)	1,175,841,787	(4,173,185,314)	284,524,745

The accompanying notes are an integral part of the financial statements.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	-	(59,826)	-	-
Decrease (increase) in fixed deposits	4,046,141,552	(746,141,552)	4,000,000,000	(700,000,000)
Cash paid for acquisition of investment in associate	(2,025,000,000)	-	(2,025,000,000)	-
Cash paid for acquisition of investments in equity instruments	-	(105,752,697)	-	(105,752,697)
Cash paid for acquisition of property, plant and equipment	(634,406,972)	(2,011,740,725)	(428,393,644)	(1,684,818,617)
Cash paid for acquisition of intangible assets	(29,550,919)	(93,171,935)	(25,029,136)	(91,747,857)
Cash paid for acquisition of leasehold rights	-	(50,335)	-	(50,335)
Cash received from finance income	52,286,856	101,029,885	45,059,349	104,827,013
Dividend income from investments in subsidiaries	-	-	176,246,693	529,624,939
Dividend income from investments in associates	618,554,761	790,599,597	618,554,761	790,599,597
Dividend income from investments in equity instruments	375,109,347	577,335,914	313,609,347	487,135,914
Cash received from sales of equipment	15,466,037	789,234,447	12,496,676	788,241,699
Cash received from sales of leasehold rights	-	5,041,332	-	5,041,332
Cash received from sales of investments in equity instruments	609,200	2,188,800,456	609,200	2,188,800,456
Net cash flows from investing activities	2,419,209,862	1,495,124,561	2,688,153,246	2,311,901,444
Cash flows from financing activities				
Increase in short-term loans from financial institutions	1,055,000,000	14,824,471	670,000,000	-
Increase in long-term loan from related party	1,000,000,000	-	1,000,000,000	-
Cash received from long-term loans	85,889,985	1,118,224,000	-	960,224,000
Repayment of long-term loans	(105,233,152)	(276,184,958)	(78,014,434)	(136,320,232)
Repayment of long-term lease liabilities from related party	(31,099,105)	(34,293,354)	(31,099,105)	(34,293,354)
Cash paid for liabilities under finance lease payable	-	(460,833,366)	-	(448,875,623)
Payment of principal portion of lease liabilities	(1,819,857,993)	-	(1,751,452,798)	-
Interest paid	(1,225,719,235)	(1,801,870,340)	(1,144,887,063)	(1,744,713,435)
Cash received from share capital - non-controlling interests of the subsidiaries	2,450,000	320	-	-
Dividend paid	(203,399,169)	(164,800,000)	(203,399,169)	(164,800,000)
Dividend paid to non-controlling interests of the subsidiaries	(753,307)	(15,875,093)	-	-
Repurchase ordinary shares	-	(124,772,237)	-	(124,772,237)
Net cash flows used in financing activities	(1,242,721,976)	(1,745,580,557)	(1,538,852,569)	(1,693,550,881)
Net increase (decrease) in cash and cash equivalents	(3,092,007,080)	925,385,791	(3,023,884,637)	902,875,308
Cash and cash equivalents at beginning of the year	5,273,123,851	4,347,738,060	4,718,138,616	3,815,263,308
Cash and cash equivalents at end of the year (Note 8)	2,181,116,771	5,273,123,851	1,694,253,979	4,718,138,616

The accompanying notes are an integral part of the financial statements.

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flow information:				
Non-cash items				
• Increase in dividend payables	2,600,831	-	2,600,831	-
• Decrease in payable from acquisition of assets	(45,596,890)	(37,191,577)	(2,869,507)	(3,060,800)
• Increase in right-of-use assets from lease liabilities	31,909,573	-	27,757,732	-
• Purchase of assets under finance lease	-	26,841,322	-	25,074,766
• Loss on changes in value of available-for-sale investments - net of income taxes	-	(901,721,940)	-	(901,722,043)
• Loss on changes in value of equity investments designated at fair value through other comprehensive income	(4,503,511,581)	-	(4,503,511,085)	-

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

Bangkok Airways Public Company Limited and its subsidiaries for the year ended 31 December 2020

1. General information

1.1 The Company's general information

Bangkok Airways Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of air transportation and airport services. The registered office of the Company is at 99 Moo 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is directly impacting the Group's business activities as the Group has temporarily suspended flight routes and services since the end of March 2020 to mid-May 2020. Since the Coronavirus disease 2019 situation had improved in June 2020, the Group commenced a phased resumption of flights and reopened routes. Since the end of December 2020 to date, there was a new wave of the Coronavirus disease 2019 Pandemic, the Group therefore, adjusted the frequency of some flight routes again. The Group will commence a phased resumption of flights and reopened routes when the situation improves. However, the Group still has a significant loss from operations in the year 2020 and the consolidated total current liabilities significantly exceeded its consolidated total current assets as well as maintaining financial ratio as prescribed in the aircraft lease agreements.

อย่างไรก็ตาม ในปัจจุบัน กลุ่มบริษัทยังมีสภาพคล่องส่วนเกินจากเงินลงทุนในตราสารทุนของบริษัท จัดทะเบียนและวงเงินกู้ยืมที่ยังไม่ได้เบิกใช้ รวมทั้งฝ่ายบริหารได้ดำเนินมาตรการต่าง ๆ ในการจัดหาเงิน ปรับเปลี่ยนแผนการดำเนินธุรกิจ และลดค่าใช้จ่าย เช่น การปรับลดเงินเดือนและสวัสดิการของผู้บริหารและพนักงาน การขอความร่วมมือจากพนักงานให้ลางานโดยไม่รับเงินเดือนและค่าจ้าง โดยการจัดตั้ง “โครงการร่วมใจจากองค์กรปี 2563” และ “โครงการลาโดยไม่รับค่าจ้าง (ระยะเวลายาว) ด้วยความสมัครใจ” การยกเลิกสัญญาต่าง ๆ โดยพิจารณาตามเหตุผลและความจำเป็น การเจรจาขอความช่วยเหลือจากภาครัฐในการลดค่าเช่า ค่าธรรมเนียม และค่าบริการต่าง ๆ รวมทั้งการเจรจากับสถาบันการเงินและผู้ให้เช่าเครื่องบิน เพื่อบริหารสภาพคล่องของกลุ่มบริษัท ตลอดจนความคืบหน้าของการพัฒนาวัคซีนป้องกันโรคและการทยอยได้รับวัคซีนของประชากรทั่วโลก ฝ่ายบริหารจึงเชื่อมั่นว่ามาตรการและสถานการณ์เหล่านี้จะช่วยทำให้ กลุ่มบริษัทสามารถดำเนินงานได้อย่างต่อเนื่อง งบการเงินรวมนี้จึงถูกจัดทำขึ้นโดยใช้เกณฑ์การบัญชีสำหรับกิจการที่ดำเนินงานต่อเนื่อง นอกจากนี้ ความสำเร็จของแผนการจัดหาเงินและแผนการดำเนินธุรกิจเพื่อบริหาร

สภาพคล่องขึ้นอยู่กับปัจจัยหลายประการที่มีสาระสำคัญซึ่งมีความไม่แน่นอนที่อาจเป็นเหตุให้เกิดข้อสงสัยเกี่ยวกับความสามารถในการดำเนินงานต่อเนื่องของกลุ่มบริษัท ทั้งนี้ ฝ่ายบริหารของกลุ่มบริษัทติดตาม ความคืบหน้าของสถานการณ์ดังกล่าวและประเมินผลกระทบทางการเงินเกี่ยวกับมูลค่าของสินทรัพย์ ประมาณการหนี้สินและหนี้สินที่อาจเกิดขึ้นอย่างต่อเนื่องและจะพิจารณานับที่ผลกระทบดังกล่าว เมื่อสามารถทำได้

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Airways Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (%)	2019 (%)
Held by the Company				
Bangkok Air Catering Co., Ltd.	Catering services	Thailand	90.00	90.00
Bangkok Airways Ground Services Co., Ltd.	Ground services	Thailand	99.99	99.99
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground services	Thailand	98.88	98.88
Bangkok Airways Holding Co., Ltd.	Holding	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (%)	2019 (%)
Held by subsidiary companies				
BAC Gourmet House Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Restaurant	Thailand	89.99	89.99
Bangkok Air Catering Phuket Co., Ltd. (99.96% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.96	89.96
Bangkok Air Catering Samui Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.99	89.99
Bangkok Air Catering Chiang Mai Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.99	89.99
Bangkok Air Catering Don Mueang Co., Ltd. (70.00% held by Bangkok Air Catering Co., Ltd. and 30.00% held by Gourmet Primo Co., Ltd.)	Catering services	Thailand	92.99	92.99
SA Services Co., Ltd. (99.99% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Ground services	Thailand	98.87	98.87
BFS Cargo DMK Co., Ltd. (51.00% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Cargo	Thailand	50.43	50.43
Gourmet Primo Co., Ltd. (99.99% held by Bangkok Airways Holding Co., Ltd.)	Produce and process food for distribution	Thailand	99.98	99.98
More Than Free Co., Ltd. (100.00% held by Bangkok Airways Holding Co., Ltd.)	Distribution of souvenirs in duty free shop and rendering management services	Thailand	99.99	99.99
Bangkokair Aviation Training Center Co., Ltd. (100.00% held by Bangkok Airways Holding Co., Ltd.)	Aviation training business	Thailand	99.99	99.99

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that has significant affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the equity method and investments in associates under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new financial reporting standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Accounting standard:	
TAS 32	Financial Instruments: Presentation
Financial Reporting Standard Interpretations:	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of non-listed equity investments and investments in available-for-sale equity securities - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measures them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group applies hedge accounting for fuel price swap agreements, interest rate swap agreement and cross currency and interest rate swap agreements.
- Hedge accounting - All of the Group's hedging relationships existing before TFRS 9 adoption, that are eligible under TFRS 9 requirements, remain eligible to be treated as hedging relationships. The Group has designated certain derivatives under cash flow hedge. Changes in the fair value of these derivatives are recognised in other comprehensive income. Gains and losses arising on cash flow hedges are eligible to be subsequently reclassified to profit or loss or incorporated into the initial carrying amounts of the non-financial assets.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

Furthermore, the Group elected to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate. The relevant details are disclosed in Note 44.

TFRS 16 Leases

TFRS 16 supersedes TAS 17, Leases together with related Interpretations. The financial reporting standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of investments in unquoted equity instruments, reduction in lease payments by lessors, impairment of assets and goodwill, reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to fair value measurement of investments in unquoted equity instruments, impairment of assets and goodwill and reversal of deferred tax assets and recognised resulting losses, totaling Baht 1,207 million (Separate financial statements: Baht 1,181 million), and recorded in expenses in profit or loss for the year ended 31 December 2020. These pertain to a decrease in deferred tax assets of Baht 28 million (Separate financial statements: Baht 28 million), an increase in impairment losses of assets and goodwill of Baht 1,179 million (Separate financial statements: Baht 1,153 million). In addition, the fair value of investments in unquoted equity instruments recognised in other comprehensive income for the year ended 31 December 2020 has decreased by Baht 31 million (Separate financial statements: Baht 31 million).

However, the Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

Unit: Thousand Baht

	Consolidated financial statements			
	31 December 2019	The effect of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	4,046,142	(4,046,142)	-	-
Prepaid expenses	186,264	-	(112,652)	73,612
Other current financial assets	-	4,073,615	-	4,073,615
Other current assets	181,057	3,543	-	184,600
Non-current assets				
Restricted bank deposits	3,560	(3,560)	-	-
Other non-current financial assets	-	29,054,118	-	29,054,118
Other long-term investments	29,050,558	(29,050,558)	-	-
Property, plant and equipment	15,608,165	-	(5,338,200)	10,269,965
Right-of-use assets	-	-	10,650,297	10,650,297
Leasehold rights	31,992	-	(31,992)	-
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	3,183,179	(6,703)	(11,414)	3,165,062
Current portion of lease liabilities	-	-	1,868,895	1,868,895
Current portion of liabilities arising from finance lease of aircrafts	363,414	-	(363,414)	-
Current portion of finance lease liabilities	48,286	-	(48,286)	-
Other current financial liabilities	-	160,785	-	160,785
Other current liabilities	2,329,097	(413,963)	(39,367)	1,875,767

Consolidated financial statements				
	31 December 2019	The effect of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Non-current liabilities				
Lease liabilities, net of current portion	-	-	6,675,697	6,675,697
Liabilities arising from finance lease of aircrafts - net of current portion	2,879,029	-	(2,879,029)	-
Finance lease liabilities - net of current portion	35,629	-	(35,629)	-
Deferred tax liabilities	5,060,031	(30,299)	-	5,029,732
Other non-current financial liabilities	-	530,028	-	530,028
Shareholders' equity				
Deficit - unappropriated	(405,301)	(89,455)	-	(494,756)
Other components of shareholders' equity	18,934,930	(118,474)	-	18,816,456
Non-controlling interests of subsidiaries	56,548	(903)	-	55,645

Separate financial statements				
	31 December 2019	The effect of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	4,000,000	(4,000,000)	-	-
Prepaid expenses	154,863	-	(103,203)	51,660
Other current financial assets	-	4,027,473	-	4,027,473
Other current assets	62,237	3,542	-	65,779

	Separate financial statements			
	31 December 2019	The effect of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Non-current assets				
Other non-current financial assets	-	23,771,808	-	23,771,808
Investments in subsidiaries	5,912,474	(8,130)	-	5,904,344
Other long-term investments	23,771,808	(23,771,808)	-	-
Investment properties	505,211	-	7,979	513,190
Property, plant and equipment	13,486,279	-	(5,338,200)	8,148,079
Right-of-use assets	-	-	9,978,769	9,978,769
Leasehold rights	31,992	-	(31,992)	-
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	3,098,734	(6,703)	(11,414)	3,080,617
Current portion of lease liabilities	-	-	1,749,883	1,749,883
Current portion of liabilities arising from finance lease of aircrafts	363,414	-	(363,414)	-
Current portion of finance lease liabilities	30,103	-	(30,103)	-
Other current financial liabilities	-	160,785	-	160,785
Other current liabilities	1,883,120	(413,963)	-	1,469,157
Non-current liabilities				
Lease liabilities, net of current portion	-	-	6,062,526	6,062,526
Liabilities arising from finance lease of aircrafts - net of current portion	2,879,029	-	(2,879,029)	-
Finance lease liabilities - net of current portion	15,096	-	(15,096)	-
Deferred tax liabilities	4,197,875	(28,041)	-	4,169,834
Other non-current financial liabilities	-	518,736	-	518,736
Shareholders' equity				
Retained earnings - unappropriated	300,891	(89,455)	-	211,436
Other components of shareholders' equity	18,934,930	(118,474)	-	18,816,456

4.1 Financial instruments

a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

Unit: Thousand Baht

	Consolidated and separate financial statements
Reversal of derivatives recognised at the original value through profit or loss	417,504
Adjustment of cash reserve for cash flow hedge attributable to the exchange rate translation	(383,693)
Recognition of derivatives at fair value through profit or loss	(154,083)
Related income tax income	30,817
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(89,455)

b) Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
Recognition of derivatives at fair value through other components of shareholders' equity	(118,992)	(115,698)
Related income tax income (expenses)	518	(2,776)
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	(118,474)	(118,474)

c) Details of the impact on non-controlling interests of the subsidiaries as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

Unit: Thousand Baht

	Consolidated financial statements
Recognition of derivatives at fair value through other components of shareholders' equity	(1,129)
Related income tax income	226
Impacts on non-controlling interests of the subsidiaries due to the adoption of financial reporting standards related to financial instruments	(903)

d) As at 1 January 2020, the classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amounts, are as follows:

Unit: Thousand Baht

	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	The former carrying amount	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	5,273,124	-	-	5,273,124	5,273,124
Trade and other receivables	1,535,367	-	-	1,535,367	1,535,367
Reimbursable maintenance expenses	857,812	-	-	857,812	857,812
Other current financial assets					
- Fixed deposits	4,046,142	-	-	4,046,142	4,046,142
- Derivative assets - Fuel price swap agreements	-	-	27,473	-	27,473
Other non-current financial assets					
- Investments in equity instruments	29,050,558	-	29,050,558	-	29,050,558
- Restricted bank deposits	3,560	-	-	3,560	3,560
Total financial assets	40,766,563	-	29,078,031	11,716,005	40,794,036
Financial liabilities as at 1 January 2020					
Short-term loans from financial institutions	50,000	-	-	50,000	50,000
Trade and other payables	3,183,179	-	-	3,165,062	3,165,062
Long-term loans	2,983,623	-	-	2,983,623	2,983,623
Lease liabilities	8,544,592	-	-	8,544,592	8,544,592
Long-term lease liabilities from related party	11,330,979	-	-	11,330,979	11,330,979
Other current financial liabilities					
- Derivative liabilities - Equity swap agreement	-	160,785	-	-	160,785
Other non-current financial liabilities					
- Derivative liabilities					
- Interest rate swap agreements	-	-	12,232	-	12,232
- Cross currency and interest rate swap agreements	417,504	-	517,796	-	517,796
Total financial liabilities	26,509,877	160,785	530,028	26,074,256	26,765,069

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	The former carrying amount	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	4,718,139	-	-	4,718,139	4,718,139
Trade and other receivables	949,364	-	-	949,364	949,364
Reimbursable maintenance expenses	857,812	-	-	857,812	857,812
Other current financial assets					
- Fixed deposits	4,000,000	-	-	4,000,000	4,000,000
- Derivative assets - Fuel price swap agreements	-	-	27,473	-	27,473
Other non-current financial assets					
- Investments in equity instruments	23,771,808	-	23,771,808	-	23,771,808
Long-term loan to and interest receivable from related party	100,842	-	-	100,842	100,842
Total financial assets	34,397,965	-	23,799,281	10,626,157	34,425,438
Financial liabilities as at 1 January 2020					
Trade and other payables	3,098,734	-	-	3,080,617	3,080,617
Long-term loans	1,856,988	-	-	1,856,988	1,856,988
Lease liabilities	7,812,409	-	-	7,812,409	7,812,409
Long-term finance lease liabilities from related party	11,330,979	-	-	11,330,979	11,330,979
Other non-current financial liabilities					
- Derivative liabilities - Equity swap agreement	-	160,785	-	-	160,785
Other non-current financial liabilities					
- Derivative liabilities					
- Interest rate swap agreements	-	-	940	-	940
- Cross currency and interest rate swap agreements	417,504	-	517,796	-	517,796
Total financial liabilities	24,516,614	160,785	518,736	24,080,993	24,760,514

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and and lease liabilities, respectively at the date of initial application.

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	8,734,272	5,093,965
Less: Short-term leases and leases of low-value assets	(352,026)	(305,464)
Add: Option to extend lease term	567,189	224,901
Less: Contracts reassessed as service agreements	(221,438)	(177,270)
Less: Concession agreements	(3,161,726)	-
Less: Deferred interest expenses	(348,037)	(311,365)
Increase in lease liabilities due to TFRS 16 adoption	5,218,234	4,524,767
Liabilities arising from finance lease of aircrafts as at 31 December 2019	3,242,443	3,242,443
Liabilities under finance lease agreements as at 31 December 2019	83,915	45,199
Lease liabilities as at 1 January 2020	8,544,592	7,812,409
Weighted average incremental borrowing rate (percent per annum)	3.37	3.34
Comprise of:		
Current lease liabilities	1,868,895	1,749,883
Non-current lease liabilities	6,675,697	6,062,526
	8,544,592	7,812,409

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
Land	89,939	81,960
Buildings and improvements	806,251	155,668
Aircrafts	9,572,396	9,572,396
Aircraft parts and ground equipment	59,102	59,102
Furniture, fixture and equipment	20,654	18,680
Motor vehicles	101,955	90,963
Total right-of-use assets	10,650,297	9,978,769

5. Significant accounting policies

5.1 Revenues and expenses recognition

Passenger revenues

Revenue from ticket sales is recognised as revenue in profit or loss when transportation is provided.

Customer loyalty programmes

The Company operates a loyalty programme which allows customers to accumulate points when customers purchase tickets from the Company. The points can be redeemed for air tickets, hotel accommodations or gifts under conditions set by the Company.

The value of air tickets sales and redemption costs are allocated to the points issued, at the fair value of the points, and gradually recognised as revenue when the points are redeemed and the Company fulfills its contractual obligation to supply rewards.

Service rendered

Revenue from providing service to passengers, freight and passenger service charge is recognised in profit or loss when the services are provided.

Revenue from changing air ticket

Revenue from changing air ticket is recognised as revenue when transportation is provided.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Inventories are valued at the lower of cost (under the first in - first out method) or net realisable value.

Spare parts, supplies and air tickets are valued at cost (under the moving average method) and constituted part of expenses whenever consumed.

5.4 Reimbursable maintenance expenses

Reimbursable maintenance expenses are prepayment maintenance reserve fund which the Company pay to the lessor at the rate specified in the agreement. The Company can reimburse when sending the aircraft to maintenance in accordance with maintenance plan with the conditions stipulated in the agreements.

5.5 Investments in subsidiaries and associates

เงินลงทุนในบริษัทร่วมที่แสดงอยู่ในงบการเงินรวมแสดงมูลค่าตามวิธีส่วนได้เสีย

เงินลงทุนในบริษัทย่อยที่แสดงอยู่ในงบการเงินเฉพาะกิจการแสดงมูลค่าตามวิธีส่วนได้เสีย ส่วนเงินลงทุนในบริษัทร่วมที่แสดงอยู่ในงบการเงินเฉพาะกิจการแสดงมูลค่าตามวิธีราคาทุน

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.7 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

• Buildings and improvements	3 - 20	years
• Airport and improvements	20	years
• Aircrafts	20	years
• Aircraft parts and ground equipment	3 - 20	years
• Furniture, fixtures and equipment	3 - 10	years
• Motor vehicles	5 - 10	years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful lives and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
• Concessions	20 years
• Computer software	5 - 10 years

5.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

• Land	2 - 26 years
• Buildings and improvements	2 - 54 years
• Aircrafts	2 - 20 years
• Aircraft parts and ground equipment	3 years
• Furniture, fixtures and equipment	2 - 5 years
• Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties or other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.17 Treasury stock

Treasury stock is stated at cost and presented as a deduction from shareholders' equity in the statement of financial position. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

The weighted average method is used for computation of the unit cost of treasury stock.

5.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.19 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, which the Group has adopted hedge accounting for fuel price swap agreements, interest rate swap agreements and cross currency and interest rate swap agreements.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 180 days past due and considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade and other accounts receivable

Trade and other accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.20 Derivatives and hedge accounting

The Group uses derivatives, such as fuel price swap agreements, equity swap agreements, interest rate swap agreements and cross currency and swaps agreements to hedge its fluctuation in fuel price, returns on investment in equity instrument, interest rate and foreign currency risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedge is classified as:

- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

5.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- **Level 1**
Use of quoted market prices in an active market for such assets or liabilities
- **Level 2**
Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- **Level 3**
Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment, investment property, right-of-use assets / Depreciation

In determining depreciation of plant and equipment, investment property and right-of-use assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment, investment property and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment, investment property and right-of-use assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Allowance for impairment of non-financial assets

In determining allowance for impairment of non-financial assets, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to equipment and right-of-use assets recognised by the Group.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and recorded provision for litigation as at the end of reporting period.

7. Related party transactions

The relationships between the Company and the related companies are presented below.

List of related companies	Relationship
Bangkok Air Catering Co., Ltd.	Subsidiary
Bangkok Airways Ground Services Co., Ltd.	Subsidiary
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Subsidiary
Bangkok Airways Holding Co., Ltd.	Subsidiary
BAC Gourmet House Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Phuket Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Samui Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Chiang Mai Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Don Mueang Co., Ltd.	Subsidiary (held by a subsidiary)
SA Services Co., Ltd.	Subsidiary (held by a subsidiary)
BFS Cargo DMK Co., Ltd.	Subsidiary (held by a subsidiary)
Gourmet Primo Co., Ltd.	Subsidiary (held by a subsidiary)
More Than Free Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkokair Aviation Training Center Co., Ltd.	Subsidiary (held by a subsidiary)
WFS-PG Cargo Co., Ltd.	Associate
Samui Airport Property Fund (Leasehold)	Associate
U-tapao International Aviation Co., Ltd.	Associate
Aeronautical Radio of Thailand Ltd.	Common directors
Bangkok Hospital Chiangmai Co., Ltd.	Common directors
Samitivej Plc.	Common directors
Bangkok Save Drug Co., Ltd.	Common directors
Bangkok Health Insurance Plc.	Common directors

List of related companies	Relationship
Siam Medical Co., Ltd.	Common directors
Kiattana Transport Plc.	Common directors
Khan Co., Ltd.	Common directors
Save Drug Center Co., Ltd.	Common directors
Thai Kodama Co., Ltd.	Common directors
Thonburi Medical Centre Plc.	Common directors
National Healthcare Systems Co., Ltd.	Common directors
BDMS Training Co., Ltd.	Common directors
BDMS Accounting Co., Ltd.	Common directors
Prasit Patana Plc.	Common directors
Parute (2008) Co., Ltd.	Common directors
Paolo Medic Co., Ltd.	Common directors
Paolo Samut Prakarn Co., Ltd.	Common directors
Pattaya Country Club Co., Ltd.	Common directors
BIRA Property Co., Ltd.	Common directors
Royal Bangkok Healthcare Co., Ltd.	Common directors
Phyathai 1 Hospital Co., Ltd.	Common directors
The Phyathai II Hospital Co., Ltd.	Common directors
Phyathai 3 Hospital Co., Ltd.	Common directors
Sriracha Nakorn General Hospital Plc.	Common directors
Visunee Landing Co., Ltd.	Common directors
Thai Medical Center Plc.	Common directors
The Medic Pharma Co., Ltd.	Common directors
Golden Lime Plc.	Common directors
Finansia Syrus Securities Plc.	Common directors
A.N.B. Laboratories Co., Ltd.	Common directors
Advanced Information Technology Plc.	Common directors
Khao Kor Wind Power Co., Ltd.	Common directors
Sustainable Energy Corporation Co., Ltd.	Common directors
Bangkok Pattaya Hospital Co., Ltd.	Common directors
Bangkok Phuket Hospital Co., Ltd.	Common directors
Bangkok Phuket International Hospital Co., Ltd.	Common directors

List of related companies	Relationship
General Hospital Products Plc.	Common directors
Fuel Pipeline Transportation Ltd.	Common directors
BDMS Wellness Clinic Co., Ltd.	Common directors
The One Enterprise Co., Ltd.	Common directors
EXACT Scenario Co., Ltd.	Common directors
ACTS Studio Co., Ltd.	Common directors
BDMS Property Management Co., Ltd.	Common directors
Chewathai Plc.	Common directors
Quality Delicious Co., Ltd.	Common directors
BDMS Wellness Resort Co., Ltd.	Common directors
One 31 Co., Ltd.	Common directors
Smart Limousine & Car Rent Co., Ltd.	Common directors
Quality Delicious & Chef Man Co., Ltd.	Common directors
Silver Actif Co., Ltd.	Common directors
Global Consumer Plc.	Common directors
GMM Channel Holding Co., Ltd.	Common shareholders and/or directors
GMMTV Co., Ltd.	Common shareholders and/or directors
GMM Media Plc.	Common shareholders and/or directors
GMM Studios International Co., Ltd.	Common shareholders and/or directors
Change2561 Co., Ltd.	Common shareholders and/or directors
A-Time Media Co., Ltd.	Common shareholders and/or directors
SRPP Ltd.	Common shareholders and/or directors
Bangkok Dusit Medical Services Plc.	Common shareholders and/or directors
Bangkok Media & Broadcasting Co., Ltd.	Common shareholders and/or directors
Bangkok Helicopter Services Co., Ltd.	Common shareholders and/or directors
Thai Petroleum Service Corp., Ltd.	Common shareholders and/or directors
Bangkok Golden Life Co., Ltd.	Common shareholders and/or directors
Prasartthong Osoth Co., Ltd.	Common shareholders and/or directors
Paradise Shopping Co., Ltd.	Common shareholders and/or directors
Samui Park Avenue Co., Ltd.	Common shareholders and/or directors
Samui Accom Co., Ltd.	Common shareholders and/or directors
Sukhothai Property Co., Ltd.	Common shareholders and/or directors

List of related companies	ความสัมพันธ์กับบริษัทฯ
The Sahakol Estate Co., Ltd.	Common shareholders and/or directors
Dhammachart Na Thai Co., Ltd.	Common shareholders and/or directors
Bangkok Travel Club Co., Ltd.	Common shareholders and/or directors
Bangkok Airtour (1988) Co., Ltd.	Common shareholders and/or directors
Mae Aroon Co., Ltd.	Common shareholders and/or directors
Modern Manu Co., Ltd.	Common shareholders and/or directors
Samui Palm Beach Royal Wing Co., Ltd.	Common shareholders and/or directors
Samui Palm Beach Resort Co., Ltd.	Common shareholders and/or directors
Sabai Sabai Niwet Co., Ltd.	Common shareholders and/or directors
Land & Vege Co., Ltd.	Common shareholders and/or directors
Hansaphasanuk Limited Partnership	Common shareholders and/or directors
Koh Chang Accom Limited Partnership	Common shareholders and/or directors
Sabai Sabai Sukhothai Co., Ltd.	Common shareholders and/or directors
Richness & Wealthy Co., Ltd.	Common shareholders and/or directors
Advocate Holding Co., Ltd.	Common shareholders and/or directors
Bangkok Aviation Fuel Services Plc.	Common shareholders and/or directors
Krungthep Limousine Co., Ltd.	Common shareholders
Bangkok Smart Media Co., Ltd.	Common shareholders
Natural Rice Co., Ltd.	Common shareholders
Nature Tour Co., Ltd.	Common shareholders
Rankindeeyudee Limited Partnership	Common shareholders
Airport Restaurant Co., Ltd.	The Company's management is a director
Na Khao Pattana Co., Ltd.	The Company's management is a director
Food and Store Co., Ltd.	The director's relative is a shareholder and director
Bangkok Hospital Chiangrai Co., Ltd.	The director's relative is a shareholder and director
Bangkok Samui Hospital Co., Ltd.	The director's relative is a shareholder and director
Prananporn Co., Ltd.	The director's relative is a shareholder and director
PV Consulting Co., Ltd.	Deemed related party
Bangkok Airways (Cambodia) Co., Ltd.	Deemed related party
Orange Digital Media Co., Ltd.	Deemed related party
A.P. Sheriff Security Guard Co., Ltd.	Deemed related party
Bangkok Aviation Services Co., Ltd.	Deemed related party
Bangkok BSS Security Services Co., Ltd.	Deemed related party
BAGS Ground Services Co., Ltd.	Deemed related party
Security Bangkok Services Aviation Co., Ltd.	Deemed related party

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Permission fee income	-	-	38	143	Contract price
Concession lounge service income	-	-	25	71	Contract price
Rental income	-	-	20	31	Contract price
Dividend income	-	-	176	530	As declared
Utilities income	-	-	2	4	Agreed upon
Interest income	-	-	4	5	MLR-1
Catering service expenses	-	-	139	526	Contract price
Ground service expenses	-	-	193	514	Contract price
Shipping service expenses	-	-	1	2	Contract price
Food and beverage expenses	-	-	14	14	Agreed upon
Rental expenses	-	-	4	4	Contract price
Employee expenses	-	-	1	2	Agreed upon
Flight cancellation and delay compensation	-	-	1	2	Agreed upon
Raw materials and supplies expenses	-	-	-	1	Agreed upon
Transactions with associated companies					
Ground service income	2	3	-	-	Agreed upon
Collection fee income	1	2	-	-	Contract price
Dividend income	-	-	619	791	As declared
Interest expenses	5	-	5	-	1.25%
Finance cost	686	1,360	686	1,360	Contract price
Shipping service expenses	8	24	8	24	Contract price

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
Transactions with related companies					
Passenger income	10	34	10	34	Authorised price
Permission fee income	3	8	3	8	Contract price
Catering service income	115	179	-	-	Contract price
Cargo income	-	1	-	1	Market price
Ground service income	1	5	-	-	Agreed upon
Rental income	6	11	6	10	Contract price
Charter flight income	3	1	3	1	Contract price
Dividend income	375	577	314	487	As declared
Consulting income	3	3	3	3	Contract price
Advertising income	-	1	-	1	Contract price
Utilities income	1	3	1	3	Agreed upon
Compensation income	-	5	-	5	Agreed upon
Catering service expenses	-	1	-	1	Contract price
Ground service expenses	232	554	223	511	Contract price
Management expenses	101	131	101	130	Contract price
Security expenses	34	38	33	37	Contract price
Rental expenses	8	17	6	13	Contract price
Employee expenses	4	25	4	22	Agreed upon
Medical expenses	9	6	3	3	Market price
Aeronautical radio expenses	185	560	170	534	Market price
Fight cancelled and delayed compensation	-	1	-	1	Agreed upon
Raw materials and supplies expenses	-	6	-	-	Agreed upon
Shipping service expenses	2	6	2	6	Contract price
Other service expenses	13	6	11	4	Agreed upon
Advertising expenses	-	5	-	4	Contract price
Finance cost	3	-	3	-	Contract price

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related companies are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other receivables - related parties (Note 10)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	14,840	23,561
Associates	850	1,053	5	-
Related companies	11,312	21,572	1,185	4,838
Total trade and other receivables - related parties	12,162	22,625	16,030	28,399
Deposits - related parties				
Associates	47,500	47,500	47,500	47,500
Related companies	3,484	3,387	1,149	1,243
Total deposits - related parties	50,984	50,887	48,649	48,743
Trade and other payables - related parties (Note 22)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	53,062	209,372
Associates	10,444	125,604	215	115,941
Related companies	40,896	179,021	38,047	172,899
Total trade and other payables - related parties	51,340	304,625	91,324	498,212
Deposits - related parties (presented as other current liabilities)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	2,593	3,266
Associates	289	-	289	-
Related companies	3,704	3,982	3,704	3,982
Total deposits - related parties	3,993	3,982	6,586	7,248

Long-term loan to and interest receivable from related party

As at 31 December 2020 and 2019, the balance of long-term loan to and interest receivable between the Company and related party and the movements of such long-term loan to and interest receivable are as follows:

Unit: Thousand Baht

Loan to and interest receivable	Related by	Separate financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Gourmet Primo Co., Ltd.	Subsidiary	100,842	4,487	-	105,329
Total		100,842	4,487	-	105,329

Long-term loan from and interest payable from related party

As at 31 December 2020 and 2019, the balance of long-term loan from and interest payable between the Company and related party and the movements of such long-term loan from and interest payable are as follows:

Unit: Thousand Baht

Loan to and accrued interest	Related by	Consolidated financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
U-tapao International Aviation Co., Ltd.	Associate	-	1,004,932	(4,932)	1,000,000
Total		-	1,004,932	(4,932)	1,000,000

The above non-collateral long-term loan carries interest at the rate of 1.25 percent per annum and is due in January 2022.

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 41.4 to the consolidated financial statements.

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	180	292	107	201
Post-employment benefits	11	20	9	15
Total	191	312	116	216

8. Cash and cash equivalents

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	46,359	62,195	41,833	59,148
Bank deposits	2,134,758	5,210,929	1,652,421	4,658,991
Total	2,181,117	5,273,124	1,694,254	4,718,139

As at 31 December 2020, bank deposits in savings accounts and fixed deposits carried interests between 0.1% and 1.1% per annum (2019: between 0.1% and 1.3% per annum) (Separate financial statements: between 0.1% and 1.1% per annum) (2019: between 0.1% and 1.1% per annum)). As at 31 December 2020, Baht 0.5 million of cash is cash on hand of stations located abroad (2019: Baht 2.4 million).

9. Other current financial assets / Current investments

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Fixed deposits over 3 months but not over 1 year	-	4,046,142	-	4,000,000
Total	-	4,046,142	-	4,000,000

As at 31 December 2019, fixed deposits carried interests between 1.0% and 1.8% per annum.

10. Trade and other receivables

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	2,205	20,125	9,016	26,221
Past due				
• Up to 3 months	9,917	1,100	3,774	778
• 3 - 6 months	40	1,240	2,412	1,240
• 6 - 12 months	-	321	1,656	321
Total	12,162	22,786	16,858	28,560
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	-	(161)	(828)	(161)
Total trade receivables - related parties, net	12,162	22,625	16,030	28,399
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	218,386	1,280,041	28,881	787,254
Past due				
• Up to 3 months	75,826	199,887	58,180	102,134
• 3 - 6 months	10,133	6,123	7,196	2,934
• 6 - 12 months	58,663	12,302	10,691	1,566
• Over 12 months	41,216	25,367	25,396	23,535
Total	404,224	1,523,720	130,344	917,423
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	(55,692)	(39,493)	(30,562)	(24,815)
Total trade receivables - unrelated parties, net	348,532	1,484,227	99,782	892,608
Total trade receivables - net	360,694	1,506,852	115,812	921,007
Other receivables				
Other receivables - unrelated parties	54,199	42,701	37,277	37,427
Less: Allowance for expected credit losses (2019: Allowance for doubtful debts)	(14,186)	(14,186)	(9,070)	(9,070)
Total other receivables - net	40,013	28,515	28,207	28,357
Total trade and other receivables - net	400,707	1,535,367	144,019	949,364

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	53,840	34,046
Provision for expected credit losses	16,038	6,414
As at 31 December 2020	69,878	40,460

11. Inventories

Unit: Thousand Baht

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Spare parts	394,250	407,452	(39,189)	(39,243)	355,061	368,209
Duty free goods	4,305	4,507	-	-	4,305	4,507
Foods and kitchen utensils	46,969	56,011	-	-	46,969	56,011
Air tickets	28	28	-	-	28	28
Others	72,647	82,908	(2,392)	(1,964)	70,255	80,944
Total	518,199	550,906	(41,581)	(41,207)	476,618	509,699

Unit: Thousand Baht

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Spare parts	394,250	407,452	(39,189)	(39,243)	355,061	368,209
Foods and kitchen utensils	14,030	13,851	-	-	14,030	13,851
Air tickets	28	28	-	-	28	28
Others	9,466	12,358	-	-	9,466	12,358
Total	417,774	433,689	(39,189)	(39,243)	378,585	394,446

12. Other non-current financial assets/ Other long-term investments

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Equity instruments designated at FVOCI</u>				
Listed equity instruments	22,911,782	28,510,339	18,668,282	23,231,589
Non-listed equity instruments	508,777	540,219	508,777	540,219
Total equity instruments designated at FVOCI - net	23,420,559	29,050,558	19,177,059	23,771,808
<u>Financial assets at amortised cost</u>				
Restricted bank deposits	3,560	-	-	-
Total financial assets at amortised cost - net	3,560	-	-	-
Total other non-current financial assets	23,424,119	29,050,558	19,177,059	23,771,808

As at 31 December 2020, certain investments in listed equity instruments with market value amounting to Baht 3,424 million (2019: Baht 927 million) are used as collateral for long-term lease liabilities from related party as described in Note 24 to the consolidated financial statements and other commitments as described in 41.5 to the consolidated financial statements.

During the year 2019, the Company sold investments in listed equity instruments with book value totaling Baht 198 million and recognised gain on sales amounting to Baht 1,991 million in profit or loss (2020: None).

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature. The Group's investment policies focus on investments in attractive companies, that management has already determined will generate appropriate returns, the fair value of investments may be negatively affected by the local and global economic slowdown and financial recession. This downside may have a significant impact on the stock prices of the companies in which the Group has invested.

During the years ended 31 December 2020 and 2019, the Group recognised dividend received from investments in equity as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Dividend received from investments in equity	375,109	577,336	313,609	487,136

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements

Unit: Thousand Baht

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2020	2019	2020 (%)	2019 (%)	2020	2019	2563	2562
Bangkok Air Catering Co., Ltd.	500,000	500,000	90.00	90.00	579,469	579,469	48,902	421,469
Bangkok Airways Ground Services Co., Ltd.	250	250	99.99	99.99	250	250	7,437	112,626
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	670,000	670,000	98.88	98.88	739,924	739,924	678,839	846,157
Bangkok Airways Holding Co., Ltd.	1,001,000	1,001,000	99.99	99.99	1,000,999	1,000,999	3,600,868	4,532,222
Total					2,320,642	2,320,642	4,336,046	5,912,474

13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements as follows:

Unit: Thousand Baht

Company's name	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries		Dividend received	
	2020	2019	2020	2019	2020	2019
Bangkok Air Catering Co., Ltd.	(379,965)	48,370	15,528	(6,811)	-	99,000
Bangkok Airways Ground Services Co., Ltd.	4,808	45,611	-	-	109,997	-
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	(88,628)	402,128	(12,440)	-	66,250	430,625
Bangkok Airways Holding Co., Ltd.	(103,644)	46,123	(827,710)	172,200	-	-
Total	(567,429)	542,232	(824,622)	165,389	176,247	529,625

13.3 Significant change in investments in subsidiaries

BFS Cargo DMK Co., Ltd.

On 7 February 2020, the Extraordinary General Meeting of shareholders of BFS Cargo DMK Co., Ltd. (the subsidiary of Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.) approved the increase of the registered share capital from Baht 6.25 million (625,000 ordinary shares of Baht 10 each) to Baht 11.25 million (1,125,000 ordinary shares of Baht 10 each), through the issuance of 500,000 additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. In this regard, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. already paid for such share subscription.

Gourmet Primo Co., Ltd.

On 3 November 2020, a meeting of the Board of Directors of Gourmet Primo Co., Ltd. (the subsidiary of Bangkok Airways Holding Co., Ltd.) approved to call up 30 percent of issued share capital or Baht 3 per share from shareholders. This constitutes a total called up capital of Baht 10.5 million. Gourmet Primo Co., Ltd. already received such payment.

14. Investments in associates

14.1 Details of associates:

Unit: Thousand Baht

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020 (%)	2019 (%)	2020	2019	2020	2019
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	201,834	217,307
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	3,479,409	3,479,409	2,661,511	2,702,910
U-tapao International Aviation Co., Ltd.	Airport Operation	Thailand	45.00	-	2,025,000	-	2,017,871	-
Total					5,651,409	3,626,409	4,881,216	2,920,217

Unit: Thousand Baht

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2020 (%)	2019 (%)	2020	2019
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	3,479,409	3,479,409
U-tapao International Aviation Co., Ltd.	Airport Operations	Thailand	45.00	-	2,025,000	-
Total					5,651,409	3,626,409

On 19 March 2019, a meeting of the Board of Directors of the Company approved to invest in U-tapao International Aviation Co., Ltd., a newly established company, for a purpose of Airport Operations including other service activities incidental to airport operations. The Company paid for share subscription totaling Baht 506 million on 27 February 2020. Subsequently, on 5 June 2020, a meeting of the Board of Directors of U-tapao International Aviation Co., Ltd. approved to call up 75 percent of issued share capital or Baht 75 per share from shareholders. This constitutes a total called up capital of Baht 3,375 million. In this regard, the Company already paid for share subscription in respect of shareholding percentage totaling Baht 1,519 million on 16 June 2020.

14.2 Share of profit (loss) and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Unit: Thousand Baht

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2020	2019	2020	2019
WFS - PG Cargo Co., Ltd.	352,027	415,414	367,500	396,900
Samui Airport Property Fund (Leasehold)	209,656	393,268	251,055	393,700
U-tapao International Aviation Co., Ltd.	(7,129)	-	-	-
Total	554,554	808,682	618,555	790,600

14.3 Fair value of investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

Unit: Million Baht

Company's name	Fair value as at 31 December	
	2020	2019
Samui Airport Property Fund (Leasehold)	3,623	6,476

14.4 Summarised financial information about material associates

Summarised information about financial position

Unit: Million Baht

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		U-tapao International Aviation Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Current assets	485	272	127	118	2,378	-
Non-current assets	513	610	11,079	12,734	2,106	-
Current liabilities	(581)	(345)	(18)	(38)	-	-
Non-current liabilities	-	(87)	(48)	(48)	-	-
Net assets	417	450	11,140	12,766	4,484	-
Shareholding percentage (%)	49.00	49.00	30.03	30.03	45.00	-
Share of net assets	204	221	3,345	3,834	2,018	-
Elimination entries and other adjustments	(2)	(4)	(683)	(1,131)	-	-
Carrying amounts of associates based on equity method	202	217	2,662	2,703	2,018	-

Summarised information about comprehensive income

Unit: Million Baht

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		U-tapao International Aviation Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Revenue	1,813	2,121	762	1,399	13	-
Profit (loss)	718	853	698	1,310	(16)	-
Total comprehensive income	718	853	698	1,310	(16)	-

15. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements			
	Land for rent	Office and shops for rent	Total	Land for rent	Office and shops for rent	Land, office and right-of-use assets for rent	Total
31 December 2020							
Cost	10,526	404,409	414,935	222,903	500,293	7,979	731,175
Less: Accumulated depreciation	-	(176,590)	(176,590)	-	(242,999)	(297)	(243,296)
Net book value	10,526	227,819	238,345	222,903	257,294	7,682	487,879
31 December 2019							
Cost	10,526	404,409	414,935	222,903	500,293	-	723,196
Less: Accumulated depreciation	-	(156,369)	(156,369)	-	(217,985)	-	(217,985)
Net book value	10,526	248,040	258,566	222,903	282,308	-	505,211

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	258,566	278,786	505,211	530,226
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	7,979	-
Depreciation charged for the year	(20,221)	(20,220)	(25,311)	(25,015)
Net book value at end of year	238,345	258,566	487,879	505,211

The additional information of the investment properties as at 31 December 2020 and 2019 is stated below:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
The fair value of land for rent	154,019	154,019	441,387	441,389
The fair value of office and shops for rent	269,254	302,755	348,220	434,209
The fair value of right-of-use assets for rent	-	-	13,563	-

The fair values of the land, office and shops for rent have been determined based on valuations performed by an accredited independent valuer on the basis of income approach and market prices and, for certain land, the valuation prices from The Treasury Department.

As at 31 December 2020 and 2019, the Company has pledged investment properties with net book value approximately Baht 11 million as collateral for long-term lease liabilities from related party as discussed in Note 24 to the consolidated financial statements.

16. Property, plant and equipment

Movements of property, plant and equipment as at 31 December 2020 and 2019 are summarised as the following.

Unit: Thousand Baht

[illegible]

Separate financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
Cost									
1 January 2019	2,308,933	1,482,727	1,106,758	12,444,965	2,001,847	911,212	375,923	171,400	20,803,765
Purchase	79,456	66	-	1,311,724	196,505	31,652	26,045	61,384	1,706,833
Disposal	-	(3,000)	-	(2,185,435)	-	(12,594)	(55,745)	-	(2,256,774)
Transfer in (out)	-	27,269	56,824	-	-	18,847	-	(102,940)	-
31 December 2019	2,388,389	1,507,052	1,163,582	11,571,254	2,198,353	949,117	346,223	129,844	20,253,824
Reclassify to right-of-use assets due to TFRS 16 adoption	-	-	-	(6,543,633)	-	(34,794)	(66,174)	-	(6,644,601)
Purchase	257,900	-	140	-	63,626	9,398	-	94,460	425,524
Disposal	(3,251)	(2,530)	-	-	-	(3,669)	(7,468)	-	(16,918)
Transfer in (out)	-	3,258	2,832	-	-	3,161	-	(9,251)	-
31 December 2020	2,643,038	1,507,790	1,166,554	5,027,621	2,261,979	923,213	272,581	215,053	14,017,829
Accumulated depreciation									
1 January 2019	-	911,893	707,529	3,559,898	1,252,515	865,802	297,401	-	7,395,038
Depreciation for the year	-	82,337	41,969	562,540	216,680	92,036	27,502	-	1,023,064
Depreciation - disposal	-	(1,864)	-	(1,580,645)	-	(12,303)	(55,745)	-	(1,650,557)
31 December 2019	-	992,366	749,498	2,541,793	1,469,195	745,535	269,158	-	6,767,545
Reclassify to right-of-use assets due to TFRS 16 adoption	-	-	-	(1,266,455)	-	(17,100)	(22,846)	-	(1,306,401)
Depreciation for the year	-	71,383	41,864	236,188	215,603	71,914	14,505	-	651,457
Depreciation - disposal	-	(2,156)	-	-	-	(3,555)	(7,468)	-	(13,179)
31 December 2020	-	1,061,593	791,362	1,511,526	1,684,798	796,794	253,349	-	6,099,422
Allowance for impairment									
31 December 2019	-	-	-	-	-	-	-	-	-
Allowance for impairment	-	-	-	148,471	-	-	-	-	148,471
31 December 2020	-	-	-	148,471	-	-	-	-	148,471
Net book value									
31 December 2019	2,388,389	514,696	414,084	9,029,461	729,158	203,582	77,065	129,844	13,486,279
31 December 2020	2,643,038	446,197	375,192	3,367,624	577,181	126,419	19,232	215,053	7,769,936
Depreciation for the years									
2019 (Baht 953 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									1,023,064
2020 (Baht 583 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									651,457

As at 31 December 2020, the Group has certain property and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,366 million (2019: Baht 3,011 million (separate financial statements: Baht 2,574 million (2019: Baht 2,291 million))).

Samui airport including its facilities is used as collateral for compliance with the terms and conditions in the lease and services from facilities agreements with a Property Fund as discussed in Note 24 to the consolidated financial statements.

As at 31 December 2020 and 2019, the Company has registered business collateral for 4 ATR aircrafts to secure the long-term loan as discussed in Note 23 to the consolidated financial statements.

For the purpose of impairment testing of property, plant and equipment. The Company measures recoverable amount of assets that led to an indication of impairment. Such recoverable amount is the greater of an asset's fair value less costs to sell, or its value in use. The Company's recoverable amount is determined by the asset's fair value calculated by an independent appraiser using the market approach. The fair value reflect actual sales prices between buyers and sellers, under the current market condition categorised by aircraft type, less costs to sell assessed by the Company's management, which has a higher value than its value in use.

Key assumption in calculation of fair value of assets by the independent valuer is presented below:

Unit: Million Baht

	Consolidated financial statements	Separate financial statements	Effect on fair value when the rate of assumption increases
Unit price	150 - 450	150 - 450	Increase in fair value

During the year 2020, the Company recognized impairment losses of aircrafts amounting to Baht 148 million (2019: Nil) including right-of-use of aircraft in Note 17 to the consolidated financial statements amounting to Baht 1,004 million (2019: Nil) net with reversal of long-term lease liabilities from related party as disclosed in Note 24 to the consolidated financial statement and presented in "other income" in statement of comprehensive income to present their value as recoverable amount.

17. Lease agreements

17.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations.

Leases generally have lease terms between 2 - 12 years.

1) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

Unit: Thousand Baht

	Consolidated financial statement						
	Land	Buildings	Aircraft	Machinery and equipment	Furnitures and fixtures	Motor vehicles	Total
1 January 2020							
Reclassify from related accounts due to TFRS 16 adoption	-	-	5,277,177	-	17,695	43,328	5,338,200
Adjustments of right-of-use assets due to TFRS 16 adoption	89,939	806,251	4,295,219	59,102	2,959	58,627	5,312,097
Additions	1,370	14,053	-	-	-	16,487	31,910
Decrease from terminated lease contracts - net book value at termination date	-	(56,023)	-	-	-	(4,607)	(60,630)
Depreciation for the year	(9,441)	(116,885)	(1,611,905)	(17,742)	(7,093)	(31,499)	(1,794,565)
Discount	(242)	(55,474)	(3,501)	-	-	(857)	(60,074)
Impairment for the year	-	-	(1,004,417)	-	-	-	(1,004,417)
31 December 2020	81,626	591,922	6,952,573	41,360	13,561	81,479	7,762,521

	Separate financial statement						
	Land	Buildings	Aircraft	Machinery and equipment	Furnitures and fixtures	Motor vehicles	Total
1 January 2020	-	-	-	-	-	-	-
Reclassify from related accounts due to TFRS 16 adoption	-	-	5,277,177	-	17,695	43,328	5,338,200
Adjustments of right-of-use assets due to TFRS 16 adoption	81,960	155,668	4,295,219	59,102	985	47,635	4,640,569
Additions	1,370	12,376	-	-	-	14,012	27,758
Decrease from terminated lease contracts - net book value at termination date	-	(56,023)	-	-	-	(2,273)	(58,296)
Depreciation for the year	(9,143)	(51,093)	(1,611,905)	(17,742)	(6,373)	(28,168)	(1,724,424)
Discount	(242)	(15,488)	(3,501)	-	-	(857)	(20,088)
Impairment for the year	-	-	(1,004,417)	-	-	-	(1,004,417)
31 December 2020	73,945	45,440	6,952,573	41,360	12,307	73,677	7,199,302

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment property which is presented in Note 15 to the consolidated financial statements

As at 31 December 2020 and 2019, 9 aircrafts of the Company are under conditional sale agreements. The Company treats these conditional sale agreements as finance leases and treats the seller per the agreements as the lessor of the aircraft. The lessor of the aircraft has subleased them from the owners.

The Aircraft Lease Agreement specifies the right of the lessor to buy the aircraft from the owner. However, if the lessors do not comply with the Aircraft Lease Agreement, the owner has the right to take back the aircraft, and in that event the Company would not be able to utilise or take ownership of the aircraft, even if the Company has made the agreed payments to the lessor. Under the Aircraft Lease Agreement, the Company will take ownership of the aircraft when it pays the final installment to the lessor and the owner of the aircraft transfers ownership to the lessor.

For the purpose of impairment testing of right-of-use assets, the Company measures recoverable amount of assets that led to an indication of impairment. Such recoverable amount is the greater of an asset's fair value less costs to sell, or its value in use. The Company's recoverable amount is determined by asset's fair value calculated by an independent appraiser using the market approach. The fair value reflect current market lease rate, which is assumed that both lessor and lessee are knowledgeable, willing to exchange and acting at "arm's length", discounted by interest rate reflecting lessee's credit risk and less costs to sell assessing by the Company's management, which has a higher value than its value in use.

Key assumption in calculation of fair value of assets by an independent appraiser is presented below:

Unit: Million Baht

	Consolidated financial statements	Separate financial statements	Effect on fair value when the rate of assumption increases
Monthly lease rate per aircraft	2 - 4	2 - 4	มูลค่ายุติธรรมเพิ่มขึ้น

During the year 2020, the Company recognized impairment losses of aircrafts right-of-use amounting to Baht 1,004 million (2019: Nil) in Note 17 to the consolidated financial statements which was presented in "allowance for impairment of asset" in statement of comprehensive income.

2) Lease liabilities

Movement of lease liabilities for the year ended 31 December 2020 are summarised below:

Unit: Thousand Baht

	Consolidated financial statement	Separate financial statement
1 January 2020	-	-
Reclassify from finance lease of aircrafts due to TFRS 16 adoption	3,242,443	3,242,443
Reclassify from finance lease agreements due to TFRS 16 adoption	83,915	45,199
Adjustments of right-of-use assets due to TFRS 16 adoption	5,218,234	4,524,767
Additions during the year	31,910	27,758
Increase from interest	305,867	282,989
Less: Payment during year	(2,125,571)	(2,034,441)
Decrease from terminated lease contracts	(64,032)	(59,624)
Decrease from rental discount	(67,679)	(20,951)
Gain from unrealized exchange rate	(25,223)	(25,223)
31 December 2020	6,599,864	5,982,917

Unit: Thousand Baht

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Liabilities under lease agreements	7,075,864	-	6,395,896	-
Less: Deferred interest expenses	(476,000)	-	(412,979)	-
Total	6,599,864	-	5,982,917	-
Less: Portion due within one year	(4,240,686)	-	(4,119,659)	-
Liabilities under finance lease agreements - net of current portion	2,359,178	-	1,863,258	-

As at 31 December 2020, the Company was unable to maintain financial ratio as prescribed in the aircraft lease agreements. As a result, the Company has classified liabilities under aircraft lease agreements of Baht 2,500 million as current portion of finance lease liabilities presented under current liabilities in the statement of financial position.

Based on the above mentioned, as at 31 December 2020, the Group's present value of future minimum lease payments by payment period is as the follows:

Unit: Thousand Baht

	Consolidated financial statement			
	Less than 1 year	1 - 5 year	Over 5 year	Total
Future minimum lease payments	4,598,634	2,343,673	133,557	7,075,864
Deferred interest expenses	(357,948)	(103,148)	(14,904)	(476,000)
Present value of future minimum lease payments	4,240,686	2,240,525	118,653	6,599,864

Unit: Thousand Baht

	Separate financial statement			
	Less than 1 year	1 - 5 year	Over 5 year	Total
Future minimum lease payments	4,457,561	1,879,542	58,793	6,395,896
Deferred interest expenses	(337,902)	(61,233)	(13,844)	(412,979)
Present value of future minimum lease payments	4,119,659	1,818,309	44,949	5,982,917

However, the Company's management believe that failure to maintain financial ratio according to financial covenant in finance lease of aircraft agreement was resulted from COVID-19 situation. The classification of lease liabilities under normal circumstance can be presented below.

Unit: Thousand Baht

	Consolidated financial statement	Separate financial statement
Current portion of lease liabilities	1,740,236	1,619,209
Lease liabilities, net of current portion	4,859,628	4,363,708

Analysis of the maturity profile of lease payment disclosed in Note 44.2 to the consolidated financial statements under Liquidity risk section.

3) Expenses relating to leases that are recognised in profit or loss

Unit: Thousand Baht

	For the year ended 31 December 2020	
	Consolidated financial statement	Separate financial statement
Depreciation expense of right-of-use assets	1,794,565	1,724,424
Interest expense on lease liabilities	298,859	282,860
Expense relating to short-term leases and low-value assets	6,309	338
Expense relating to leases of services	227,227	166,164
Expense relating to leases of concessions	177,237	-
Expense relating to variable lease payments	24,056	21,922
Loss on impairment of right-of-use aircrafts	1,004,417	-

4) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 1,850 million (Separate financial statements: Baht 1,774 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash items in additions to right-of-use assets and lease liabilities of Baht 32 million (Separate financial statements: Baht 28 million).

17.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of land, building and improvements (see Note 15 to the consolidated financial statements) of the lease terms are between 3 and 10 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 and 2019 as follows:

Unit: Million Baht

	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Within 1 year	29	29	29	32
Over 1 and up to 5 years	53	74	53	74
Over 5 years	5	12	5	12

During 2020 the Group has sub-lease income amounting to Baht 29 Million (2019: Baht 37 million) (Separate financial statements: Baht 31 million and 2019: Baht 39 million).

18. Intangible assets

Two subsidiary companies have signed contracts with Airports of Thailand Public Company Limited ("AOT") (which has sole right to operate Suvarnabhumi Airport), in order to engage in various projects at the Airport for 20 years from the day it opened officially (from 28 September 2006 to 27 September 2026). The subsidiaries have to pay annual benefits to AOT, in amounts not less than the minimum compensation rates set for each year, throughout the period of the concession.

Company	Project	Period
Bangkok Air Catering Co., Ltd.	Catering	20 years
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service equipment and maintenance facilities	20 years

The rights in buildings and other components of each project are transferred to the Ministry of Finance.
The net book values of intangible assets as at 31 December 2020 and 2019 are presented below.

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Concessions	Computer software	Total	Concessions	Computer software	Total
As at 31 December 2020:						
Cost	938,196	589,301	1,527,497	-	552,457	552,457
Less: Accumulated amortisation	(662,900)	(381,836)	(1,044,736)	-	(355,517)	(355,517)
Net book value	275,296	207,465	482,761	-	196,940	196,940
As at 31 December 2019:						
Cost	938,197	559,749	1,497,946	-	527,427	527,427
Less: Accumulated amortisation	(615,052)	(325,185)	(940,237)	-	(301,536)	(301,536)
Net book value	323,145	234,564	557,709	-	225,891	225,891

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	557,709	561,003	225,891	181,058
Increase during the year	29,551	93,172	25,029	91,748
Amortisation	(104,499)	(96,466)	(53,980)	(46,915)
Net book value at end of year	482,761	557,709	196,940	225,891

19. Goodwill with indefinite useful lives

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management. Key assumptions used in value in use calculations are revenue growth rate and discount rate.

During the current year, the Company determined to write-off goodwill of Baht 26 million and recognised in statement of comprehensive income.

20. Other non-current assets

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Withholding tax	214,191	155,150	169,543	154,404
Others	2,407	2,407	2,287	2,287
Total	216,598	157,557	171,830	156,691

21. Short-term loans from financial institution

Unit: Thousand Baht

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Short-term loans from financial institution	3.0, 4.0 MLR-1.5 and MLR-1.9	4.8, MLR-1.9 and MLR-2.8	1,105,000	50,000	670,000	-
Total			1,105,000	50,000	670,000	-

Subsidiaries have short-term loans from financial institution which are secured by guarantees provided by the subsidiaries as described in Note 41.4 to the consolidated financial statements and will be matured within 3 months from the issue dates.

As at 31 December 2020, the short-term credit facilities of the Group which have not yet been drawdown amounted to Baht 1,150 million (2019: Baht 2,055 million).

22. Trade and other payables

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties	41,822	288,809	82,277	481,300
Trade payables - unrelated parties	585,836	1,732,995	428,019	1,593,883
Other payables - related parties	9,518	15,816	9,047	16,912
Other payables - unrelated parties	479,734	1,097,824	414,410	1,003,727
Other payables for purchase of software and equipment	2,138	47,735	43	2,912
Total trade and other payables	1,119,048	3,183,179	933,796	3,098,734

23. Long-term loans

Unit: Thousand Baht

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	LIBOR+1.625	Monthly installments as from January 2019 with the last installment in June 2031	1,312,676	1,381,299	1,312,676	1,381,299
2	THBFIX+1.65	Monthly installments as from June 2019 with the last installment in May 2031	465,270	475,689	465,270	475,689
3	MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	3,800	3,800	-	-
4	4.0, MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	19,820	19,820	-	-
5	Year 1-3: 4.0 Year 4 onward: MLR-1.5	Quarterly installments as from April 2018 with the last installment in July 2024	48,620	50,420	-	-
6	4.0, MLR-1.5	Semi-annually installments as from February 2019 with the last installment in August 2023	206,000	221,000	-	-
7	MLR-1.5	Semi-annually installments as from June 2019 with the last installment in December 2023	100,000	100,000	-	-
8	4.0, MLR-1.5	Quarterly installments as from November 2017 with the last installment in August 2023	20,790	22,540	-	-
9	Year 1-3: MLR-2.25 Year 4 onward: MLR-2.125	Monthly installments as from February 2019 with the last installment in December 2025	248,800	252,300	-	-
10	THBFIX 6 months+1.5	Semi-annually installments as from June 2018 with the last installment in December 2021	150,000	150,000	-	-
11	MLR	Monthly installments as from February 2018 with the last installment in January 2025	3,586	3,855	-	-
12	THBFIX 6 months+1.65	Semi-annually installments as from September 2020 with the last installment in September 2026	250,000	250,000	-	-
13	4.0	Quarterly installments as from April 2017 with the last installment in January 2020	-	4,900	-	-
14	MLR-2.2	Semi-annually installments as from November 2020 with the last installment in November 2024	51,420	10,000	-	-
15	MLR-2.225	Semi-annually installments as from September 2020 with the last installment in September 2025	60,000	38,000	-	-
16	MLR-2.1	Semi-annually installments as from October 2021 with the last installment in April 2025	22,470	-	-	-
Total			2,963,252	2,983,623	1,777,946	1,856,988
Less: Current portion			(916,856)	(582,931)	(108,619)	(165,573)
Long-term loans, net of current portion			2,046,396	2,400,692	1,669,327	1,691,415

Movement of the long-term loans account during the year ended 31 December 2020 is summarised below:

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	2,983,623	1,856,988
Add: Additional borrowings	85,890	-
Less: Repayment	(105,233)	(78,014)
Unrealised gain on exchange rate	(1,028)	(1,028)
Balance as at 31 December 2020	2,963,252	1,777,946

Such long-term loans are secured by the Group as described in Note 41.4 to the consolidated financial statements and the Company has registered business collateral for 4 ATR aircrafts (2019: 4 ATR aircrafts) to secure the loans.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Group to maintain certain debt to equity and debt service coverage ratios and defaults on any other debt obligations of the Company within 30 days from the date they are due according to the agreements. As at 31 December 2020, subsidiaries was unable to maintain such debt to equity and debt service coverage ratios according to the agreements. Subsidiaries, therefore, classified long-term loans amounting to Baht 537 million as current liabilities.

As at 31 December 2019, the Group has long-term credit facilities which have not yet been drawdown amounted to Baht 70 million (2020: None).

24. Long-term lease liabilities from related party

Unit: Thousand Baht

	Consolidated and separate financial statements
Balance as at 1 January 2020	11,330,979
Increase from compound interest	680,500
Less: Payment during the year	(711,598)
Reversal of long-term lease liabilities from related party	(1,629,396)
Balance as at 31 December 2020	9,670,485
Less: Portion due within one year	(47,500)
Long-term lease liabilities from related party - net of current portion	9,622,985

On 24 November 2006, the Company entered into an agreement to lease Samui Airport, together with its facilities, to Samui Airport Property Fund (Leasehold) (the Fund) for a period of 30 years (from 24 November 2006 to 23 November 2036) for Baht 9,300 million. The Company pledged the assets leased to the Fund, with a collateral value of Baht 20,900 million, to guarantee performance in accordance with the lease agreement. Under the terms of the agreement, the Group (Bangkok Airways Public Company Limited and/or its affiliates, and/or its subsidiaries) must hold not less than 25 percent of the number of units issued and offered for sale by the Fund for the period of 20 years (from 24 November 2006 to 23 November 2026).

On the same date, the Company entered into an agreement to sublease the Samui Airport from the Fund for a period of 3 years, renewable for 9 times of 3 years each, and another agreement under which the Company is to receive utilities system service at the Samui Airport from the Fund for a period of 30 years (from 24 November 2006 to 23 November 2036). Payments on these agreements are as follows:

Sublease	Baht 26,125,000 per month
Utilities system service	
Fixed	Baht 21,375,000 per month
Additional	Vary based on number of departing passengers and number of arrival flights

The Company has to arrange for a bank guarantee to be issued by a commercial bank in Thailand and/or deposit cash as security in the bank account of the Fund and/or pledge of listed securities and/or other securities, such that their aggregate value is equal to 12 months of the sub-lease fee specified in Sub-Lease Agreement plus the fixed service fee specified in Utilities System Service Agreement. If listed securities and/or other securities are pledged, collateral value is not to be less than 120 percent of the pledged amount throughout the pledge period.

As at 31 December 2020, the Company has pledged common shares of Bangkok Dusit Medical Services Public Company Limited amounting to 36 million shares (2019: 36 million shares) with a fair value of Baht 749 million (2019: Baht 927 million) as collateral.

Reversal of long-term lease liabilities from related party resulted from adjustments made to contractual payment regarding variable utilities system service charges. Due to the COVID-19 pandemic, there has been a substantial decline in the number of flights and passengers of Samui Airport since late of March 2020 to the present. As a result, the Company's management decided to adjust the future variable contractual payment by making an estimate of expected number of passengers and the number of flights including aviation recovery time from the COVID-19 situation. The estimation was in consistent with the current COVID-19 situation and air traffic forecast from International Air Transport Association (IATA). The adjustment of estimation resulted in decrease in long-term lease liabilities from related party.

However, the estimation is subject to future unforeseeable factors because airport and airline business is operated under highly uncertain factors.

Effects of changes in key assumption on future value of liabilities as at 31 December 2020 are summarised below:

Unit: Million Baht

	5% increase	5% decrease
Number of departing passengers	179	(123)

Due to the decrease in number of flights and passengers affects the Company is to determine whether there is any indication that operating assets might be impaired. The Company has considered indicator and has assessed impairment of property, plant and equipment as well as right-of-use assets as disclosed in Notes 16 and 17.1, respectively, to the consolidated financial statements. Reversal of long-term lease liabilities from related party net of allowance for asset impairment was recognised and presented in "Other income" in the statement of comprehensive income.

25. Other current liabilities

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deposits	403,919	290,551	345,465	213,786
Airport tax payable	31,511	208,239	31,511	208,239
Maintenance reserve	946,056	848,079	946,056	848,079
Accrued expenses	98,079	403,262	30,936	118,882
Derivative liabilities	-	413,963	-	413,963
Others	105,525	165,003	68,141	80,171
Total	1,585,090	2,329,097	1,422,109	1,883,120

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	956,604	722,583	702,894	548,645
Included in profit or loss:		144,344	74,428	89,103
• Current service cost	99,810	23,743	6,778	20,314
• Interest cost	8,641	179,200	-	163,768
• Past service cost	-			
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
• Demographic assumptions changes				
• Financial assumptions changes	118,506	333	45,526	333
• Experience adjustments				
Reversal of provision from Voluntarily	5,251	(61,653)	(84,240)	(71,114)
Early Retirement 2020 Program	(6,879)	(24,380)	165,327	(24,379)
Benefits paid during the year	(245,696)	-	(113,943)	-
	(137,776)	(27,566)	(124,693)	(23,776)
Provision for long-term employee benefits at end of year	798,461	956,604	672,077	702,894

The Group expects to pay Baht 23.2 million (2019: Baht 44.8 million) of long-term employee benefits during the next year (Separate financial statements: Baht 6.9 million (2019: Baht 28.5 million)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 7 - 28 years (2019: 7 - 28 years) (Separate financial statements: 11 years (2019: 11 years)).

Significant actuarial assumptions are summarised below:

Unit: percent per annum

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.85 - 3.47	1.45 - 3.47	1.55	1.55
Salary increase rate	2.50 - 7.00	2.15 - 7.00	2.05	2.15
Turnover rate	0.00 - 31.00	0.00 - 32.00	4.00 - 8.00	4.00 - 8.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

Unit: Million Baht

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(88)	64	(61)	73
Salary increase rate	51	(78)	60	(51)
Turnover rate	(93)	67	(65)	77

Unit: Million Baht

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(79)	93	(63)	75
Salary increase rate	75	(65)	57	(49)
Turnover rate	(86)	95	(68)	80

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Treasury stock

On 17 March 2020, a meeting of the Board of Directors of the Company approved the share repurchase program in the amount not exceeding 24 million common shares, at a par value of Baht 1 each, at a maximum price of Baht 90 million. The share repurchase is made to maximise the benefits of the Company's excess liquidity and to increase the return on equity and the earnings per share. It is to be made through the Stock Exchange of Thailand. The repurchase period ran from 1 April 2020 to 30 September 2020. The Company may consider the resale of those repurchased shares via either the Stock Exchange of Thailand or a public offering, depending on situation after 6 months from the completion date of share repurchase. However, as at 31 December 2020, the Company had not yet repurchased the ordinary shares.

As at 31 December 2020, the Company had treasury stocks amounting to 40 million shares, which the market value was approximately Baht 256 million (2019: Baht 278 million). Such market value is calculated from the closing price in the Stock Exchange of Thailand as at last working day.

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 December 2020 and 2019, the Company has set aside approximately Baht 492 million, with the Company recording the reserve as "Appropriated retained earnings - others" in the statement of financial position.

29. Revenue from contracts with customers

Sales and service revenue for the years 2020 and 2019 can be disaggregated by timing of revenue recognition and type by goods or services as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognised over time				
• Passenger fare	5,589,273	18,862,114	5,589,469	18,862,526
• Baggage fee and other service income	1,615,790	3,453,235	431,360	980,072
• Freight	50,344	201,813	50,699	201,950
• Passenger service charge	177,259	547,293	177,259	547,293
Revenue recognised at a point in time				
• Sales income	584,460	1,627,946	-	-
Total revenue from contracts with customers	8,017,126	24,692,401	6,248,787	20,591,841

Below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 38 to the consolidated financial statements relating to the segment information:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
External customers	7,666,107	23,961,552	5,817,219	19,611,220
Inter-segment	366,605	1,133,753	208	549
	8,032,712	25,095,305	5,817,427	19,611,769
Adjustments and eliminations	(366,605)	(1,133,753)	-	-
	7,666,107	23,961,552	5,817,427	19,611,769
Revenue that recorded as a part of other income	351,019	730,849	431,360	980,072
Total revenue from contracts with customers	8,017,126	24,692,401	6,248,787	20,591,841

30. Cost reduction measures and organisation restructuring

As described in Note 1.2 to the consolidated financial statements, the Group established “Voluntarily Early Retirement 2020 Program” and “Voluntarily Long-Term Leave Without Pay Program” to the appropriate level of the Group’s personnel. During the year, the Group obliged to pay such payment of Baht 854 million (Separate financial statements: Baht 475 million). However, the Group reversed the provision for long term employee benefits for attended employees of Baht 246 million (Separate financial statements: Baht 114 million). As a result, the Group recognised additional expenses from these programs of Baht 608 million as a part of “Administrative expenses” in the statements of comprehensive income (Separate financial statements: Baht 361 million) and already paid such severance payment during the year.

31. Other income and other expenses

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Gain on sales of available-for-sale investments	-	1,990,775	-	1,990,775
Loss on derivatives	(956,774)	-	(956,774)	-
Loss on changes in fair value of ineffective cash flow hedges	(687,807)	-	(687,807)	-
Gain (loss) on exchange	226,989	(2,075)	221,585	(13,609)
Total	(1,417,592)	1,988,700	(1,422,996)	1,977,166

32. Finance income

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest income on bank deposits	28,461	101,055	25,857	97,043
Interest income on loans	-	-	4,487	5,215
Other finance income	4,721	3,343	226	1,767
Total	33,182	104,398	30,570	104,025

33. Finance cost

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on loans	746,789	1,405,312	695,685	1,359,639
Interest expenses on lease liabilities	298,859	169,938	282,860	168,660
Other finance cost	71,636	194,246	64,074	184,144
Total	1,117,284	1,769,496	1,042,619	1,712,443

34. Expenses by nature

Significant expenses classified by nature are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salary and wages and other employee benefits	3,802,924	6,626,536	2,303,181	4,256,451
Depreciation	2,712,455	1,323,657	2,426,722	1,048,079
Amortisation expenses	104,788	97,871	53,980	48,320
Rental expenses from operating leases	80,908	1,880,481	53,353	1,741,618
Aircraft fuel expenses	1,397,303	4,667,321	1,397,303	4,667,321
Repair and maintenance	1,771,092	3,548,593	1,706,082	3,411,678
Ground service expenses	553,744	1,393,014	553,744	1,746,824
Catering and passenger service expenses	470,336	698,105	470,336	1,223,978
Landing and parking expenses	113,826	423,397	113,826	423,397
Aeronautical radio expenses	214,553	673,785	200,011	673,785
Booking expenses	409,053	1,543,994	409,053	1,543,994
Raw materials and supplies used	256,155	673,483	-	-
Ground service equipment fuel expenses	31,102	64,491	-	-

35. Income tax

35.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
• Allowance for diminution in value of inventories	8,149	8,204	7,838	7,849
• Accumulated depreciation - plant and equipment	399	583	-	-
• Accrued expenses	4,637	11,212	-	2,354
• Provision for long-term employee benefits	93,489	119,680	69,062	71,034
• Loss on cash flow hedges	2,964	-	-	-
Total	109,638	139,679	76,900	81,237
Deferred tax liabilities				
• Unrealised fair value gain on investments				
• Accrued income	3,539,605	4,665,483	2,888,455	3,807,283
• Liabilities arising from finance lease of aircrafts	-	1,213	976	1,213
• Finance lease liabilities	-	467,245	-	467,245
• Leases	-	5,826	-	3,371
	492,272	-	490,403	-
Total	4,031,877	5,139,767	3,379,834	4,279,112
Deferred tax assets - net	33,375	59,943	-	-
Deferred tax liabilities - net	3,955,614	5,060,031	3,302,934	4,197,875

As at 31 December 2020, the subsidiaries have unused tax losses totaling Baht 522 million (2019: Baht 408 million), on which deferred tax assets have not been recognised as the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of unused tax losses. Such unused tax losses will expire by 2025 (2019: by 2024).

35.2 Income tax expenses

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current corporate income tax charge	7,412	427,157	-	261,790
Adjustment in respect of income tax of previous year	(88)	7,244	(362)	6,028
Deferred tax:				
Relating to origination and reversal of temporary differences	93,071	(70,625)	67,714	(58,558)
Income tax expenses reported in the statement of comprehensive income	100,395	363,776	67,352	209,260

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(5,227,427)	720,448	(5,152,657)	542,012
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(1,045,485)	144,090	(1,030,531)	108,402
Adjustment in respect of income tax of previous year	(88)	7,244	(362)	6,028
Effects of:				
Tax exempted revenue	(126,931)	(394,010)	(119,572)	(378,464)
Non-deductible expenses	1,770,407	508,469	1,739,259	473,495
Additional expense deductions allowed	(524,888)	(144,569)	(524,024)	(133,647)
Revenue treated under the Revenue Code	27,380	242,552	2,582	133,446
Total	1,145,968	212,442	1,098,245	94,830
Income tax expenses reported in the statement of comprehensive income	100,395	363,776	67,352	209,260

35.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to:				
• Loss on cash flow hedges	(3,482)	-	(2,776)	-
• Loss on changes in value of investments in equity designated at fair value (2019: Loss on changes in value of available-for-sale investments)	(1,125,878)	(225,430)	(918,828)	(268,480)
• Actuarial gain (loss) on defined benefits plan	(11,261)	7,725	(13,011)	9,617
Total	(1,140,621)	(217,705)	(934,615)	(258,863)

36. Promotional privileges

By virtue of the provisions of Investment Promotion Act, the Company was granted certain privileges by exemption from income tax for net income from promoted business for 5 - 8 years as follows:

Promotion certificate No.	Description	Commencing date	Expiring date
1204(2)/2555	2 aircrafts with capacity of 306 seats	11 March 2012	10 March 2020
2019(2)/2555	1 aircraft with capacity of 162 seats	30 November 2012	29 November 2020
1208(2)/2556	1 aircrafts with capacity 138 seats	18 May 2013	24 August 2020
1208(2)/2556	6 aircrafts with capacity of 832 seats	18 May 2013	17 May 2021
2604(2)/2555	12 aircrafts with capacity of 1,154 seats	17 February 2015	16 February 2023
61-0099-1-00-1-0	1 aircraft with capacity of 144 seats	16 July 2018	15 July 2023
61-1240-1-00-1-0	1 aircraft with capacity of 70 seats	16 December 2018	15 December 2023
61-0098-1-00-1-0	1 aircraft with capacity of 144 seats	19 January 2019	18 January 2024
61-1290-1-00-1-0	1 aircraft with capacity of 70 seats	3 January 2019	2 January 2024
61-1443-1-00-1-0	1 aircraft with capacity of 70 seats	8 April 2019	7 April 2024
62-0009-1-00-1-0	1 aircraft with capacity of 70 seats	20 May 2019	19 May 2024
62-0774-1-00-1-0	1 aircraft with capacity of 162 seats	Not yet have income in 2020	

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the years ended 31 December 2020 and 2019 divided between promoted and non-promoted operations, are summarised below.

Unit: Million Baht

	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
• Passenger fare	3,748	12,255	1,841	6,608	5,589	18,863
• Others	357	499	3,294	5,622	3,651	6,121
Total revenue	4,105	12,754	5,135	12,230	9,240	24,984

37. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit (loss) for the years (Thousand Baht)	(5,283,182)	350,835	(5,220,009)	332,752
Weighted average number of ordinary shares (Thousand shares)	2,060,000	2,060,728	2,060,000	2,060,728
Basic earnings per share (Baht/share)	(2.56)	0.17	(2.53)	0.16

38. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its services, and there are the following three reportable segments:

- The airline segment, which sells tickets and provides services to passengers.
- The airport segment, which provides location services for passengers and airlines.
- The supporting airline business segment, which provides ground handling, cargo and catering services for airlines and customers.

Other segments are restaurants, duty free shop and aviation training business but these operating segments do not meet the quantitative thresholds as set out in the financial reporting standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities which give rise to including finance costs, finance income and income taxes are managed on a Group basis and are not allocated to operating segments.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2020 and 2019.

Unit: Million Baht

	Airline segment		Airport segment		Supporting airline business segments		Other segments		Elimination of inter-segment revenues		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	5,640	19,065	177	547	1,540	3,765	309	585	-	-	7,666	23,962
Inter-segment revenues	-	1	-	-	343	1,031	24	102	(367)	(1,134)	-	-
Total revenues	5,640	19,066	177	547	1,883	4,796	333	687	(367)	(1,134)	7,666	23,962
Segment operating profit (loss)	(2,710)	1,163	(194)	24	(240)	436	(47)	14	-	-	(3,191)	1,637
Unallocated income and expenses:												
• Dividend income												
• Finance income												
• Gain on sales of investments in equity instruments												
• Gain (loss) on exchange rate												
• Other income												
• Selling and distribution expenses												
• Administrative expenses												
• Loss on derivatives												
• Written-off goodwill												
• Other expenses												
• Share of profit from investments in associates												
• Finance costs												
• Income tax expenses												
Non-controlling interests of the subsidiaries												
Profit (loss) for the year attributable to equity holders of the Company											(5,283)	350

The basis of accounting for any transactions between reportable segment is consistent with that for third party transactions.

Inter-segment revenues are eliminated from the consolidated financial statements.

Transfer prices between business segments are as set out in Note 7 to the consolidated financial statements.

For the years 2020 and 2019, 78 percent of total revenue from the airlines, airports and supporting airlines business segments of the Group was derived from domestic operations.

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

39. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 0 percent to 8 percent of basic salary (2019: 3 percent to 8 percent of basic salary). The fund, which is managed by MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 44 million (2019: Baht 116 million) were recognised as expenses.

Subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both subsidiaries and employees contribute to the fund monthly at the rate of 0 percent to 15 percent of basic salary (2019: 3 percent to 8 percent of basic salary). The funds, which are managed by Tisco Assets Management Public Co., Ltd. and MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 28 million (2019: Baht 27 million) were recognised as expenses.

40. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from the operation of the year 2018	Annual General Meeting of the Company's shareholders on 18 April 2019	165	0.08
Interim dividend for the year 2019	Board of Directors' Meeting on 26 March 2020	206	0.10

On 3 July 2020, the 2020 Annual General Meeting of the Company's shareholders acknowledged the above interim dividend for the year 2019, which were paid from the operating results from 1 January 2019 to 31 December 2019 and retained earnings. In this regard, the Company shall not propose any further dividend payment for the year 2019.

41. Commitments and contingent liabilities

41.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of Baht 18.5 million and SGD 0.45 million (2019: Baht 238 million and SGD 0.45 million) (Separate financial statements: Baht 17.4 million and SGD 0.45 million (2019: Baht 23 million and SGD 0.45 million)) mainly relating to acquisition of land and building improvement construction, and Baht 2.4 million and USD 0.45 million (2019: Baht 15 million and USD 0.71 million) (Separate financial statements: Baht 2 million and USD 0.33 million (2019: Baht 12 million and USD 0.5 million)) relating to acquisition of computer software, office equipment for operations and deposits.

41.2 Concession, operating lease and service agreement commitments

The Group has entered into several concession agreements, operating leases in respect of rental agreements of land, office building, office equipment, ground service equipment and other service agreements. The terms of the agreements are generally between 1 to 20 years.

As at 31 December 2020 and 2019, the Group has future minimum payments required under non-cancellable agreements are as follows.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable				
• In up to 1 year	432	927	179	398
• In over 1 year and up to 5 years	1,084	2,383	225	293
• In over 5 years	153	1,069	1	83

In 2020, the Group adopted the TFRS 16 as at 1 January 2020. Therefore, the Group recognised the lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the incremental borrowing rate, as described in Note 4.2 to the consolidated financial statements.

41.3 Letter of guarantees

As at 31 December 2020 and 2019, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business of the Group.

	Consolidated financial statements		Separate financial statements	
	2020 (Million)	2019 (Million)	2020 (Million)	2019 (Million)
Letter of guarantees for land and building rental				
• Baht	62.96	65.57	28.83	25.77
Letter of guarantees for purchase of aircraft fuel				
• Baht	20.05	20.05	20.05	20.05
Letter of guarantees for the concessionary contract				
• Baht	344.27	367.22	-	-
Letter of guarantees for payments due to creditors				
• Baht	33.86	18.88	-	-
• USD	-	0.46	-	0.46
• MYR	0.02	0.02	0.02	0.02
• SGD	0.25	0.25	0.25	0.25
• BDT	-	1.20	-	1.20
• INR	29.20	30.70	29.20	30.70
Letter of guarantees for government agency projects				
• Baht	14.14	1,000.00	-	1,000.00
• USD	-	0.29	-	-
Other letter of guarantees				
• Baht	23.77	56.85	22.77	15.13
• USD	0.14	0.35	0.14	0.35
• MYR	1.00	1.00	1.00	1.00

41.4 Guarantees

41.4.1 As at 31 December 2020 and 2019, subsidiaries had the following contingent liabilities in respect of guarantees for short-term loans from financial institutions, long-term loans, bank overdraft facilities, letter of credit facilities, trust receipts and foreign currency forward contract facilities as follows.

Unit: Million Baht

Guarantor	Guarantee	2020	2019
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	110	126
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Samui Co., Ltd.	43	49
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Phuket Co., Ltd.	443	625
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Chiang Mai Co., Ltd.	325	425
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Don Mueang Co., Ltd.	91	60
Bangkok Airways Holding Co., Ltd.	Gourmet Primo Co., Ltd.	380	383
		1,392	1,668

41.4.2 The Company received an approval of credit facility of letter of guarantee from a commercial bank amounting to Baht 2,025 million. The Company used such credit facility to issue letter of guarantee for the joint venture (U-tapao International Aviation Company Limited) to guarantee compliance with the joint venture contract for the U-tapao International Airport and Eastern Airport City Development Project. In addition, the Company also provided the guarantee of not exceeding Baht 13,251 million to Eastern Economic Corridor Office for the damages exceeding the amount of bank guarantee above.

41.5 Other commitments

The Company and an entity ("counterparty") entered into the swap agreement to exchange return on investment. According to the agreement, the Company is obliged to pay a fixed amount of payment in exchange of the investments' return in securities of the counterparty. The agreement matured on 3 September 2020. Subsequently, in September 2020, the Company and the counterparty agreed to amend certain conditions of the agreement and extend the term to 3 September 2021, and investments in equity of listed companies were used as collateral as described in Note 12 to the consolidated financial statements. At maturity, the counterparty may choose among options as stipulated in the agreement. Fair value of the equity swap agreement was recorded in the financial statements as presented in Note 44.1 to the consolidated financial statements.

41.6 Letter of credit facilities

The Company entered into a credit facilities agreement, with the branch of a foreign financial institution, granting a revolving credit short-term facilities, guarantee facilities, and letter of credits amounting to Baht 70 million. The Company has to comply with all conditions as stipulated in the agreement. As at 31 December 2020 and 2019, the undrawn portion of these credit facilities amounted to Baht 70 million.

41.7 Interest rate swap transaction agreements

As at 31 December 2020, the Group had interest rate swap agreements for principal amounting to Baht 357.5 million and USD 11.2 million (2019: Baht 400 million and USD 12.7 million) (Separate financial statements: USD 11.2 million (2019: USD 12.7 million)) which were still effective. The interest rates received under these agreements were a floating rate of LIBOR-ICE, THBFIX 6months+1.5 and THBFIX 6 months+1.65 and the interest rates paid were fixed interest rates of 2.38 percent to 3.90 percent. The agreements will be matured during December 2021 to April 2028. Fair value of the interest rate swap agreements were recorded in the financial statements as presented in Note 44.1 to the consolidated financial statements.

41.8 Cross currency and interest rate swap agreements

As at 31 December 2020, the Company had cross currency and interest rate swap agreements amounting to USD 99.6 million (2019: USD 111.1 million) which were still effective. The interest rates received under these agreements were fixed interest rates of 2.38 percent to 2.60 percent (2019: 2.38 percent to 2.60 percent) and a floating rate of LIBOR-ICE and the interest rates paid were fixed interest rates of 1.580 percent to 4.015 percent (2019: 1.580 percent to 4.015 percent). The agreements will be matured during November 2026 to December 2030. Fair value of the cross currency and interest rate swap agreements were recorded in the financial statements as presented in Note 44.1 to the consolidated financial statements.

42. Litigations

The Company

42.1 In May 2016, an airline filed a lawsuit against the Company with Thai Civil Court alleging that the Company's aircraft was not parked at a suitable location resulting in a collision during the plaintiff's aircraft taxiing at Yangon International Airport, Myanmar causing damages to the left wing of the plaintiff's aircraft and the delay of the plaintiff's flight. The plaintiff therefore claimed the damages totaling USD 180,000.14. This incident is covered by the Aviation Insurance Policy. The Company informed the insurance company of the incident and the insurer appointed a law firm to defend the claim on behalf of the Company. Subsequently, on 28 July 2016, the Company filed an answer that the Company's aircraft was not parked in an inappropriate location, but it was parked to follow orders from officials of Yangon International Airport air traffic control. The Company therefore countersued the plaintiff claiming damages of USD 5,382,320.27. Subsequently, on 27 December 2018, the Thai Civil Court dismissed both the plaintiff's case and the Company's countersued since such claims were barred by prescription. On 30 August 2019, the airline filed an appeal to the Appeal Court. Subsequently, on 25 June 2020, the case was dismissed and not permitted to appeal by the Appeal Court. Therefore, the case is an end.

42.2 In August 2019, the Company was sued by its former employee, claiming damages from violation and breaching of employment contract including other compensations totaling of Baht 43.3 million together with the interest thereon at the rate of 15 percent per annum. Subsequently, on 26 February 2020, the Litigant declared to the Court that the case was compromising. The Company already paid subsidy amounting to Baht 3.1 million and issued a certificate of employment to a former employee. According to such compromise agreement, the case is an end.

Subsidiaries

42.3 As at 31 December 2018, a subsidiary had legal cases as it was sued by its former employees (“Plaintiff”), claiming severance payment, compensations, and other damages totaling of Baht 34.3 million. However, during the year 2019, the Supreme Court did not permit the plaintiff to file an appeal and dismissed the plaintiff’s petition totaling of Baht 19.1 million. Therefore, a subsidiary had legal cases as it was sued by its former employees amounting to Baht 15.2 million. Subsequently, on 8 September 2020, the Supreme Court judged a subsidiary to win the cases and to not pay subsidies. Therefore, the cases are an end.

42.4 In December 2018, a subsidiary filed a lawsuit against a company through the Civil Court for breaching of early terminated sub-lease agreement. Subsequently, in March 2019, the plaintiff filed a petition by denying the indictment and countersued for claiming the compensation from a subsidiary amounting to Baht 15.6 million together with the interest thereon at the rate of 7.5 percent per annum. Subsequently, on 18 January 2021, the Civil Court judged a subsidiary to win the case and to not pay subsidies. Therefore, the case is an end.

42.5 In February 2019, a subsidiary was sued by its two former employees, claiming severance payment totaling of Baht 40.5 million together with the interest thereon at the rate of 7.5 and 15 percent per annum. Subsequently, on 24 August 2020, the plaintiffs withdrew some cases claiming the compensation amounting to Baht 32.5 million. Therefore, a subsidiary was sued by its former employees amounting Baht 8 million. Currently, the cases are being considered by the Central Labour Court. The Court informed the schedule for plaintiff’s witness examination at the beginning of 2021.

42.6 In July 2020, a subsidiary was sued by its former employee, claiming severance payment due to an unfair termination amounting to Baht 5 million together with the interest thereon at the rate of 7.5 percent per annum. Currently, the case is being considered by the Central Labour Court. The Court scheduled for mediation on 19 January 2021.

42.7 On 14 January 2021, a subsidiary and an associate were sued by a person who demanded compensation of Baht 42.8 million with interest at the rate of 7.5 percent per annum on the grounds that employees of the said companies made the person incompetent as the person fell out of an electric forklift during performing work. The case is currently being considered by the Civil Court.

43. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

Unit: Million Baht

	Consolidated financial statements 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in equity instruments	22,912	-	509	23,421
Assets for which fair value is disclosed				
Investments in associate that is listed companies	3,623	-	-	3,623
Investment properties	-	-	423	423
หนี้สินที่วัดมูลค่าด้วยมูลค่ายุติธรรม				
Derivatives - Equity swap agreement	-	-	1,089	1,089
Derivatives - Interest rate swap agreements	-	-	33	33
Derivatives - Cross currency and interest rate swap agreements	-	-	490	490

Unit: Million Baht

	Consolidated financial statements 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments - Equity instruments	28,510	-	-	28,510
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,476	-	-	6,476
Investment properties	-	-	457	457
Derivatives - Fuel price swap agreements	-	-	27	27
Liabilities for which fair value is disclosed				
Derivatives - Equity swap agreement	-	-	161	161
Derivatives - Interest rate swap agreements	-	-	13	13
Derivatives - Cross currency and interest rate swap agreements	-	-	518	518

Unit: Million Baht

	Separate financial statements 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in equity instruments	18,668	-	509	19,177
Assets for which fair value is disclosed				
Investments in associate that is listed companies	3,623	-	-	3,623
Investment properties	-	-	803	803
Liabilities measured at fair value				
Derivatives - Equity swap agreement	-	-	1,089	1,089
Derivatives - Interest rate swap agreement	-	-	18	18
Derivatives - Cross currency and interest rate swap agreements	-	-	490	490

Unit: Million Baht

	Separate financial statements 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments - Equity instruments	23,232	-	-	23,232
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,476	-	-	6,476
Investment properties	-	-	876	876
Derivatives - Fuel price swap agreements	-	-	27	27
Liabilities for which fair value is disclosed				
Derivatives - Equity swap agreement	-	-	161	161
Derivatives - Interest rate swap agreements	-	-	1	1
Derivatives - Cross currency and interest rate swap agreements	-	-	518	518

During the current year, there were no transfers within the fair value hierarchy.

44. Financial instruments

44.1 Derivatives and hedge accounting

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
• Equity swap agreement	1,089,047	-	1,089,047	-
Derivatives liabilities designated as hedging instruments				
• Interest rate swap agreements	32,593	-	17,773	-
• Cross currency and interest rate swap agreements	489,693	-	489,693	-
Total derivative liabilities	1,611,333	-	1,596,513	-

Derivatives not designated as hedging instruments

The Group uses equity swap agreement to manage some of its transaction exposures. The agreement are entered into for periods consistent with return on equity exposure of the underlying transactions, generally from 12 months.

Derivatives designated as hedging instruments

Interest rate risk

The Group had interest rate swap agreements which are designated as hedging instruments in cash flow hedges of liabilities arising from finance lease of aircrafts and long-term loans. The Group entered into interest rate swap agreements with financial institution to exchange of a floating interest rate to fixed interest contract rate as described in Note 41.7 to the consolidated financial statements.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the floating rate finance lease of aircrafts contract (i.e., notional amount, maturity, payment dates). To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from differences in the timing of cash flows of the hedged item and hedging instruments.

Foreign currency and interest rate risk

The Group had cross currency and interest rate swap agreements which are designated as hedging instruments in cash flow hedges of liabilities arising from finance lease of aircrafts. These are defined as a combined hedge of currency risk and interest rate risk.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency and interest rate swap match the terms of finance lease of aircrafts contract with floating rate in foreign currency (i.e., notional amount, maturity, payment dates). To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from differences in the timing of cash flows of the hedged item and hedging instrument.

The Group is holding the following derivatives as hedging instruments as at 31 December 2020.

	Consolidated financial statements			
	Maturity			
	Less than 1 year	1 - 5 years	5 years	Total
Interest rate swap agreements				
• Notional amount (Thousand Baht)	19,598	45,984	4,786	70,368
• Average fixed rate (%)	3.18	3.17	2.75	3.15
Cross currency swap agreements				
• Notional amount (Thousand Baht)	409,704	1,721,147	1,230,007	3,360,858
• Average fixed rate (%)	2.85	2.86	3.13	2.96
• Average exchange rate (US dollar/Baht)	34.13	33.76	33.71	33.79

	Separated financial statements			
	Maturity			
	Less than 1 year	1 - 5 years	5 years	Total
Interest rate swap agreements				
• Notional amount (Thousand Baht)	8,492	21,950	3,622	34,064
• Average fixed rate (%)	2.38	2.38	2.38	2.38
Cross currency swap agreements				
• Notional amount (Thousand Baht)	409,704	1,721,147	1,230,007	3,360,858
• Average fixed rate (%)	2.85	2.86	3.13	2.96
• Average exchange rate (US dollar/Baht)	34.13	33.76	33.71	33.79

The impact of hedged items on the statement of financial position as at 31 December 2020 is, as follows:

Unit: Million Baht

	Consolidated financial statements		
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Fuel purchase volume	(27)	-	(27)
Finance lease of aircrafts contract	(19)	(19)	-
Long-term loans	(3)	(3)	-

Unit: Million Baht

	Separate financial statements		
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Fuel purchase volume	(27)	-	(27)
Finance lease of aircrafts contract	(19)	(19)	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2020 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2020 are, as follows:

Unit: Million Baht

	งบการเงินรวม					
	Notional amounts	Carrying amount	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
Fuel price swap agreements	-	-	(27)	-	(30)	Cost of sales and services
					(46)	Loss on derivatives
Cross currency and interest rate swap agreements	3,364	(490)	(3)	(3)	-	
Interest rate swap agreements	98	(32)	(22)	(32)	10	Finance cost
Total	3,462	(522)	(52)	(35)	(66)	

Unit: Million Baht

	Separate financial statements					
	Notional amounts	Carrying amount	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
Fuel price swap agreements	-	-	(27)	-	(30)	Cost of sales and services
					(46)	Loss on derivatives
Cross currency and interest rate swap agreements	3,364	(490)	(3)	(3)	-	
Interest rate swap agreements	34	(17)	(18)	(17)	(1)	Finance cost
Total	3,398	(507)	(48)	(20)	(77)	

Effect from interest rate benchmark reform

The Group has exposures to benchmark InterBank Offered Rates (“IBORs”) on its financial instruments that will be replaced or reformed. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group elects to early adopt the amendments to TFRS 9 and TFRS 7 to those hedging relationships directly affected by IBOR reform.

The Group had interest rate swap agreements and cross currency and interest rate swap agreements which are designated in cash flow hedging relationships. Such agreements have floating legs that are indexed to LIBOR.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participant’s expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest will occur. The Group is currently following up on this matter to determine whether contract amendment is required for all counterparties by the reform.

44.2 Financial risk management objectives and policies

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, reimbursable maintenance expenses, loans to, long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans to, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group’s maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off in accordance with the Group’s policy.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are four types of market risk comprising interest rate risk, currency risk, fuel price risk and return on investment risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- Interest rate swap agreements to mitigate the risk of rising interest rates;
- Cross currency and interest rate swap agreements to mitigate the risk of rising interest rates and foreign currency rates;
- Fuel price swap agreements to mitigate the risk of rising fuel price; and
- Equity swap agreement to mitigate the risk of rising return on investment risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its finance lease of aircrafts that are denominated in foreign currencies.

The Group manages its foreign currency risk by entered into cross currency and interest rate swap agreements to exchange nominals and periodically exchange interest payments in two currencies using fixed exchange rate.

As at 31 December 2020, the Group hedged its finance lease of aircrafts in foreign currency. This foreign currency risk is hedged by using cross currency and interest rate swap agreements

As at 31 December 2020 and 2019, the Group's balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
BDT	120	427	-	-	0.35	0.36
CNY	4	7	-	1	4.62	4.31
EUR	-	3	-	1	36.88	33.73
HKD	1	9	1	4	3.88	3.87
INR	4	148	3	11	0.41	0.42
SGD	2	3	-	-	22.66	22.32
USD	149	180	286	127	30.04	30.15
VND	10	24,868	27	101	0.001	0.001
ZAR	-	9	-	-	2.04	2.15

Currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
BDT	120	427	-	-	0.35	0.36
CNY	3	7	-	1	4.62	4.31
EUR	-	3	-	1	36.88	33.73
HKD	1	9	1	4	3.88	3.87
INR	4	148	3	11	0.41	0.42
SGD	2	3	-	-	22.66	22.32
USD	145	178	282	110	30.04	30.15
VND	10	24,868	27	101	0.001	0.001
ZAR	-	9	-	-	2.04	2.15

Foreign currency sensitivity

The Group determines that there is no significant exposure risk from change in foreign currency.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans to, lease liabilities and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by entering into interest rate swap agreements and cross currency and interest rate swap agreements, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Unit: Million Baht

	Consolidated financial statements 2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	100	-	-	376	1,705	2,181	Note 8
Trade and other receivables	-	-	-	-	401	401	-
Restricted bank deposits	3	-	-	1	-	4	0.2
Investments in equity instruments	-	-	-	-	23,421	23,421	-
Financial liabilities							
Short-term loans from financial institution	920	-	-	185	-	1,105	Note 21
Trade and other payables	-	-	-	-	1,119	1,119	-
Other current financial liabilities	-	-	-	-	1,089	1,089	Note 44
Long-term loans	-	1,867	-	1,096	-	2,963	Note 23
Long-term loan from related party	-	1,000	-	-	-	1,000	1.25
Lease liabilities	4,240	2,240	119	-	-	6,599	3.29 - 4.10
Long-term lease liabilities from related party	48	-	9,622	-	-	9,670	12.64
Other non-current financial liabilities	-	-	-	522	-	522	Note 44

Consolidated financial statements 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,131	4,142	5,273	Note 8
Current investments	4,046	-	-	-	-	4,046	Note 9
Trade and other receivables	-	-	-	-	1,535	1,535	-
Restricted bank deposits	3	-	-	1	-	4	0.37 - 0.90
Other long-term investments	-	-	-	-	29,051	29,051	-
Financial liabilities							
Short-term loans from financial institution	-	-	-	50	-	50	Note 21
Trade and other payables	-	-	-	-	3,183	3,183	-
Long-term loans	39	213	288	2,444	-	2,984	Note 23
Liabilities arising from finance lease of aircrafts	363	1,523	1,356	-	-	3,242	Note 17
Finance lease liabilities	48	36	-	-	-	84	1.8 - 6.47
Long-term lease liabilities from related party	79	632	10,620	-	-	11,331	12.64

Separate financial statements 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	-	1,694	1,694	Note 8
Trade and other receivables	-	-	-	-	144	144	-
Investments in equity instruments	-	-	-	-	19,177	19,177	-
Long-term loan to related party	-	-	-	105	-	105	MLR-1
Financial liabilities							
Short-term loans from financial institution	670	-	-	-	-	670	Note 21
Trade and other payables	-	-	-	-	934	934	-
Other current financial liabilities	-	-	-	-	1,089	1,089	Note 44
Long-term loans	-	-	-	1,778	-	1,778	Note 23
Long-term loan from related party	-	1,000	-	-	-	1,000	1.25
Lease liabilities	4,120	1,818	45	-	-	5,983	3.30 - 3.97
Long-term lease liabilities from related party	48	-	9,622	-	-	9,670	12.64
Other non-current financial liabilities	-	-	-	507	-	507	Note 44

	Separate financial statements 2019						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	681	4,037	4,718	Note 8
Current investments	4,000	-	-	-	-	4,000	Note 9
Trade and other receivables	-	-	-	-	949	949	-
Other long-term investments	-	-	-	-	23,772	23,772	-
Long-term loan to related party	-	-	-	101	-	101	MLR-1
Financial liabilities							
Trade and other payables	-	-	-	-	3,099	3,099	-
Long-term loans	-	-	-	1,857	-	1,857	Note 23
Liabilities arising from finance lease of aircrafts	363	1,523	1,356	-	-	3,242	Note 17
Finance lease liabilities	30	15	-	-	-	45	3.75 - 4.65
Long-term lease liabilities from related party	79	632	10,620	-	-	11,331	12.64

Interest rate sensitivity

The Group determines that there is no significant exposure risk from change in floating interest rate.

Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Company's operating results as fuel plays a vital factor in airline industry.

The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of the Company for shareholders and all concerned and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not lower than 50 percent and not more than 70 percent of annual fuel consumption. Whereby the tenor of each contract would be for a period of not more than 12 months. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price.

As at 31 December 2020, the Company has not obligation from fuel price hedging (2019: until December 2020 amounting to 960,000 barrels of jet fuel whereby the contract prices are between USD 71.35 per barrel and USD 95 per barrel).

Liquidity risk

Approximately 29% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 35.4%) (the Company only: 32.2%, 2019: 4%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

Unit: Thousand Baht

	Consolidated financial statements			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,108,224	-	-	1,108,224
Trade and other payables	1,117,816	-	-	1,117,816
Lease liabilities	4,598,634	2,343,673	133,557	7,075,864
Long-term lease liabilities from related party	679,454	4,794,246	18,959,590	24,433,290
Long-term loans	706,278	1,515,076	1,138,249	3,359,603
Long-term loans from related party	-	1,018,493	-	1,018,493
Total non-derivatives	8,210,406	9,671,488	20,231,396	38,113,290
Derivatives				
Derivative liabilities: net settled	47,596	192,527	127,990	368,113
Total derivatives	47,596	192,527	127,990	368,113

Unit: Thousand Baht

	Separate financial statements			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	671,505	-	-	671,505
Trade and other payables	932,564	-	-	932,564
Lease liabilities	4,457,561	1,879,542	58,793	6,395,896
Long-term lease liabilities from related party	679,454	4,794,246	18,959,590	24,433,290
Long-term loans	171,280	857,329	1,067,500	2,096,109
Long-term loans from related party	-	1,018,493	-	1,018,493
Total non-derivatives	6,912,364	8,549,610	20,085,883	35,547,857
Derivatives				
Derivative liabilities: net settled	42,207	180,761	127,420	350,388
Total derivatives	42,207	180,761	127,420	350,388

44.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- 1) For financial assets and liabilities which have short-term maturities, the carrying amounts in the statement of financial position approximate their fair value.
- 2) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- 3) The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- 4) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- 5) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

6) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

45. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.58:1 (2019: 1.06:1) and the Company's was 1.36:1 (2019: 0.94:1).

46. Events after the reporting period

Subsidiary

On 28 January 2021, a meeting of the Board of Directors of Bangkok Airways Ground Services Co., Ltd. ("The subsidiary") passed a resolution for the payment of an interim dividend from the operation results of the year 2020 at Baht 10 per share, amounting to Baht 1 million. The subsidiary will pay such dividend in March 2021.

Associate

On 29 January 2021, a meeting of the Board of Directors of WFS-PG Cargo Co., Ltd. ("The associate") passed a resolution for the payment of an interim dividend from the operation results of the year 2020 at Baht 2.75 per share, amounting to Baht 82.5 million. The associate already paid such dividend on 9 February 2021.

47. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.

Domestic

• Head Office

99 Mu 14, Vibhavadirangsit Rd., Chom Phon,
Chatuchak, Bangkok 10900 Thailand

Reservation Center: 1771

Tel: +66 (2) 270 6699

Fax: +66 (2) 265 5556

Sales Tel: +66 (2) 265 5678

Fax: +66 (2) 265 5522

Email: reservation@bangkokair.com

• Bangkok Airport Office

Suvarnabhumi International Airport
Passenger Main Terminal, 6th Floor, Row F
999 Mu 10, Bangna-Trad Rd., RachaThewa,
Bang-Phli Samutprakan 10540 Thailand

Tel: 1771

Fax: +66 (2) 134 3895

Email: reservation@bangkokair.com

• Chiang Mai Airport Office

1st Floor, Chiang Mai International Airport,
Chiang Mai 50000 Thailand

Tel: +66 (53) 281 519 ext 11/14

Fax: +66 (53) 281 519 ext 18

Email: cnxrrpg@bangkokair.com

• Chiang Mai Town Office

Kantary Terrace, Room A & B
44/1 Nimmanhaemin Road, Soi12,
Suthep, Muang, Chiang Mai 50200 Thailand

Tel: +66 (53) 289 338-9

Fax: +66 (53) 289 340

Email: cnxtopg@bangkokair.com

• Mae Hong Son Airport Office

Mae Hong Son Airport
Niwet Phisan Road,
Muang, Mae Hong Son 58000

Tel: +66 (53) 611 426

Fax: +66 (53) 611 425

E-mail: hgnrrpg@bangkokair.com

• Lampang Airport Office

Lampang Airport
175 Sanarmbin 1 Rd.,Phrahaht,
Lampang 52000 Thailand.

Tel: +66 (54) 821-522

Fax: +66 (54) 821-521

Email: lptrpg@bangkokair.com

- **Samui Airport Office**

99 Mu 4 , Bo Phud, Koh Samui,
Suratthani 84320 Thailand

Operator Tel: +66 (77) 428 500

Ticketing Tel: +66 (77) 428 555

Fax: +66 (77) 601 162

Email: usmrrpg@bangkokair.com

- **Samui Chaweng Office**

54/4 Mu 3, Bo Phud, Koh Samui,
Suratthani 84320 Thailand

Reservation Center:

Tel: +66 (77) 601 300

Fax: + 66 (77) 422 235

Email: usmtopg@bangkokair.com

- **Phuket Airport Office**

Phuket International Airport, 3rd Floor,
Phuket 83000 Thailand

Tel: +66 (76) 205 400-2

Fax: +66 (76) 327 114

Email: hktrpg@bangkokair.com

- **Phuket Town Office**

158/2-3 Yaowaraj Rd.,
Phuket 83000 Thailand

Tel: +66 (76) 225 033-5

Fax: +66 (76) 356 029

Email: hkttopg@bangkokair.com

- **Krabi Airport Office**

Krabi International Airport Building 1, 3rd Floor,
133 Mu 5, Nuaklong, Krabi 81130 Thailand

Tel: +66 (75) 701 608-9

Fax: +66 (75) 701 607

Email: kbvrrpg@bangkokair.com

- **Krabi Town Office**

2 City Plaza, Maharaj Soi 10,
Paknam, Muang, Krabi 81000 Thailand

Tel: +66 (75) 612 650-51

Fax: +66 (75) 612 672

Email: kbvtopg@bangkokair.com

- **Hat Yai International Airport Office**

99 Moo 3, Klong La, Klong Hue Kong
Songkha 90115 Thailand

Tel: +66 (0) 7422 7427

Fax: +66 (0) 7422 7426

Email: hdykpg@bangkokair.com

- **Sukhothai Airport Office**

99 Mu 4, Klongkrajong, Sawankaloke,
Sukhothai 64110 Thailand

Tel: +66 (55) 647 224

Fax: +66 (55) 647 222

Email: thsrrpg@bangkokair.com

- **Trat (Koh Chang) Office**

9/8/5 Mu 4, Koh Chang,
Trat 23170 Thailand

Tel: +66 (39) 551 654-5

Fax: +66 (39) 551 656

Email: tdxtpg@bangkokair.com

- **Trat Airport Office**

99 Mu 3, Tasom, Khao Saming,
Trat 23150 Thailand

Tel: +66 (39) 525 767-68

Fax: +66 (39) 525 769

Email: tdxrrpg@bangkokair.com

- **Pattaya Town Office**

Fairtex Arcade Room A5
212/5 Mu 5, North Pattaya Rd.,
Naklua, Banglamung,
Chonburi 20260 Thailand

Tel: +66 (38) 412 382

Fax: +66 (38) 411 965

Email: pyxrrpg@bangkokair.com

- **Pattaya Airport Office**

U -Tapao International Airport
70 Mu 2, Pla, Banchang,
Rayong 21130 Thailand

Tel: +66 (38) 245 599

Fax: +66 (38) 245 979

Email: utprpg@bangkokair.com

International

• Singapore Airport Office

Bangkok Airways Public Company Limited
Changi Airport Terminal 1, unit041-04F,
Singapore 819142

Tel: +65 6545 8481

Fax: +65 6546 8982

E mail: sinkkpg@bangkokair.com

• Singapore Town Office

Bangkok Airways Public Co., Ltd. (SG Branch)
111 Somerset Road, Triple One Somerset,
#11-06A, Singapore 238164

Tel: +65 6738 0063

Fax: +65 6738 8867

E mail: sinrrpg@bangkokair.com

• Kuala Lumpur Airport Office

Lot S5, Level 4 Main Terminal Building, Kuala
Lumpur International Airport, 64000 Selangor Darul
Ehsan, Malaysia

Tel: +60 387763670-71

Fax: +60 387763673

KULKKPG Mobile No.: +60 123018599,
+60 183276104

E-mail : Kulkkpg@bangkokair.com

• Luang Prabang International Airport Office

Luang Prabang International Airport
(International Terminal)
Hat Hien, Ban Hat Hien
Luang Prabang, Lao PDR

Tel: +856 (71) 253 253

Fax: +856 (71) 253 253

• Luang Prabang Town Office

57/6 Srisawangwong Rd.,
District 3, Bann Xiengmuan,
Luang Prabang, Lao PDR

Tel: +856 (71) 253 334

Fax: +856 (71) 253 335

Email: lpqrrpg@bangkokair.com

- **Mandalay Airport Office**

Mandalay International Airport (TaDaOo)
Bangkok Airways PCL. Office 2nd Floor,
Departure Area Mandalay,
Republic of the Union of Myanmar

Tel: +95 2 27082

Fax: +95 2 27083

- **Mandalay Town Office**

Building no.14, 78 Street,
Chanayetharzan Township, Mandalay,
Republic of the Union of Myanmar

Tel: +95 2 36323, +95 2 69387

E-mail: mdlrrpg@bangkokair.co

- **Yangon Airport Office**

Room No. 14/15 Departure Terminal,
Yangon International Airport, Yangon,
Republic of the Union of Myanmar

Tel & Fax: +95 (1) 533 194

- **Yangon Town Office**

0305 3rd Fl., Sakura Tower
339 Bogyoke Aung San Rd.,
Kyauktada Township, Yangon,
Republic of the Union of Myanmar

Tel: +95 (1) 255 122, +95 (1) 255 265

Fax: +95 (1) 255 119

E-mail: rgnrrpg@bangkokair.com

- **Nay Pyi Taw Airport Office**

Unit # I2 & I3, International Departure,
Leway Township, Nay Pyi Taw,
Republic of the Union of Myanmar

Tel: (+95) 67 8109054

E-mail: nytrrpg@bangkokair.com

- **Da Nang International Airport Office**

2nd Floor, Passenger Terminal,
Da Nang International Airport,
Da Nang City, Vietnam

Tel: (+84) 90 199 0666

E-mail: anusorndam@bangkokair.com,
dadkkpg@bangkokair.com

- **Siem Reap Town Office**

28,29 Eo, St. Sivutha, Phum Modol II,
Sangkat Svay Dangcum, Srok/Khet,
Siem Reap, Cambodia.

Tel: +855 (23) 971 771,
+855 (63) 965 422-3

Fax: +855 (63) 965 424

Email: reprpg@bangkokair.com

- **Siem Reap Airways International Office**

28,29 Eo, St. Sivutha, Phum Mobol II,
Sangkat Svay Dangcum, Srok/Khet,
Siem Reap, Cambodia

Tel: +855 63 965 427-8

Fax: +855 63 965 425

- **Phnom Penh Airport Office**

Confederation De La Russie St.110,
Phnom Penh International Airport,
Phnom Penh, Cambodia

Tel: +855 (23) 890 103,
+855 (23) 971 771

Fax: +855 (23) 890 518

Email: pnhrpg@bangkokair.com

- **Phnom Penh Town Office**

No.61A, 214 Sangkat Beong Rang,
Khan Don Penh, Phnom Penh, Cambodia

Tel: +855 (23) 971 771,
+855 (23) 966 556-8

Fax: +855 (23) 966 554

Email: pnhrpg@bangkokair.com

- **Hong Kong Town Office**

Suite 912, 9th Floor, Ocean Centre,
Harbour City, Tsim Sha Tsui,
Kowloon, Hong Kong

Tel: +852 2899 2597, +852 2899 2634

Sales Tel: +852 2840 1248, +852 2899 2607

Fax: +852 2537 4567

Email: hkgrrpg@bangkokair.com

- **Chengdu International Airport**

Chengdu Shuangliu International Airport
Shuangliu, Chengdu, Sichuan, China

Tel: +86 182 8455 8721

E-mail: ctukkpg@bangkokair.com

- **Chongqing Airport Office**

Terminal 1,
Chongqing Jiangbei International Airport
Yubei, Chongqing, China

Tel: +86 182 8455 8722

E-mail: ckgkkpg@bangkokair.com

- **Guilin Town Office**

No. 41, Binjiang Road, Guilin 541002, P.R. China

- **European Regional Office**

Bethmannstrasse 58
D-60311, Frankfurt/Main, Germany

Tel: +49 (69) 133 77 565-6

Fax: +49 (69) 133 77 567

Email: info@bangkokairways.de



