

BACK and
BEYOND



ONE
REPORT
2022

ND

ASIA AVIATION PUBLIC COMPANY LIMITED



RE-EMERGING BIGGER THAN EVER

Returning to seize the opportunity to soar as a “Truly Leading Low-Fare Airline”, offering the highest level of service guaranteed by awards for on-time performance and safety, while also developing new businesses to enhance sustainability management in all dimensions.



OVERCOMING CHALLENGES

Always forging forward, we're back with new international routes, including our first to Japan (Fukuoka) and Bangladesh (Dhaka), as well as many more that will keep Thai AirAsia top-of-mind among travellers.



18



EXCEEDING EVERY EXPECTATION

From a quality airline to an endless basis for new business opportunities, airasia Super App has created an ecosystem that responds to all lifestyles with various services; from ticket booking with AirAsia and its over 700 partners, to reservations at hotels, food and parcel delivery and even taxi and legal ride services.





SUSTAINABLE AVIATION

Our aspiration is to be one of the world's greenest airlines that go beyond addressing the economical, environmental and social impacts. With our strong commitment towards Operational Eco-Efficiency and Net Zero Carbon Emissions, we believe that we can deliver a sustainable future for aviation in the long run.

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HIGHLIGHTED ACCOLADES



Skytrax 2022 World Airline Awards

World's Best Low-Cost Airline
for 13th Consecutive Year



Cirium 2022

- Most On-Time Airline in Asia Pacific
- Top 3 Most On-Time Low-Cost Airline in the world



OAG 2022

- Top 4 Most On-Time Airlines In the World
- Highest Ranked Airline in Thailand for OTP



SET THSI 2022

Asia Aviation Public Company Limited (AAV) has been selected to list on the Thailand Sustainability Investment (THSI) in the Services Sector created by the SET for 4th consecutive year in 2022



Friendly Design Awards 2022

"Friendly Design Awards:
An Outstanding Organisation
Promoting Equality for All" from
The 6th Thailand
Friendly Design Expo 2022



APEC Communication Partners Trophy

Thai AirAsia awarded by Thai Ministry
of Foreign Affairs as an official airlines
partner for APEC 2022 communications



World Travel Awards 2022

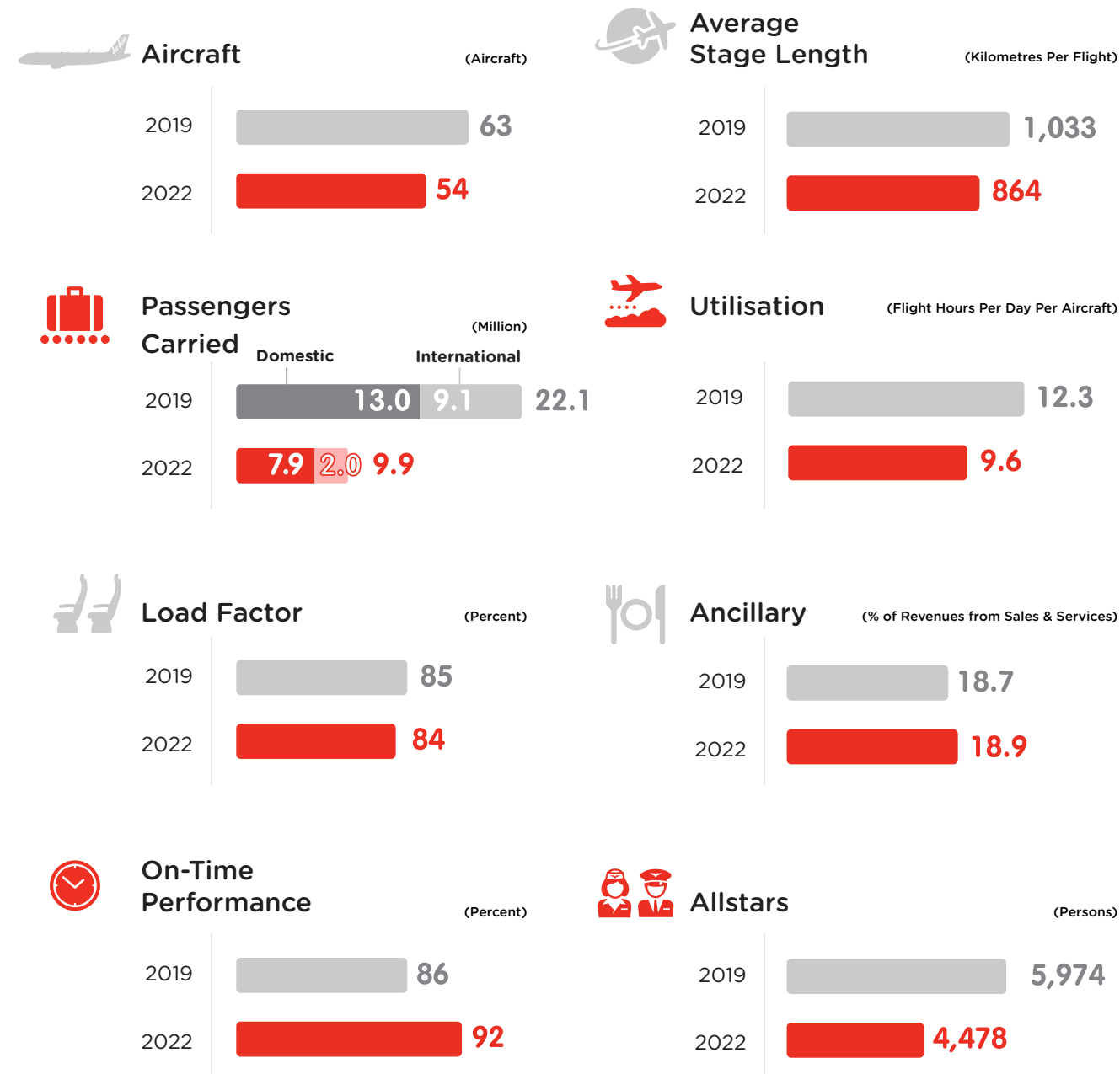
- Asia's Leading Low-Cost Airline 2022
- Asia's Leading Low-Cost Airline Cabin Crew 2022
- World's Leading Low Cost Airline for 10th Year Running
- World's Leading Low Cost Airline Cabin Crew for 6th Year Running



Brandage Magazine

2022 Thailand's Most Admired Brand
Category: Low Cost Airline

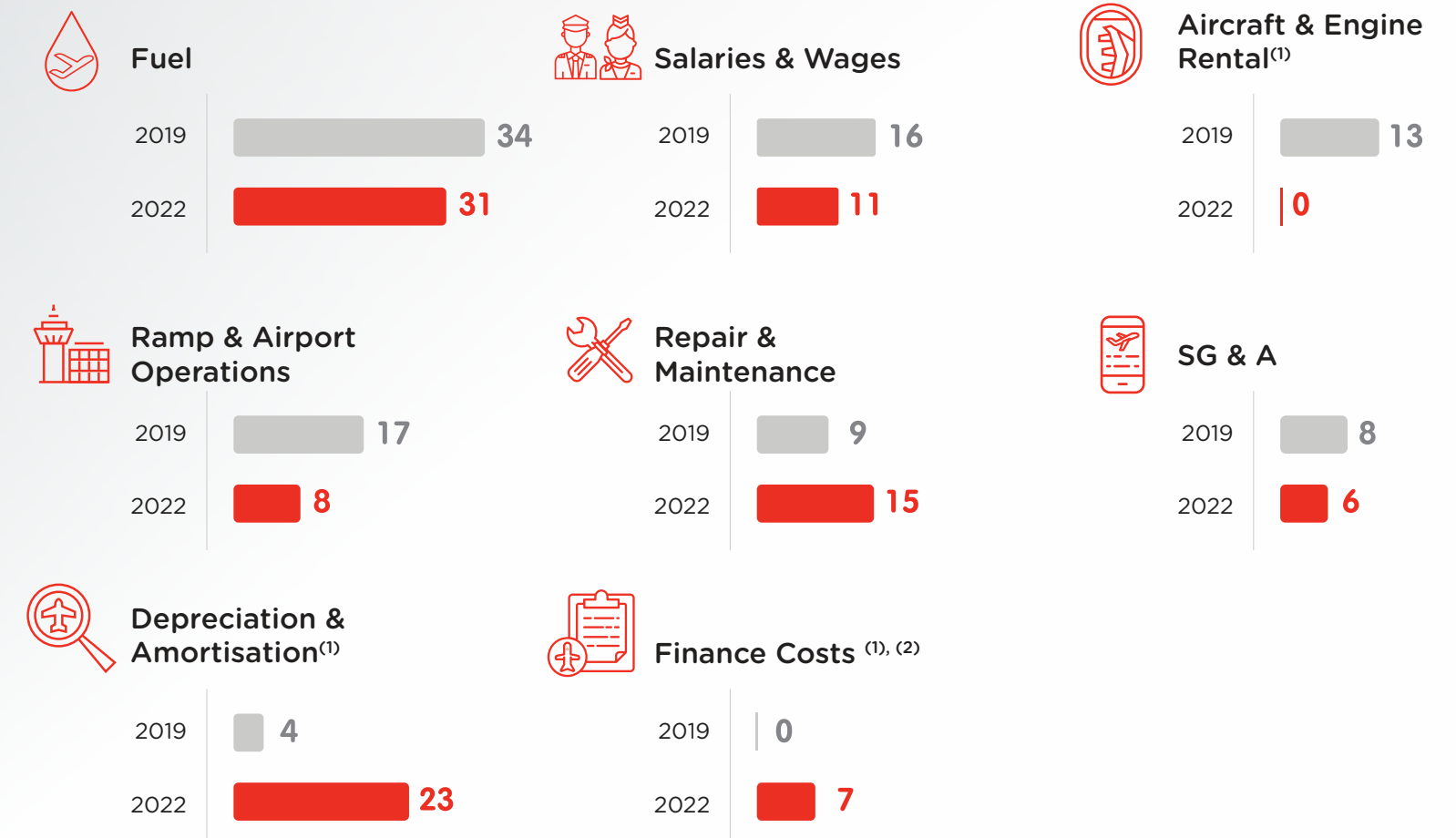
KEY FINANCIAL AND OPERATING DATA



Remark: 2019 represents the year before the COVID-19 pandemic

BREAKDOWN OF COSTS AND EXPENSES

% of Cost per Available Seat Kilometre (CASK)



⁽¹⁾ Since 2020, AAV has adopted TFRS 16 (Leases) which involves the recognition of aircraft and engine lease liabilities and amortisation of right-of-use assets and finance costs, rather than recognising rental expenses.

⁽²⁾ Only includes finance cost from TFRS 16

FINANCIAL HIGHLIGHTS

(Unit: Baht million)

For the year ended 31 December	2020 ⁽¹⁾	2021	2022
Statement of Comprehensive Income			
Revenues from sales and services	13,634	3,828	17,553
Profit (loss) from operating activities	(7,551)	(11,851)	(8,476)
Profit (loss) attributable to owners of the Company	(4,764)	(6,647)	(8,030)
Statement of Financial Position			
Total assets	67,978	71,208	64,686
Total liabilities	50,618	54,379	56,731
Equity attributable to owners of the Company	14,266	20,201	7,954
Total equity	17,360	16,829	7,954
Statement of Cash Flows			
Net cash flows from (used in) operating activities	(898)	(4,347)	564
Net cash flows from (used in) investing activities	12,064	1,284	(590)
Net cash flows from (used in) financing activities	(14,031)	7,314	(4,531)
Net increase (decrease) in cash and cash equivalents	(2,865)	4,250	(4,556)
Key Financial Ratios			
Net profit (loss) margin (%) ⁽²⁾	(34.9)	(173.6)	(45.7)
Return on assets (%) ⁽³⁾	(7.3)	(9.6)	(11.8)
Return on equity (%) ⁽⁴⁾	(27.9)	(38.6)	(64.8)
Basic and diluted earnings (loss) per share (Baht)	(0.9823)	(1.2985)	(0.6921)

Remark

(1) Reclassifications of the comprehensive income statements

(2) Net profit margin = Profit attributable to owners of the Company / Revenues from sales and services

(3) Return on assets = Profit attributable to owners of the Company / Total assets (Average)

(4) Return on equity = Profit attributable to owners of the Company / Equity attributable to owners of the Company (Average)

STOCK INFORMATION

Asia Aviation Public Company Limited

3.06

As of December 30, 2022 (Baht)

2.20-3.30

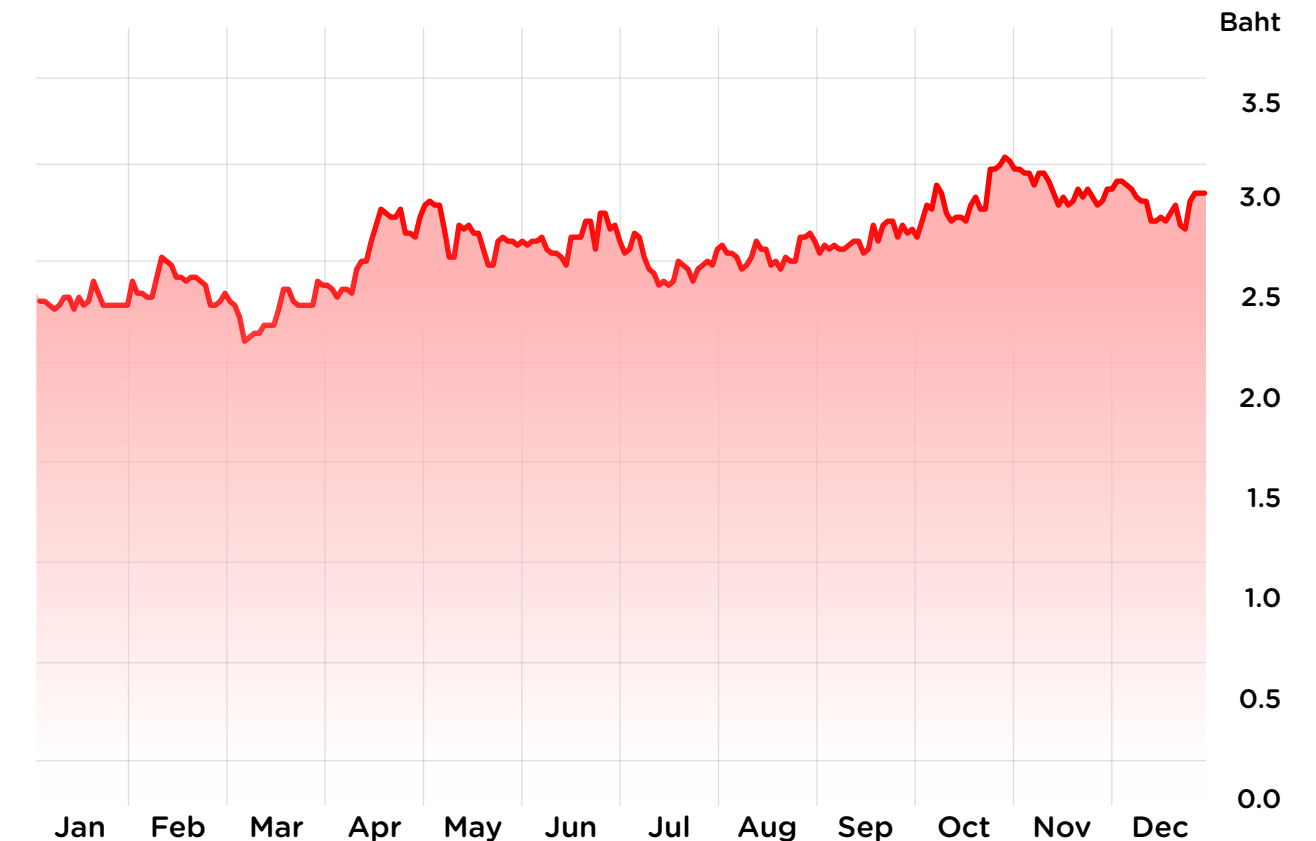
52 Weeks Price (Baht)

28.34

Average Trading Volume (Million Shares)

4.39-157.22

52 Weeks Trading Volume (Million Shares)



MESSAGE FROM THE CHAIRMAN



It is well known that not just anyone can be successful in the aviation business. This is an industry that requires efficient management for the assured safety and comfort of passengers on a daily basis. Behind the day to day service on AirAsia flights are staff who have received extensive training and that regularly review how to comply with flight requirements, maintain their composure and handle different situations. All of this is in the interest of providing passengers with happy and comfortable flights.

The compliment that always puts a smile on our faces is “if you want to fly on time, fly Thai AirAsia.” We hear this often and it has become so common as to be a characteristic of Thai AirAsia held by almost everyone. Our on-time performance is no

coincidence however and is actually the result of dedicated work. We maintain an On-Time Performance Committee populated by department heads, which meets once a month with the CEO and holds other frequent meetings to review recent lessons and revise operations. We plan in advance using databases on past weather conditions, proper block times and holidays that may impact operations. All of this data allows us to handle issues, develop and improve our on-time performance and has made this capability accepted among passengers and guaranteed by international rankings.

The compliments we receive motivate our board, top management and staff to continue working to their utmost with the goal of perpetual service development.

I thank all of our passengers for their encouragement and compliments and thank our staff for continuing to believe in the Pause & Play policy. Thank you for staying strong, training yourselves and staying ready to return to service after the COVID-19 pandemic. We have proven our capability. I also thank our shareholders, debtors and stakeholders for their continued trust in our top management and personnel.

I am confident that we are leaving this turbulence behind for clear skies and that our strong vision will return us all to our desired course of strong and sustainable growth.

Vichate Tantiwanich
Chairman of the Board

***The compliment that always puts a smile on our faces is
“if you want to fly on time, fly Thai AirAsia.”***

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Thai AirAsia has entered into its 20th year of operation. From the first day we unveiled ourselves as a low-fare airline, we have had to struggle and persevere, to change and adapt to challenging circumstances. These experiences proved beneficial however, preparing us for the COVID-19 pandemic, the most difficult and extended challenge we ever had to tackle, and allowed us to return as a strong leader in our industry.

The past two years were the first-time Thailand ever had an “Airlines Association of Thailand (AAT)”. The collective of seven Thai-based carriers was led by the chief executive officers and top management of each member and was able to form and drive policies that helped the entire Thai aviation business overcome crises and progress forward, affirming the sector as a crucial part of the overall economy.

Successes of the association include travel and tourism stimulation projects with the government,

such as the nationwide discounts program and the We Travel Together campaign, which spurred no less than Baht 2 billion in circulation. The association was also able to reduce excise tax on jet fuel from Baht 4.762 to Baht 0.20 per litre (10 April 2020–30 June 2023) and garner discounts and fee waivers at Airports of Thailand Plc. and Department of Airport airports. Experience from these endeavours taught us that, on top of a strong foundation, capable team and good strategies, survivors must also be ready to bring down walls, adapt and collaborate.

In the current business atmosphere, Thai AirAsia acknowledges it cannot operate independently and must have strong partners in both the public and private sectors. We must depend on one another, support sustainable growth, have a shared vision and help one another both conceptually and practically. Learning these lessons has allowed Thai AirAsia to grow alongside its friends and partners.

While the crisis has yet to completely pass and hard work remains, I believe in all of our abilities and determination. Most importantly, we have management, personnel, partners and stakeholders all ready to fight on as one. We will recover as planned and Thai AirAsia will remain a company attractive to investment, that can be trusted, and that has personnel dedicated to creating value and progress.

The skies are once again open in 2023 and opportunity is for the always ready. We are an “Ever-ready Leader” with a clear policy from our board of directors and top management. Our entire 53 aircraft fleet will take off this year, so prepare for excitement in the skies Thai AirAsia style.

“In the current business atmosphere, Thai AirAsia acknowledges it cannot operate independently and must have strong partners in both the public and private sectors.”



Tassapon Bijleveld
Executive Chairman



MESSAGE FROM CHIEF EXECUTIVE OFFICER



Starting in 2022, we began receiving positive signals of recovery in our business following three long years of the COVID-19 pandemic. Finally, in the fourth quarter of the year, we were able to state with confidence that Thai AirAsia was back, with our first positive operational result in 11 quarters. We have since been able to retain the largest market share in the country using the right strategy, which included maintaining our fleet and readying our personnel to mobilise immediately when they had the chance. By working closely with the state and Tourism Authority of Thailand, we were also able to help the entire tourism market speed up its recovery.

Our help allowed the Thai market to match the recovery pace of ASEAN, India and South Asia, which gradually lifted their travel restrictions over

the same period. Excluding routes to China, we were able to resume two thirds of our international routes, bolstering our revenue. We even saw record growth in our ancillary income per passenger.

On top of the good news of the aviation sector's recovery, Thai AirAsia was proud to have its on-time performance recognised by two institutions. We were ranked fourth for on-time performance globally by OAG and third among low-cost airlines worldwide by Cirium. Both of these achievements are like Olympic golds for efficient management of operations. Moreover, we received a 7/7 rating for safety from airlineratings.com and Best Low-Cost Airline in the World for a thirteenth consecutive year from Skytrax, affirming that regardless of the circumstances, we continue to maintain the highest standards.

In 2023, we will complete "repairs" and begin "rebuilding" growth. We received strong signals in the first quarter after China reopened its borders earlier than expected and allowed us to begin resuming routes that would result in improving revenue and profit. We plan to seize even more opportunities in new high-potential markets, such as Indonesia, the Philippines, Nepal and Sri Lanka, thus aiming to double our total passengers served in 2022. This plan includes bringing our entire fleet back into operation and maximising aircraft utilisation.

I am confident that 2023 will be a strong year for us. I thank all of our employees, top management, investors and stakeholders for your support. Thai AirAsia is back and stronger than ever. We are a leader and we will grow in the short and long terms with sustainability.

Santisuk Klongchaiya
Chief Executive Officer

"Finally, in the fourth quarter of the year, we were able to state with confidence that Thai AirAsia was back, with our first positive operational result in 11 quarters."

BOARD OF DIRECTORS

Asia Aviation Plc. and Thai AirAsia Co., Ltd.

(GRI 2-9, 2-11, 2-12)



Mr. Vichate Tantiwanich

Chairman of the Board/ Chairman of the
Audit Committee/ Independent Director



Mr. Veerayooth Bodharamik

Director/ Audit Committee/
Independent Director



Mr. Dinesh Nambiar

Director/ Audit Committee/
Independent Director



Mr. Tassapon Bijleveld

Director



Mr. Santisuk Klongchaiya

Director



Mr. Phairat Pornpathananangoon

Director

BOARD OF DIRECTORS

Asia Aviation Plc. and Thai AirAsia Co., Ltd.



Dato' Mohamed Khadar Bin Merican
Director



Mrs. Pattra Boosarawongse
Director



Mr. Rozman Bin Omar
Director



Mr. Nuttawut Phowborom
Director



Mr. Yuthapong Ma
Director



Mr. Sirot Setabandhu
Director/ Independent Director

MANAGEMENT TEAM

Asia Aviation Plc.



Mr. Tassapon Bijleveld
Executive Chairman



Mr. Santisuk Klongchaiya
Chief Executive Officer



Mr. Phairat Pornpathananangoon
Chief Financial Officer

MANAGEMENT TEAM

Thai AirAsia Co., Ltd.



Mr. Tassapon Bijleveld
Executive Chairman



Mr. Santisuk Klongchaiya
Chief Executive Officer



Mr. Phairat Pornpathananangoon
Chief Financial Officer



Flt.Lt. Banyat Hansakul
Head of Engineering



Miss Witchunee Kuntapeng
Head of Guest Service



Mr. Pipat Khunprakan
Head of Innovation Commercial
and Technology

MANAGEMENT TEAM

Thai AirAsia Co., Ltd.



Miss On-anong Methapipatkul
Head of Inflight Services



Mr. Chatupong Hongwiset
Head of Ramp and Ground Service
Equipment



Sqn.Ldr. Damrong Phaspipatkul
Head of Flight Operations



Mr. Krid Pattanasan
Head of Government Relations



Mr. Phol Poompuang
Head of Corporate Safety



Miss Topaz Subunruk
Head of Business Development



Mr. Chalermrit Saisakulsri
Head of Operational Quality Assurance

PUBLIC RELATIONS ACTIVITIES 2022



airasia Super App

Asian's Top Application Lifestyle and Travel Services for Everyone, Everyday

[Read more](#)



Take off new aircraft livery
"Amazing New Chapters"
To promote new side of Thai travel

[Read more](#)



AirAsia Flies Direct for the First Time!

"Don Mueang-Fukuoka"

New Experiences on Kyushu

[Read more](#)



Back with New Features
**"SUPER+" Year-Round
Fly 130 Routes**

[Read more](#)

airasia food Delivery
Extends to Nonthaburi

[Read more](#)

AirAsia Takes the Lead Launches
Flights to China
and Hong Kong

[Read more](#)

Santan Ready for In-Flight
Service Menus of
Delicious Meal!

[Read more](#)

PUBLIC RELATIONS ACTIVITIES 2022



The Wait is Over
“Don Mueang-Taipei”
Chic Sights, Shopping and
Street Food

[Read more](#)



Further into South Asia
**Direct Flights to Lucknow
and Dhaka** Find New
Travel Experiences

[Read more](#)



New Service
airasia Ride
Legal and Trustworthy Rides
across Bangkok

[Read more](#)

AirAsia Supports “Friendly Design”
with Hiring of Disabled Persons Provides
Training for Service to All People

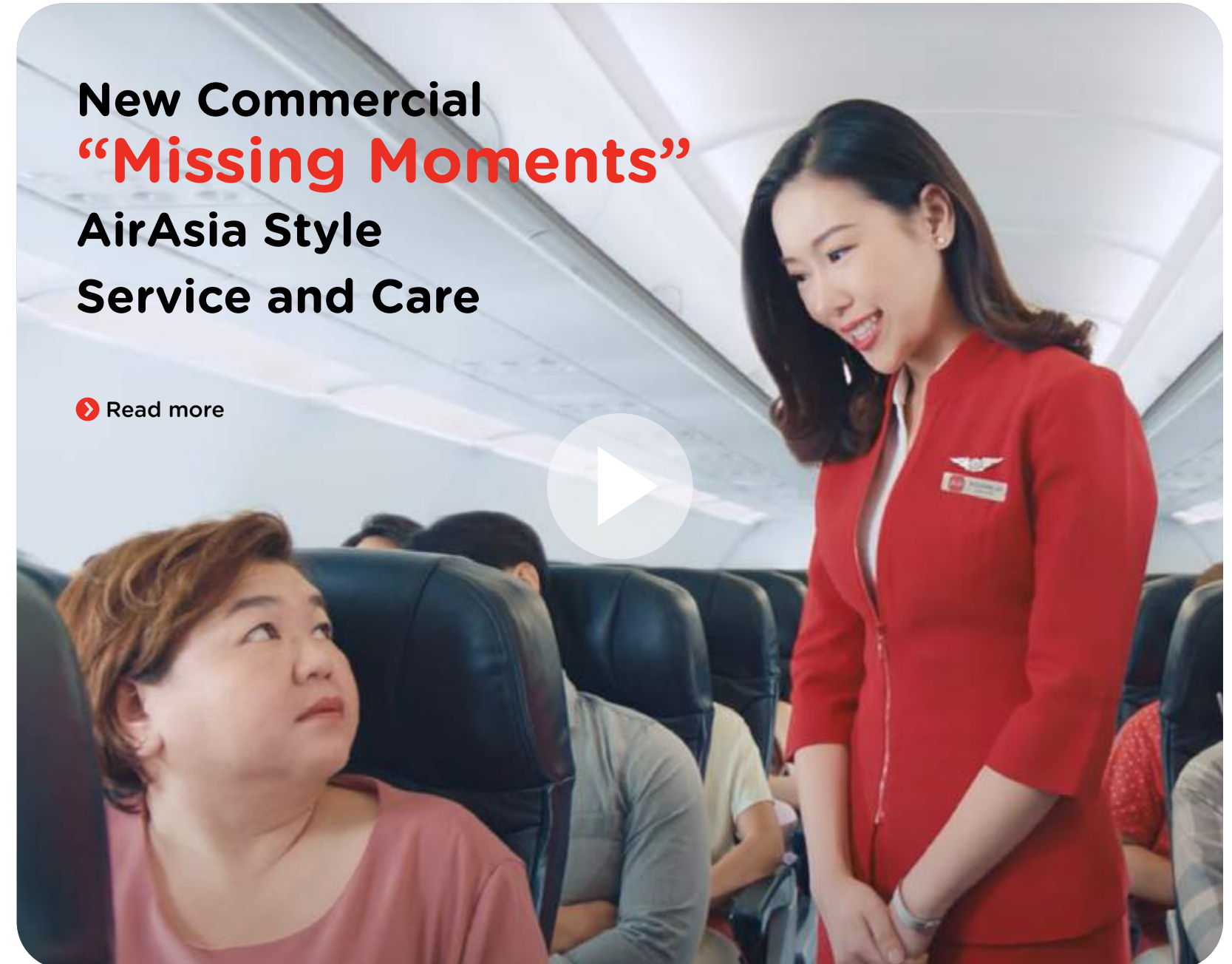
[Read more](#)

airasia Hotel Joins Hands with
50 Hotels Across ASEAN
Best Stay Rates!

[Read more](#)

airasia TransportBus, Train and Ferry
Bookings on a Single Platform

[Read more](#)



New Commercial
“Missing Moments”
AirAsia Style
Service and Care

[Read more](#)

INVESTOR RELATIONS ACTIVITIES 2022

The Investor Relations Unit is responsible for strategic communication of the Company's operational and financial results with all groups of investors. The Unit adheres to transparency, equity, and timeliness. The Company's management acknowledge the importance of investor relations responsibilities and are supportive in attending investor meetings on a regular basis.

In 2022, the COVID-19 situation improved; however, there was still a necessity for social distancing. As a result, most of the meetings conducted in 2022 remained to be held virtually.

ACTIVITIES



4 analyst meetings

after the results announcement via virtual conference

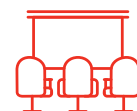


2 participations

in the SET activities namely Opportunity Day and THAILAND FOCUS



Watch Video



15 meetings

with institutional investors



11 meetings
with domestic
institutional
investors



4 meetings
with international
institutional
investors

HIGHLIGHTS⁽¹⁾



Shareholding from
institutional
investors
14%



Shareholding
from retail investors
24%

Distribution of shares among
minor shareholders (free float)

Total 38%

⁽¹⁾ As defined by the Stock Exchange of Thailand



WWW.AAVPLC.COM/EN/CALENDAR



27
January
2022

FINANSIA ONLINE INVESTMENT
CONFERENCE 2022
Virtual Conference

13
May
2022

THE Q1/2022 RESULTS
ANNOUNCEMENT

25
August
2022

THAILAND FOCUS 2022 BY THE SET
Grand Hyatt Erawan, Bangkok

7
December
2022

CGS-CIMB - TOURISM
PLAYS IN ASEAN
Virtual Conference

23
February
2022

THE FY2021 RESULTS ANNOUNCEMENT

17
May
2022

THE Q1/2022 RESULTS BRIEFING
Virtual Conference

8
September
2022

NOMURA THAILAND
CORPORATE DAY 2022
Virtual Conference

25
February
2022

THE FY2021 RESULTS BRIEFING
Virtual Conference

1
July
2022

THAI CORPORATE DAY
BY BUALUANG SECURITIES
Virtual Conference

20
September
2022

AAV LOCAL FUND ROADSHOW
BY DAOL
Virtual Conference

5
April
2022

BLS TRANSPORTATION & LOGISTICS DAY
Virtual Conference

26
July
2022

SCBS VIRTUAL CONFERENCE
Virtual Conference

14
November
2022

THE Q3/2022 RESULTS
ANNOUNCEMENT

21
April
2022

ANNUAL GENERAL MEETING
OF SHAREHOLDERS
Thai AirAsia Head Office

11
August
2022

THE Q2/2022 RESULTS
ANNOUNCEMENT

16
November
2022

THE Q3/2022 RESULTS
BRIEFING
Virtual Conference

29
April
2022

NON-DEAL ROADSHOW
WITH MORGAN STANLEY
Sukhothai Hotel

15
August
2022

THE Q2/2022 RESULTS BRIEFING
Virtual Conference

21
November
2022

OPPORTUNITY DAY
Q3/2022
Virtual Conference



KEY MILESTONES OF ASIA AVIATION AND THAI AIRASIA

2004

Thai AirAsia began operating domestic air services from Bangkok's Don Mueang Airport to Hat Yai (Songkhla), Phuket and Chiang Mai as well as our first international flight from Bangkok to Singapore with two Boeing 737 aircraft.

2006

Asia Aviation was incorporated and acquired 50% of shares in Thai AirAsia.

2007

- Thai AirAsia moved our hub from Don Mueang International Airport to Suvarnabhumi International Airport.

2010

Thai AirAsia fleet comprised the single aircraft type, the Airbus A320.

2009

Thai AirAsia launched new hub in Phuket.

2012

- Asia Aviation listed on the Stock Exchange of Thailand (SET) and increased its shareholding in Thai AirAsia to 55%.

2013

Thai AirAsia reopened hub in Chiang Mai.

2014

Thai AirAsia awarded The World Best LCC's OTP in 2013 from Flightstats.

2015

Thai AirAsia awarded The Best of Airline from The Best of Thailand Awards Voted by Chinese Tourists.

2016

Thai AirAsia received Airbus A320neo aircraft, the first of its kind in Thailand.



KEY MILESTONES OF ASIA AVIATION AND THAI AIRASIA

2017

Thai AirAsia was the first Thai Low-fare Carrier to receive AOC Re-Certification.

2018

- Asia Aviation received outstanding investor relations award in SET Awards 2018.
- Thai AirAsia received Marketing Excellence Awards of Her Royal Highness Princess Maha Chakri Sirindhorn from Thai Management Association (TMA).

2019

- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2019.
- Asia Aviation won Best IR Website of the South East Asia.
- Thai AirAsia received Airbus A321neo aircraft, the two first of its kind in Thailand.

2021

- The company's Board of Directors has approved Asia Aviation and Thai AirAsia's shareholding restructuring plan and fundraising to acquire all Thai AirAsia shares.
- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2021.
- Asia Aviation won Best Crisis Management of the South East Asia.

2020

- Thai AirAsia launched new hub in Suvarnabhumi International Airport.
- Asia Aviation won Best Annual Report of the South East Asia.
- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2020.

2022

- Asia Aviation completed acquisition of all Thai AirAsia shares.
- AirAsia Aviation Academy started launching flagship services on trainings in leadership, team-building, and aviation.
- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2022 for 4th consecutive year.



COMPANY POLICY AND BUSINESS OVERVIEW

(GRI 2-1)

VISION To be the leading sustainable travel technology company in Asia providing more than just affordable flights

MISSION

- To provide the highest quality product, embracing technology to reduce cost and enhance service
- To care for all our stakeholders, from Allstars, guests, business partners, investors to communities and governments
- To create jobs across the region and be the best company to work for where dreams come true
- To create a globally recognised, sustainable ASEAN brand focused on adding value to the economy, society and environment



1. BUSINESS OVERVIEW

Asia Aviation Public Company Limited (“Asia Aviation” or “Company”) is a holding company which currently makes an investment only in Thai AirAsia. Thus, the business overview shall be deemed at the operating company Thai AirAsia.

Thai AirAsia has the vision of being the leading sustainable travel technology company in Asia, providing more than just affordable flights. Our mission is to deliver top-notch products while embracing technology

to lower costs, improve service, and show care to all stakeholders including employees or Allstars, customers, business partners, investors, communities, and governments. We aim to create jobs in the region and become the best place to work where dreams come true. We strive to build a sustainable, globally recognised ASEAN brand that contributes to the economy, society, and environment and provides opportunities for everyone to fly following our slogan “Now Everyone Can Fly”.

Furthermore, Thai AirAsia focuses on providing high-frequency service on short-haul international and domestic routes within the five and a half hours flight time from our hubs in Bangkok (Don Mueang International Airport), Bangkok (Suvarnabhumi Airport), Phuket, and Chiang Mai. This enables us to reach the population in Southeast Asia, South Asia, and southern China and Japan. We cater to both leisure and business travellers by focusing on affordable airfares and reliable on-time performance.

Thai AirAsia follows the business model of AirAsia Berhad (“AAB”) in Malaysia, operating as a low-fare airline under the “AirAsia” brand. Our single-class, single-family fleet configuration, point-to-point operations, high aircraft utilisation, effective distribution channels, loyalty programme, and comprehensive route network give us a cost advantage over other Thai airlines and many other low-cost carriers (LCC) globally. Our cost advantages, competitive prices, strong branding and marketing, and dependable service have driven our continued growth since our establishment in 2004.

2. BACKGROUND

Asia Aviation was incorporated on 14 February 2006 as a company limited with a registered capital of Baht 410,000,000, being common shares of 41,000,000 shares at the par value of Baht 10 per share.

The Company is a holding company, which makes an investment only in the low-fare carrier business under Thai AirAsia Company Limited (“Thai AirAsia”), holding 50 percent during that period.

On 21 June 2007, the management team, consisting of Chief Executive Officer and high-level management personnel, did a buyout on Asia Aviation from the shareholders at that time as the management team had foreseen the potential growth of Thai AirAsia.

In November 2011, Asia Aviation acquired an additional 1 percent shareholding from Mr. Tassapon Bijleveld and held 51 percent in Thai AirAsia. Asia Aviation then became a public company on 26 December 2011 with a registered capital of Baht 485,000,000 and a paid-up capital of Baht 410,000,000, being common shares of 4,100,000,000 shares at the par value of Baht 0.10 per share.

Asia Aviation was listed on the Stock Exchange of Thailand on 31 May 2012 under the ticker symbol “AAV” with the fully paid-up capital. The Company used the proceeds from the Initial Public Offering (IPO) to increase its share in Thai AirAsia to 55 percent by subscribing to newly issued shares of the airline.

Thai AirAsia, a joint venture between Asia Aviation, who held 51 percent shareholding in Thai AirAsia (Pre-IPO), and AirAsia Aviation Group Limited (“AAAGL”) (formerly AirAsia Investment Ltd.), who held 49 percent, was incorporated on 19 September 2003 to operate a low-fare airline business with a registered capital of Baht 400,000,000. AAAGL is a holding company wholly owned by AAB, a listed company in Bursa Malaysia who operates a low-fare carrier AirAsia in Malaysia. On 29 May 2012, Thai AirAsia increased its registered capital to Baht 435,555,600, being the common shares of 43,555,560 shares at the par value of Baht 10 per share. Asia Aviation has subscribed to the newly issued shares, raising its

shareholding to 55 percent while AAAGL was diluted to 45 percent.

Capital A Berhad (“Capital A”) (Formerly AirAsia Group Berhad) was established on 16 April 2018 and has assumed the listing status of AAB, holding 100 percent of AAAGL’s stake.

Thai AirAsia established a wholly-owned subsidiary, Asia Aviation Center Company Limited on 27 January 2021, to be the academy institution of learning and competency development for aviation tourism and hospitality industries. In May 2021, Thai AirAsia invested in Teleport Everywhere Pte Ltd (Singapore), a company under Capital A operating cargo businesses, with 6.2% shareholding.

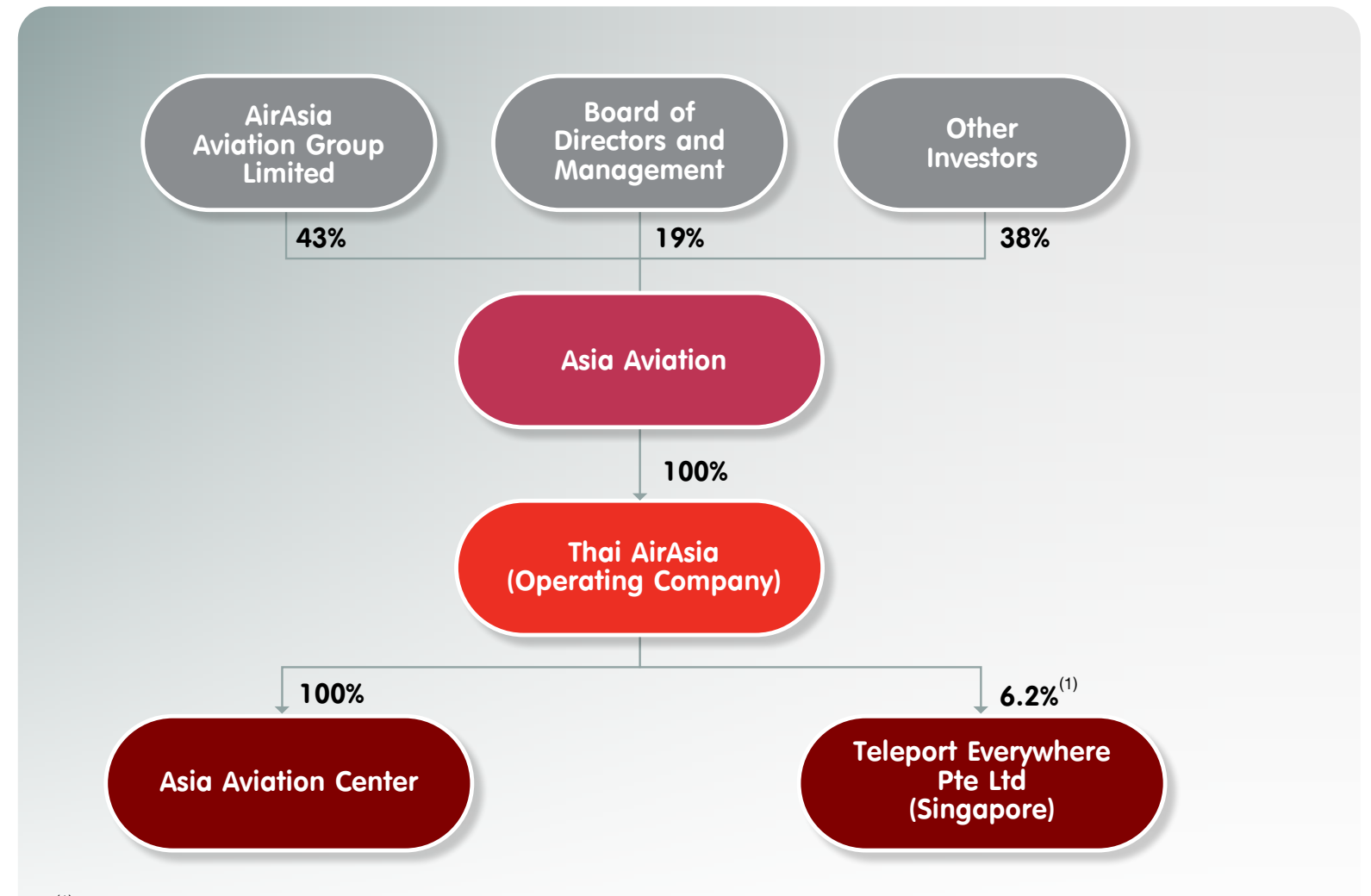
Due to the COVID-19 pandemic, the Extraordinary General Meeting of Shareholders No. 1/2021 of Asia Aviation, held on 26 November 2021, resolved to approve the allocation of newly-issued ordinary shares and the issuance and offering of Convertible Bonds in a Private Placement and Right Offering. The net proceeds from such transitions were Baht 13,805.42 million (after deducting expenses in connection with the offering). The purpose of utilisation of capital increase approved by the Shareholders’ Meeting were to paying off loans and interest from financial institutions, paying for the purchase of the remaining shares in Thai AirAsia, raising capital in Thai AirAsia and/or lend

to Thai AirAsia for it to repay the long-term bonds including interest, and use as working capital. Asia Aviation began the Shareholding Restructuring Plan on 8 December 2021 by increasing its shareholding in Thai AirAsia from 55.0 percent to 69.2 percent and

purchased the remaining 30.8 percent of the shares to solely hold 100 percent shares in Thai AirAsia on 20 January 2022, spending approximately Baht 7,800 million.

3. INVESTMENT STRUCTURE (GRI 2-9)

Investment structure as of 31 December 2022 is as follows;



(1) The remainder is held by companies under Capital A

4. BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH CAPITAL A BERHAD

Thai AirAsia receives support from Capital A in many areas, including the permission to be a sole airline operator in Thailand to use AirAsia as a trade name for the business operation, access to market knowledge, and customer services. Presently, Thai AirAsia is leasing its aircraft from AirAsia (Mauritius) Ltd. (“AAM”), an AAB’s subsidiary. Thai AirAsia also relies on online sales channels from AirAsia Com Travel Sdn Bhd (“AACOM”) and uses AirAsia Sea Sdn. Bhd.’s (“AASEA”) joint support department. The Company’s main software is centred in Kuala Lumpur, Malaysia.

Thai AirAsia also has access to spare parts kept provided by AAB and Asia Digital Engineering Sdn. Bhd. (“ADE”), a subsidiary of Capital A. Likewise, Thai AirAsia benefits from airport ground services provided by members of AAAGL in certain airports, as well as other services such as fuel hedging, ticket reservation software and airasia rewards. Despite these benefits, decisions to engage in such transactions are made by Thai AirAsia which must pass the resolution from the Board of Directors and the Audit Committee.



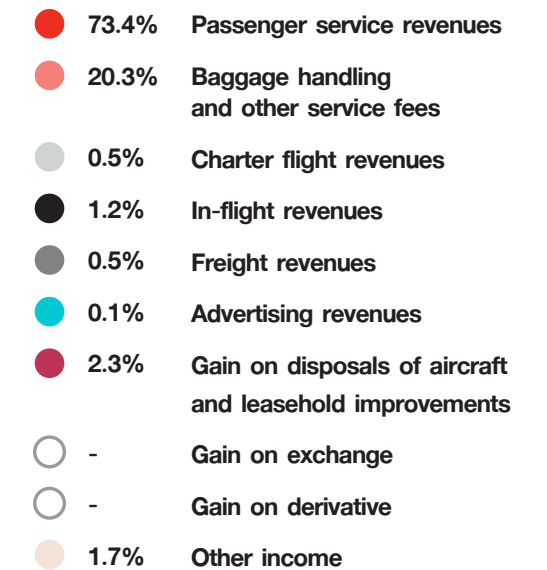
NATURE OF BUSINESS

(GRI 2-6)

As Asia Aviation is a holding company that solely invests in Thai AirAsia and does not generate revenue from any other operations materially, the revenue breakdown shall be analysed at the level of the operating company, Thai AirAsia. The revenue breakdown of Thai AirAsia, as reflected in the financial statements for the periods ending 31 December 2020-2022, is presented in the following information.

	For the year ended 31 December					
	2020 ⁽¹⁾		2021		2022	
	Baht Million	%	Baht Million	%	Baht Million	%
REVENUES FROM SALES AND SERVICES						
Passenger service revenues	11,123.4	68.5	3,174.2	70.4	13,432.4	73.4
Baggage handling and other service fees	1,902.8	11.7	464.1	10.3	3,705.2	20.3
Charter flight revenues	252.9	1.6	16.3	0.4	92.3	0.5
In-flight revenues	201	1.2	61.7	1.3	217.6	1.2
Freight revenues	146.4	0.9	109.4	2.4	97.14	0.5
Advertising revenues	7.3	0.1	2.8	0.1	8.67	0.1
TOTAL REVENUES FROM SALES AND SERVICES	13,633.8	84.0	3,828.5	84.9	17,553.3	96.0
OTHER REVENUES						
Gain on disposals of aircraft and leasehold improvements	1,331.8	8.2	-	-	422.9	2.3
Gain on exchange	545.6	3.3	-	-	-	-
Gain on derivative	-	-	391.2	8.7	-	-
Other income	725.1	4.5	287.8	6.4	314.6	1.7
TOTAL OTHER REVENUES	2,602.5	16.0	679.0	15.1	737.5	4.0
TOTAL REVENUES	16,236.3	100.0	4,507.5	100.0	18,290.1	100

Remark: ⁽¹⁾ Reclassification of the comprehensive income statements.



ASIA AVIATION AND THAI AIRASIA'S BUSINESS

Asia Aviation operates as a holding company, which currently only holds an investment in Thai AirAsia.

Thai AirAsia operates a low-fare airline business with the Airbus A320 family, including A320 and A321, generating revenues from scheduled passenger services and ancillary services.

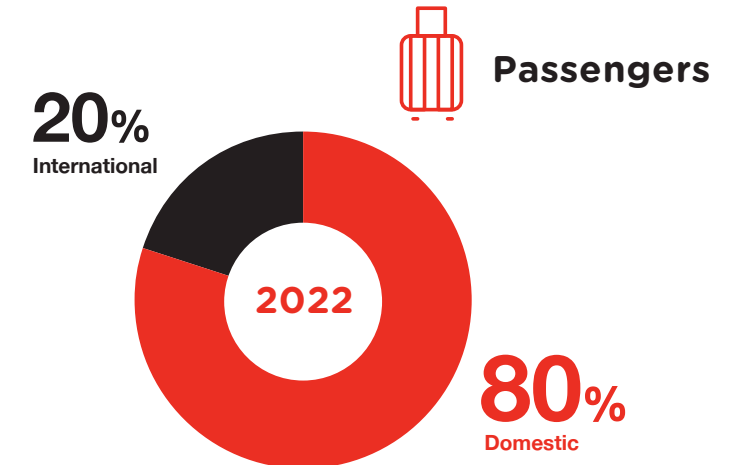
1. SCHEDULED PASSENGER SERVICES

Thai AirAsia provides scheduled passenger air travel services at fares lower than the one offered by full-service airlines. However, such tickets do not include services such as baggage fees, seat selection fees, on-board food and beverages and other services. Hence, passengers could pay for those services (frills), in which the revenue will be recorded under the ancillary services. Thai AirAsia consistently monitors its on-time performance (“OTP”) and maintains an excellent record of punctuality, with 92 percent of our flights departing within 15 minutes of the scheduled time in 2022.

In 2022, Thai AirAsia carried 9.9 million passengers, with 80 percent travelling on domestic routes and 20 percent on international routes.

Operating Data of Thai AirAsia is shown with the details below.

	For the year ended 31 December		
	2020	2021	2022
Capacity (million seats)	12.6	4.3	11.9
Passengers carried (million)	9.5	2.9	9.9
Load factor (%) ⁽¹⁾	75	68	84
ASK (million) ⁽²⁾	10,174	3,002	10,308
RPK (million) ⁽³⁾	7,735	2,083	3,012
Average fare (Baht) ⁽⁴⁾	1,199	1,090	1,434
Revenue per ASK (Baht) ⁽⁵⁾	1.34	1.28	1.70
Cost per ASK (Baht) ^(6, 12)	2.31	4.51	2.62
Cost per ASK (non-fuel) (Baht) ^(7, 12)	1.68	4.04	1.81
Number of aircraft at period end	62	60	54
Number of stages flown	69,368	24,011	65,308
International	10,320	328	13,249
Domestic	59,048	23,683	52,059
Average stage length (kilometre) ⁽⁸⁾	804	688	864
Aircraft utilisation (block hours per day) ⁽⁹⁾	7.4	5.6	9.6
Ancillary revenue (Baht in millions)	2,285	651	3,319
Ancillary revenue per passenger (Baht)	241	222	334
Fuel consumption (million barrel)	1.76	0.53	1.74
Company's average market jet fuel price (USD per barrel) ⁽¹⁰⁾	46.7	72.6	124.4
On time performance (%) ⁽¹¹⁾	96	97	92



- (1) Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers
- (2) Available seat kilometres, which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown
- (3) Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres these seats were flown
- (4) Calculated as Thai AirAsia's total passenger revenues divided by total number of passengers carried
- (5) Calculated as Thai AirAsia's revenues divided by ASK
- (6) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) divided by ASK
- (7) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) less fuel costs divided by ASK
- (8) Represents the average number of kilometres flown per flight
- (9) Represents the average block hours per day per aircraft during the relevant period. Block Hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its destination.
- (10) Calculated as average fuel price of Jet kerosene for the period (MOPS price)
- (11) A flight is deemed “on time” if the actual departure time is no more than 15 minutes of the scheduled departure time.
- (12) Reclassification of the comprehensive income statements.

ROUTE NETWORK

(GRI 2-6)

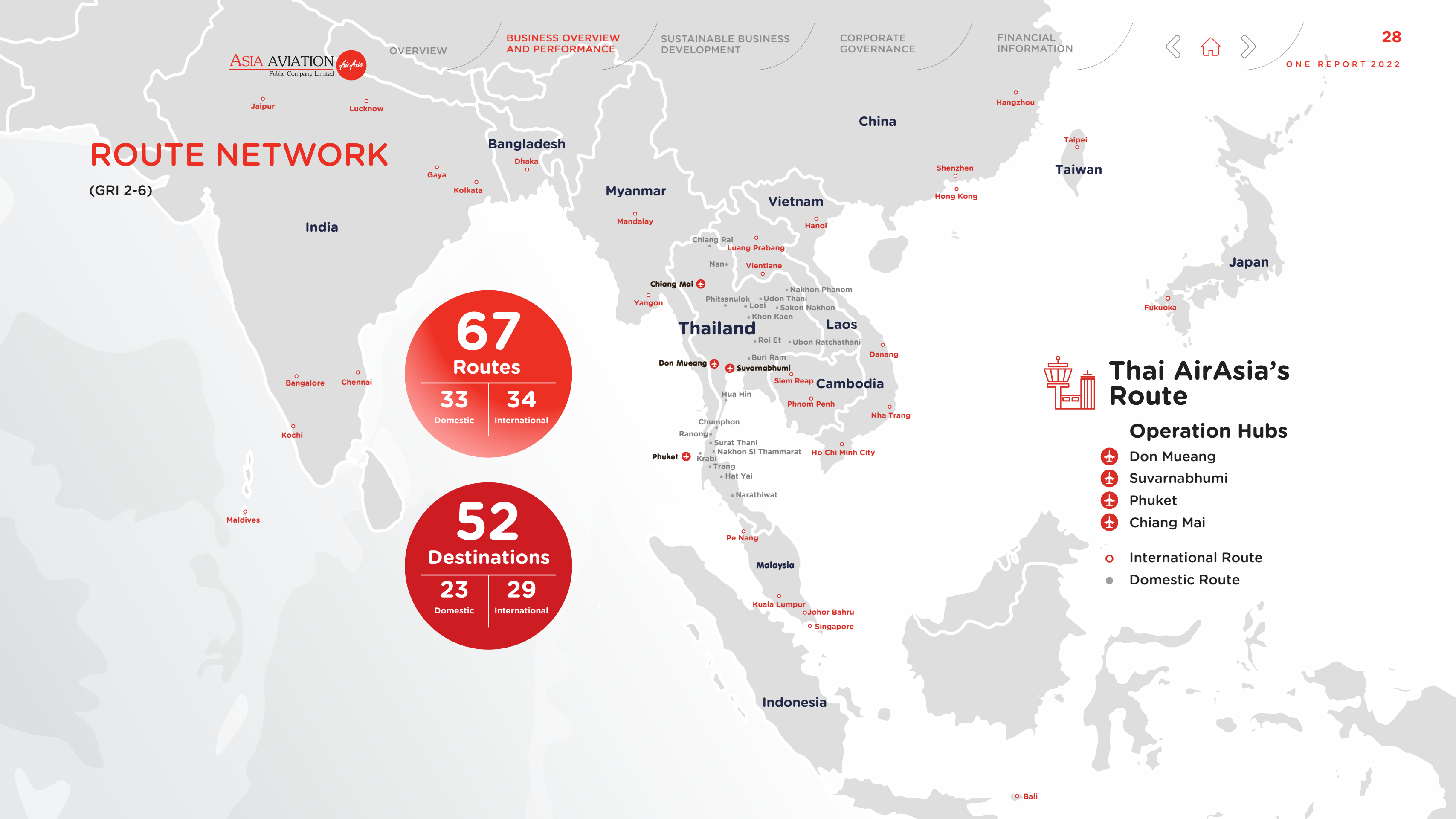


Thai AirAsia's Route

Operation Hubs

-  Don Mueang
-  Suvarnabhumi
-  Phuket
-  Chiang Mai

-  International Route
-  Domestic Route



1.1 NETWORK AND SCHEDULES

Thai AirAsia focuses on short-haul routes to airports in and around major populated centres and travel destinations, typically operating within a radius of up to 4,300 kilometres and flight duration of up to five and a half hours from the hub. Thai AirAsia route network offers frequent point-to-point services and is not scheduled in parking its aircraft at airports overnight other than the four hub airports comprising Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket, and Chiang Mai as of 31 December 2022.

In 2022, our extensive route network reached a total of 14 countries in Asia, covering 23 domestic destinations and 14 international countries, along with 103 domestic and 46 international routes totalling 149 routes. With our extensive route network, our customers have access to the combined route network of the airlines under Capital A in countries such as Malaysia, Indonesia, and the Philippines.

1.2 NETWORK EXPANSION

When considering adding a new route to its network, Thai AirAsia takes into account factors such as potential load factors, population density, economic factor and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of opening new routes typically takes three months and those new routes are to be approved by Thai AirAsia's Board

of Directors as part of their approval of Thai AirAsia's budget. If a new route is not profitable after a trial period of between six to eight months, we either lower the frequency of the route or suspend or cancel the route.

In 2022, the challenge brought by the COVID-19 outbreak still continued from 2021. However, the demand for travel improved throughout the year and airlines have increased the number of flights in accordance with the higher number of passengers. This was also supported by the government lifting measures to prevent the spread of COVID-19 by allowing travel in or out Thailand. In 2022, Thai AirAsia network had a total of 149 routes while opening inaugurated international routes including Bangkok (Don Mueang) to Fukuoka (Japan) and Dhaka (Bangladesh). Thai AirAsia also added more frequency on the top-ranked domestic and international routes. Nevertheless, Thai AirAsia aims to firmly establish itself as Thailand's leading carrier in both trunk and secondary tourism destinations to maximise the returns, especially in the domestic market. We also support the passenger growth for connecting domestic travellers and people travelling among the countries within this region. Also, Thai AirAsia is enhancing the Suvarnabhumi hub as the gateway to the international market and strengthening its domestic market. Moreover, Thai AirAsia incorporates cargo routes as part of its expansion plans to ensure that the airline remains competitive in both passenger and cargo segments.

2. ANCILLARY SERVICES

Thai AirAsia provides various ancillary services to the passengers, starting from the services before boarding, in-flight services, and other services in relation to our air passenger services. These services generate another stream of revenue in addition to Thai AirAsia's core revenue from scheduled passenger service. Ancillary revenue is accounting for 17 percent of revenues from sales and services in 2020 and 2021 and 19 percent in 2022, which are grouped into categories as below.

2.1 SERVICES BEFORE BOARDING AND FEES

Thai AirAsia offers a range of products and services to passengers on airasia website and at sales counter as follows:

- **Checked Baggage:** Baggage charges are based on the weight of the baggage passengers wish to check-in and also upon the flight hour, timing of purchase and travel period. Pre-booking of the checked baggage at the time of the reservation will bring about lower fees. Additional fees will be charged for baggage with excess weight.
- **Xpress Baggage:** Passengers can claim their baggage as fast as possible upon arrival at their terminal destination. Xpress baggage is available for booking along with flights.
- **Xtra Carry-On:** In each flight, a passenger is allowed to carry two bags with a total of not more than seven kilogrammes. Passengers can purchase Xtra Carry-On to bring more bags, one of which the

weight is not more than seven kilogrammes. The Xtra Carry-On must be purchased at the same time of flight booking.

- **Seat Selection:** Seat selection is available with fees; passengers can choose any preferred seats on the flight, which is varied by seat zone, flight hour, and timing of the purchase. Pre-booking of seat selection at the time of the reservation will bring about lower fees.
- **Checked Sports Equipment:** Passengers can check-in sports equipment including golf equipment, diving equipment, surfboard and bicycle. Checked Sports Equipment charges are based on the weight of the Sports Equipment and also upon flight hour, the timing of purchase and travel period. Pre-booking of the checked Sports Equipment at the time of the reservation will bring about lower fees. Additional fees will be charged for Sports Equipment with excess weight.
- **Bookings and Amendments:** Passengers can make a booking at sales counters; booking fees will be applied. Booking amendments are possible 48-hour prior to flight time with amendment fees to be applied (name and route changes are not permitted). An additional service fee may be applied on a case-by-case basis.
- **Payment Processing Fees:** Tickets are available for purchase either through an online purchase on the website or at The AirAsia ticket counter in the airport. Extensive payment method selections are available such as via credit card, debit card, direct debit, ATM payment, counter service, PromptPay, and QR Code with processing fees.

- **Travel Insurance (Tune Protect):** Passengers can purchase Tune Protect Travel Insurance by AirAsia which covers accidental death and dismemberment, personal accident and medical expense, trip cancellation, flight delay, damage to luggage, personal effects, including COVID-19, etc. Thai AirAsia has cooperated with Tune Insurance Public Company Limited and will receive the service fee from selling such insurance policies on the AirAsia website.
- **Connecting Flight (“Fly-Thru”):** Fly-Thru service is available for passengers who wish to conveniently connect flights (both domestic and international flights) from one to another with no bag collecting hassle in between flights at the transit hub. All checked baggage will be safely delivered to the final destination of the passengers’ flight. An additional connecting fee will be applied to the service.
- **AirAsia Red Carpet:** Passengers can purchase additional services that allow them to enjoy a speedier travelling process from check-in to baggage claim. AirAsia Red Carpet privileges include 1) a dedicated check-in area, 2) access to the airport lounge and priority boarding, and 3) priority baggage delivery upon arrival. Red Carpet service is available for flights departing from Don Mueang, Suvarnabhumi, Phuket, Chiang Mai and Chiang Rai in international and domestic terminals as well as Udon Thani, Hat Yai, Chiang Rai in the domestic terminal. Thai AirAsia will receive additional fees from this service.

- **Airport Priority Service:** Passengers can purchase additional services that allow them to enjoy a speedier travelling process from check-in to baggage claim. The service includes 1) a dedicated check-in area, 2) priority boarding, and 3) priority baggage delivery upon arrival. Thai AirAsia will receive additional fees from this service.
- **Value Pack:** Passengers can select their favourite add-ons with their flight. A value pack has been made easier with this bundle that includes 20 kilogrammes of the checked baggage, a meal, a standard seat selection, and Tune Protect Insurance coverage comprising an on-time guarantee and baggage delay. All of these are bundled together with the flight at a more affordable fare.

2.2 IN-FLIGHT SERVICES

The sales of beverages and food to passengers on-board are one of AirAsia in-flight services. Passengers who pre-book the meals online during reservation or via the Manage My Booking menu will have a wider range of menus for selection as well as a discount from on-board prices, in which the food will also be served first prior to the sales of normal on-board in-flight services. Passengers can pre-book such service by no less than 24 hours before the departure time.

Additionally, Thai AirAsia offers merchandises on-board including souvenirs such as airplane models and graphic T-shirts; travel gadgets such as phone chargers and

earphones; seasonal or festive items and travel essentials such as luggage locks and pillow & comforter kits.

2.3 OTHER SERVICES

- **Bangkok Bank AirAsia Platinum MasterCard Credit Card:** Thai AirAsia and Bangkok Bank launched a co-branded credit card offering special privileges to the customers, including an ability to earn one airasia point for every Baht 20 spent, which the points could be redeemed for discounts on ticket fares together, and 10x airasia points earning for any purchase made on airasia website and sales counters as Platinum membership of airasia rewards. Thai AirAsia will receive shared revenue from spending on this co-branded credit card.
- **Freight (AirAsia Cargo):** Thai AirAsia generates additional revenue from airfreight service on the scheduled flight, consisting of cargo and mail when the aircraft space and weight are available.
- **Island and City Transfer:** Thai AirAsia generates additional revenues from a new all-in-one travel service. Thai AirAsia cooperates with the local van and ferry operators to offer City Transfer and Island services to deliver passengers either from the airport to the cities such as Pai, Chiang Khan, Phuket town, Patong, Sukhothai, and Surin, or from the land to the islands such as Lanta, Lipe, Phangan, Phi, and Samui. Passengers can plan their trip conveniently due to the easy access to the nearby islands and cities. The City Transfer service was still temporarily suspended this year.

3. PRICING AND REVENUE MANAGEMENT

Thai AirAsia utilises multiple fare structures and dynamic pricing to enhance ticket revenue optimisation and flexibility to adapt with externalities. In order to maximise the revenue, the number of seats allocated to each fare level for each flight and departure date is determined along with the consideration of the market demand and supply, competition, historical route performance, booking pace movement, as well as domestic and international economic forecasts.

As there are a limited number of seats in the lower fare level which require an advance purchase, the earlier a passenger reserves a seat, the higher chance the passenger will be able to purchase a seat at the lowest published fare. All fares displayed are one-way direct flights and also fly-thru flights. The confirmed seat booking after a full payment is non-refundable, except for those relating to any applicable airport tax. However, passengers cannot reroute but can change the travelling date and time at least 48 hours before departure (other than in the case of promotional fares) and subject to the processing fee and the payment of the fare difference, which depend on the matter.



The competitive cost structure enables Thai AirAsia to offer the average fare lower than competitors in the same routes supporting its revenue maximisation. Moreover, Thai AirAsia occasionally offers very attractive promotional fares to promote routes with less traffic.

4. DISTRIBUTION AND SALES

Thai AirAsia has three principal distribution channels namely the Internet sales, direct sales through our sales offices as well as indirect sales through agents. All travel documents such as the confirmation itinerary are electronically sent, thereby reducing costs associated with printing, mailing, modifying tickets, as well as, reissuing lost or stolen tickets. As at 31 December 2022, Thai AirAsia had a proportion of the total bookings sold through the Internet of 66 percent, direct sales 3 percent and indirect sales 31 percent.

4.1 INTERNET SALES

Thai AirAsia sells tickets online via www.airasia.com and the application on the smartphone called “airasia Super App”, available on both iOS and Android. The payment can be made via credit card, direct debit and internet banking, ATM, Mobile Banking, or at service counters such as Counter Service, Tesco Lotus, Big C Supercentre, Thai Post Office, Tops Supermarket, True Money, etc. The lowest fares as well as promotional fares are available only through the website and airasia Super App on the smartphone to encourage Internet reservations. Thai AirAsia expects the internet sales to continue in the future as online bookings lowers operating costs, and thus is its lowest-cost distribution channel.

4.2 DIRECT SALES

Direct sales are made at sales offices and airport sales counters at which payments can be paid by cash, credit card, and QR Code, including cash payment at Counter Services.

4.3 INDIRECT SALES

Indirect sales through agents consists of online bookings via Online Travel Agents (OTA) and offline via travel agents in other formats.

- **Third Party Travel Agents:** Thai AirAsia has two types of travel agent network. “Sky Agents” are travel agents who are registered with Thai AirAsia and maintain a prepaid account in which bookings made by their guests are debited. In addition, “BSP Agents” are the members of and have credit limits with the International Air Transport Association (“IATA”). In addition, Third Party Travel Agents have expanded the business to online as well. Thai AirAsia obtains revenues from the OTA for the flights that Thai AirAsia provides as part of the travel package or flight booking only.
- **MyCorporate Bookings:** Thai AirAsia offers MyCorporate packages to business travellers who maintain corporate accounts with us.
- **GoGovernment Booking:** Thai AirAsia offers special GoGovernment fare for governors and state enterprise officers to book at airport counters or authorised travel agents.

- **Book and Pay:** Thai AirAsia joins with Counter Services, offering the booking of and paying for AirAsia tickets at Counter Service channels such as a convenience store, department store and supermarket, across the nation to expand its customer base. Ticket booking and payment can be made 24 hours prior to the flight for all of our domestic and international routes, for both single and round tickets.

5. ADVERTISING AND SALES PROMOTIONS

Thai AirAsia allocates the budget as deemed appropriate for its communication and marketing activities and chooses its advertising media based on exposure to its targeted demographics and medium’s effectiveness. Television advertisements, billboards, LED screens in the city centre of both Bangkok and the provincial areas, including radio advertisements are the way to reach mass consumers. These help build the awareness of a wider range and also create brand loyalty at the same time. In contrast, online advertisement is the way to reach not only mass consumers but also targeting specific regions or areas of consumers, which encourages a direct conversion since the main sales channel is online via the Company’s website and application.



INTERNET SALES **66%**



DIRECT SALES **3%**



INDIRECT SALES **31%**

Thai AirAsia exercises marketing plans throughout the year and regularly presents promotional fares, usually organising 3-4 major yearly promotions with further discounts on its already low fares such as the Baht zero ticket per trip for advance booking. In addition, marketing campaigns also educate passengers about new destinations or new attractions both domestic and international to where we have direct flights. As a result, our brand has been commanding the number one domestic market share among Thai carriers and consecutively awarded the World Best Low-Cost Carrier by Skytrax for 13 years.

6. CUSTOMER HAPPINESS

Thai AirAsia is committed to delivering high-quality customer service by providing its guests with a safe, low fare, valuable, reliable and friendly service. Thai AirAsia is delighted to listen to all comments, feedback and customer complaints. For any assistance, they can contact Thai AirAsia directly on the main page website www.airasia.com or via airasia Super App. We have provided various channels of reach for our customer convenience through just-in-time service support. We have continuously improved our technology by introducing the Chatbot that supports fast and accurate information retrieval 24 hours daily and Live Chat Agent to help the customer if Chatbot cannot solve passenger's problems.

Staff are selected through a rigorous recruitment process to provide excellent customer service, followed by extensive and ongoing training and performance management activities. The airline has specific budgets for training for each customer service personnel every year to ensure staff are fully prepared to assist passengers effectively and efficiently.

PRODUCTS OR SERVICES PROCUREMENT

1. THAI AIRASIA'S FLEET

As of 31 December 2022, Thai AirAsia has an Airbus A320 family of 54 aircraft. Thai AirAsia has entered into the aircraft's operating leases in total of 50 aircraft, 8 aircraft of which were leased from AAM, a subsidiary of AAB, and 42 aircraft of which were leased from third-party lessors. Meanwhile, one of the leased aircraft was under a financial lease agreement with financial institutions, and three of the aircraft belong to Thai AirAsia. By the end of 2022, one aircraft of the fleet was in the deregistration process due to the expiry lease agreement. In 2023, Thai AirAsia has no plan to deliver new aircraft and expects to reduce its fleet due to the mentioned retirement, bringing its total fleet to 53 by the end of the year.

Airbus A320

180 Seats

41 Aircraft



Airbus A320neo

186 Seats

11 Aircraft



Airbus A321neo

236 Seats

2 Aircraft



Airbus A320 family has a proven track record of reliability in short-haul, high-frequency operations with an appropriate number of passengers per flight. Thai AirAsia's Airbus A320 family fleet comprised 41 of Airbus A320, 11 of Airbus A320neo (New Engine Option), and two of Airbus A321neo, with an average fleet age of 8.84 years. In 2022, the aircraft utilisation rate was at 9.6 hours per day.

Thai AirAsia analyses aircraft procurement needs independently from the other members of Capital A. However, AAB consolidates the respective requirements of each member of Capital A and places a consolidated order with Airbus, the aircraft manufacturer. Group procurement enables us to benefit from bulk discounts off the official list price of such aircraft.

As at 31 December 2022, Thai AirAsia received 5 certificates of promotion privileges for nine aircraft from the Board of Investment (BOI), with the privileges including (a) an exemption from payment of import duty on machinery approved by the Board of Investment; (b) an exemption from payment of income tax on net profit from promoted operations for a period of five years from the date on which income is deemed to be first derived from such operations, subject to a maximum exemption of Baht 1,351.4 million, as the case may be for the first projects and amounting to Baht 1,391.0 million for the second project and in a range of Baht 1,387.4 million to Baht 1,531.7 million for the third to fifth project; (c) an allowance of a five-year carry forward period for losses for tax purposes from promoted operations from the expiry of the five-year period; and (d) an exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. Thai AirAsia shall comply with various terms and conditions set by the BOI in order to have such privileges.

2. FUEL

Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2020, 2021, and 2022 were Baht 6,398.7 million, 1,406.2 million and 8,277.0 million, accounting for 27 percent, 10 percent and 31 percent of total of cost of sales and services, selling and distribution expenses and administrative expenses, respectively.

Thai AirAsia purchases a substantial majority of its fuel from PTT Oil and Retail Business PCL and Shell Thailand Co., Ltd with the benchmark of fuel prices against Mean of Platts Singapore (MOPS). Jet kerosene prices, and therefore fuel prices, are extremely volatile and are subject to many global economic and geopolitical factors. Thus, Thai AirAsia implements various fuel management strategies to manage the risk of rising fuel prices, including fuel hedging conducted together with AAB to combine the hedging contracts in order to mitigate the risk of global fuel price fluctuation.

In addition to hedging fuel prices, Thai AirAsia has implemented the following fuel management strategies in order to reduce costs and minimise inherent risks:

- **Fuel procurement:** Thai AirAsia controls its fuel supply by uplifting as much fuel as possible within optimal limits and regulatory requirements in destinations where fuel is least expensive to facilitate the use of the least expensive fuel stock.
- **Upfront payment:** Upfront payment for all purchases to negotiate better pricing.

- **Fuel consumption:** Thai AirAsia attempts to minimise fuel consumption by establishing clear guidelines covering all areas of flight operations to maintain aircraft fuel burn rates at a minimum. This includes our accurate flight planning on each flight to reduce fuel burn, and using Green Operations to reduce greenhouse gas fuel burn by 44 litres per flight.

3. MAJOR CUSTOMERS

No customer contributed more than 30 percent of our total revenue in 2020, 2021 and 2022. Customers mainly consist of individuals travelling by air.

4. MAJOR SUPPLIERS

No suppliers accounted for 30 percent or more of our total operating costs and expenses in 2020, 2021 and 2022.

5. AIRCRAFT MAINTENANCE AND SPARE PARTS

5.1 AIRCRAFT MAINTENANCE

Thai AirAsia provides line maintenance, light maintenance, and maintenance below a "C" level check including defect rectification by the internal Engineering department. Any maintenance above a "C" level check or structural repair is outsourced to other certified Maintenance and Repair Organisation (MRO) service providers. Those service providers

are certified by the CAAT including Thai Airways International and Thai Aviation Industries in Thailand, ST Aerospace (Guangzhou) Aviation Services Co., Ltd. in China, Sepang Aircraft Engineering in Malaysia and FL Technics in Indonesia, to name a few. In addition, through the AirAsia Aircraft Lease Agreements, Thai AirAsia can rely on the manufacturer's warranties and product support granted to Capital A.

5.2 SPARE PARTS

Thai AirAsia maintains an inventory of rotatable spare parts in its main base and hubs, with the majority of inventory found in Bangkok which consists of Don Mueang International Airport and Suvarnabhumi International Airport. As at 31 December 2022, Thai AirAsia had Baht 364.1 million of aircraft spares parts (net book value).

OTHER OPERATIONS

1. SAFETY AND SECURITY

Thai AirAsia is fully committed on all levels of operation to the safety and security of its passengers, employees, contractors, partners, and visitors. This commitment is reflected in its Safety Management System ("SMS") with respect to the requirements of the International Civil Aviation Organisation ("ICAO") regarding all areas of the business that are involved with the operation of aircraft. Additionally, the Company is fully committed to compliance with Occupational Safety and Health Management System (OSHA) to comply with Occupational

Safety, Health and Environment Act B.E. 2554. Importantly, the Company has continuously maintained and improved its safety management. After the COVID-19 situation in Thailand began to improve at the beginning of the year, employees from all sectors returned to work under Thailand's COVID-19 Free Setting measures. The Company is able to cope with the situation well by using the Emergency Response Plan (ERP) and Business Continuity Plan (BCP), as well as regular training and rehearsal for employees. As a consequence, the Company has changed its training methods and placed a greater emphasis on safety in order to be compatible with the new normal at work. This resulted in the efficient control of the spread of COVID-19 within the organisation in part of its normal operation and those related to passengers in compliance with the COVID Free Setting measures and safety in line with the SMS.

1.1 SAFETY

Safety is a core principle of how we run our business. Thai AirAsia is committed to developing, implementing, maintaining, and constantly improving strategies and processes to ensure that all our aviation activities take place under a balanced allocation of organisational resources, aimed at achieving the highest level of safety performance and meeting national and international standards, while delivering on our customer promise for affordable, reliable, and convenient flight services. Achieving such goals is a significant duty of both management and staff in the entire organisation.

OUR COMMITMENT

- **Support** the management of safety through the provision of all appropriate resources, that will result in an organisational culture that fosters safe practices, encourages effective safety reporting and communication, and actively manages safety with the same attention to the results of the other management systems of the organisation;
- **Enforce** the management of safety as a primary responsibility of all managers and employees;
- **Clearly define** for all staff, managers and employees alike, their accountabilities and responsibilities for the delivery of the organisation's safety performance and the performance of our safety management system;
- **Establish and operate** hazard identification and risk management processes, including a hazard reporting system, in order to eliminate or mitigate the safety risks of the consequences of hazards resulting from our operations or activities to a point which is as low as reasonably practicable (ALARP);
- **Ensure** that no action will be taken against any employee who discloses a safety concern through the hazard reporting system, unless such disclosure indicates, beyond any reasonable doubt, an illegal act, gross negligence, or a deliberate or wilful disregard of regulations or procedures;

- **Comply** with and, wherever possible, exceed, legislative and regulatory requirements and standards;
- **Ensure** that sufficient skilled and trained human resources are available to implement safety strategies and processes;
- **Ensure** that all staff are provided with adequate and appropriate aviation safety information and training, are competent in safety matters, and are allocated only tasks commensurate with their skills;
- **Establish and measure** our safety performance against realistic safety performance indicators and safety performance targets;
- **Continually improve** our safety performance through management processes that ensure that relevant safety action is taken and is effective;
- **Ensure** externally supplied systems and services to support our operations are delivered meeting our safety performance standards; and
- **Ensure** safety matters are communicated throughout the organisation, conduct appropriate promotion of safety awareness and allocate the necessary resources for the implementation of the safety policy.

1.2 SECURITY

While the relevant airport operators are responsible for security screening of passengers and baggage at all domestic and international destinations, Thai AirAsia trains its staff to remain vigilant in identifying potential security breaches, as well as to handle unruly passengers. All potential employees undergo thorough background screening prior to being hired.

Thai AirAsia provides extensive training to ensure that our staff have appropriate skills to carry out their relevant duties as stipulated in its employee manuals. All crew and ground handling staff are required to undergo dangerous goods awareness training to be able to identify potentially dangerous goods and items that threaten the safety of the flight, which take into account flammable liquids and containers that are likely to explode under pressure. This shall include the recurrent training which is developed based on case studies to countermeasure all threats.

Thai AirAsia is in compliance with all of CAAT's and the ICAO's regulations. In addition, cockpits in all of the aircraft have reinforced bulletproof doors.

2. INFORMATION TECHNOLOGY

Thai AirAsia shares various information technologies with the airlines in Capital A, which invests in information technology where its use directly lowers the Group's

costs, enables scalable operations and improves efficiency and safety. Our key operating software systems (centralised in Kuala Lumpur, Malaysia) include (1) NewSkies 4.2 and GoNow 4.3 by Navitaire, which are used for boarding, inventory and sales management as well as reservations; (2) Oracle Cloud Application, which is used for our financial operations and procurement; (3) the AIMS (Airline Information Management System) software, which is used for flight scheduling and crew rostering; (4) Navtech software, which is used for flight planning; and (5) Swiss Aviation Software Ltd.'s AMOS operating system ("AMOS"), which is used for the management of aircraft maintenance engineering and logistics.

3. AIRPORT OPERATIONS

Thai AirAsia provides the ground handling, ground support services, and ramp services at most domestic airports. For international destinations, Thai AirAsia has cooperated with airlines in Capital A departing to the same destinations in order to negotiate and assign accredited third parties to provide these services for cost management effectiveness. Thai AirAsia believes that providing its ground handling and ground support services ensures that costs are kept low while productivity is high.

For the services at the airport, Thai AirAsia elevated the importance of fast and convenient services by introducing a self check-in kiosk, suitable for passengers who value extended convenience and time in travelling. At the same time, the service allows Thai AirAsia to reduce costs effectively. Furthermore, Thai AirAsia aims to continuously improve its service standard by researching and developing new technologies such as the Fast Airport Clearance Experience System (F.A.C.E.S) which allows facial scans to be accommodated during the boarding process, providing an increase in efficiency and support for the ground staff. The technology is currently under development and approval by the government agencies. At the airports under the management of Airports of Thailand Plc. ("AOT"), Thai AirAsia has been in cooperation to install several equipment and develop applications for such processes as checking in, baggage check, and automatic boarding pass check, all of which passengers can self-assist. This aligns with the integrated airport reform policy and intention to deliver a great seamless airport experience to passengers. The installation was taken in August and is being tested at Chiang Mai International Airport before progressing to the rest of the airports of AOT's.

Besides, the Ramp and Ground Service Equipment (GSE) of Thai AirAsia has implemented the Baggage Reconciliation System (BRS) that improves baggage

handling and ensures that all bags are loaded onto an approved flight, starting from domestic flights at Don Mueang International Airport at the initial phase. The system verifies baggage matching with a verified boarding passenger at the check-in before it is loaded onto a departing aircraft to minimise misdirected baggage to the misplaced flights. This system immediately displays information on the dashboard allowing the duty staff to monitor closely. In addition, a software to handle passenger and baggage data transmission was developed internally for domestic flights. This has helped reduce communication time and increase flight operational efficiency whereby the terminal station can plan ahead the handling process to better manage the flight resulting in more on-time departures.

4. INSURANCE

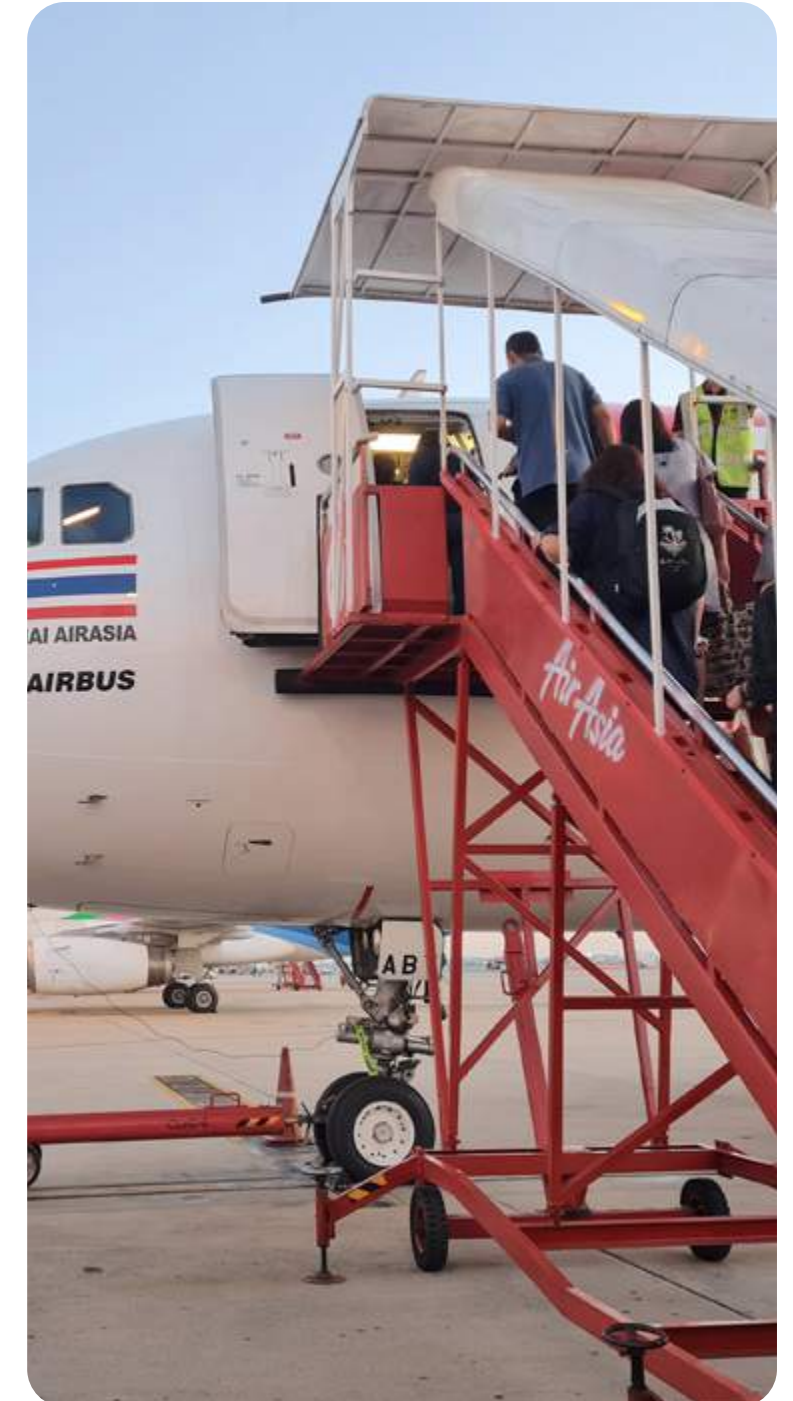
Thai AirAsia has aviation and non-aviation insurance coverage in connection with our operations. The airline believes that the overall insurance coverage is consistent with the industry practice and is maintained at adequate levels. Thai AirAsia carries passenger and third party liability insurance, as required by the terms of our aircraft lease agreements and per the standard market practice, under which the airline is insured for a Combined Single Limit (Bodily Injury and Property Damage) of USD 750 million for each

loss and each aircraft, unlimited in all but in the annual aggregate. In respect of the liabilities due to Products and Grounding, the coverage is limited to USD 125 million per one grounding. Thai AirAsia also insured the aircraft against loss and damages under the Hull All Risks up to the agreed value of the aircraft, but subject to a deductible, of USD 750,000 for each loss, inapplicable to the total loss, the constructive total loss, and the arranged total loss.

Nevertheless, Thai AirAsia has purchased a Hull Deductible policy to indemnify Thai AirAsia for the difference between USD 750,000 and USD 50,000 for each loss subject to an annual aggregate limit of USD 10 million in respect of all aircraft and spare engines collectively under Capital A's airline business Hull Deductible policy.

In addition to the above, Thai AirAsia has purchased a Hull War and Allied Perils against loss or damage excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) under the Hull All Risks insurance policy coverage, to the extent available in accordance with LSW555D policy form, up to the agreed value of the aircrafts. The coverage is subject to an annual aggregate limit of USD 750 million.

Also, Thai AirAsia has purchased the War, Hijacking and Other Perils Liability (AVN52E) up to USD 750 million per occurrence and in the annual aggregate.



INDUSTRY OUTLOOK AND COMPETITION

Recap of 2022

In 2022, the global economy experienced a slowdown, with a GDP growth of 2.9⁽¹⁾ percent year-over-year (“YoY”), decelerating from 6.0 percent in 2021, as a result of the third-year ongoing impact of the COVID-19 pandemic. The outbreak of a war between Russia and Ukraine early in the year had a significant impact on the global commodity market, leading to a sharp rise in oil prices, with Brent crude oil price reaching around USD 130 per barrel in March, which also contributed to a rise in inflation and supply disruptions. However, as the situation stabilised, economic sentiment gradually improved throughout the year with increased awareness and adoption of COVID-19 preventive measures, and oil prices dropping to around USD 80-90 per barrel by the end of the year.

The aforementioned supported a recovery in the tourism industry, particularly from the second quarter. The global RPK (see definition) for 2022 stood at 69⁽²⁾ percent of the 2019 level, and improved to 77 percent in December. However, the recovery in international air traffic in Asia was slower due to the continued closure of China’s borders from the zero-COVID scheme implemented. Despite the challenges, the cargo business showed the resiliency of airline operators to cope with the low passenger demand when COVID-19 outbreak

was severe. According to IATA⁽³⁾, the cargo revenue accounted for 28 percent of airlines’ total revenue globally, compared to 12 percent in 2019.

In Thailand, the GDP growth for 2022 reached 3.2 percent, a significant increase from 1.5 percent growth in 2021, given its slower recovery in 2021 compared to other countries which had already seen a v-shape economic rebound. The main contributions of this growth were the inbound tourists of 11.2 million, of which 41 percent were from ASEAN, as well as the private consumption and investments, and the exports to the US, ASEAN-5⁽⁴⁾, and CLMV. The local headline inflation was believed to have peaked in 3Q22 at 7.3 percent, but is expected to gradually decrease going forward.

The recovery of Thailand’s tourism industry was evident by 1 July 2022 when the Thailand Pass measure was fully lifted, allowing for an increase in inbound tourists. By the end of the year, local airlines had resumed 96 percent of the domestic routes and 78 percent of flights flown in 2019, highlighting the importance of domestic tourism as a key economic driver. Among local airlines, Thai AirAsia maintained the highest passenger market share of around one-third of the domestic market, underpinned by its outnumbered fleet. On the other hand, international flights had reinstated 45 percent of the number of routes and 46 percent of flights flown in 2019,

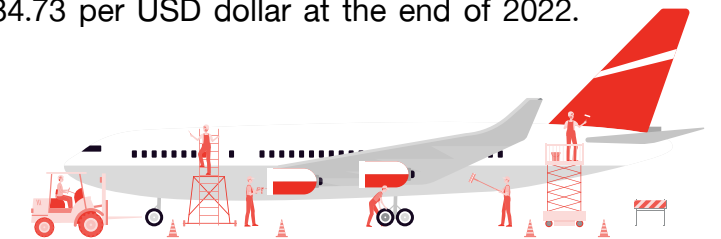
respectively, a slower recovery rate than domestic flights as most of the 12 million Chinese inbound tourists seen in 2019 did not travel in 2022.

1. OUTLOOK IN 2023

Looking ahead to 2023, the economic consensus indicated that recessions may take place in the next 12 months in several major economies, including the US, Europe, and UK due to the impact of the rising policy rates and the continued Russia-Ukraine war. COVID-19 restrictions are expected to ease as most of the globe have resumed their normal activities, including China which announced its formal border reopening on 8 January 2023. The World Bank forecasts the global GDP growth in 2023 to be 1.7 percent, a third weakest pace of growth in nearly three decades. In contrast, the East Asia and Pacific region (“EAP”) which covers 96 percent of Thai AirAsia’s capacity flown in 2019, is expected to see GDP growth of 4.3 percent, a 260 basis points above the global average. This is mainly attributed to the Chinese economic improvement, which accounts for 85 percent of the region’s economic size, following the ease in mobility restrictions. Additionally, the inflation affliction in the EAP has been less severe compared to other regions. However, there are still some downside risks to consider such as the possibility of prolonged real-estate sector issues in China, further tightening of global financial conditions, and weaker global

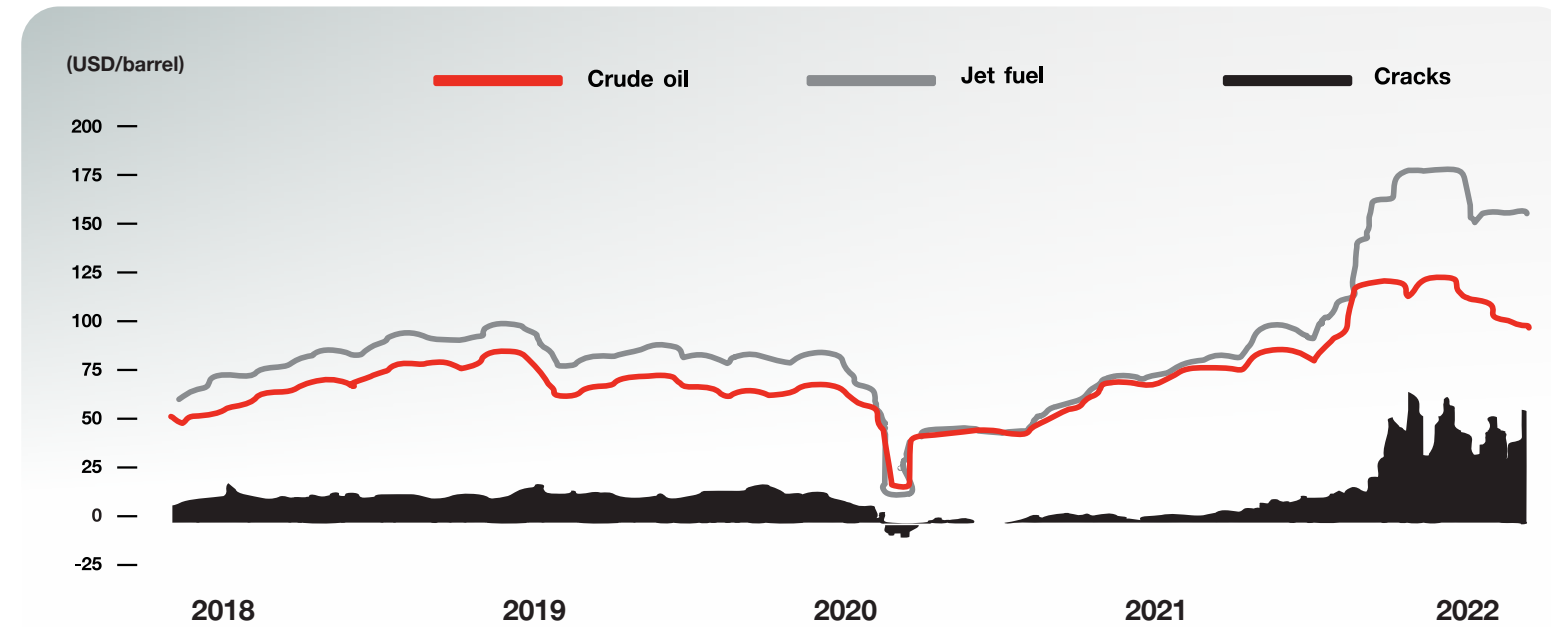
growth which might affect the exports that this region heavily relies on. Overall, the global outlook remains uncertain and fragile.

According to the Bank of Thailand (“BOT”), the country’s GDP growth in 2023 is forecasted to be 3.7 percent, driven by improvements in tourism and domestic consumption, offset by expected slower exports and a deceleration in investments. As of February 2023, the Tourism Authority of Thailand (“TAT”) predicted that there will be 30 million inbound tourists in 2023, a 150 percent increase YoY, following China’s border reopening. This is expected to generate up to Baht 2.38 trillion of national income, or around 14 percent of the GDP. The BOT also expected the headline inflation rate to further decline to 3.0 percent, however, it would still be above the inflation target of 1-3 percent, which may lead to a further policy rate hike to two percent in 2023. The exchange rate is expected to be in a range of Baht 33-34 per USD, compared to Baht 34.73 per USD dollar at the end of 2022.



(1) World Bank’s Global Economic Prospect, January 2023
(2) IATA
(3) IATA’s Global Outlook for Air Transport Report, December 2022
(4) ASEAN-5 consists of Indonesia, Malaysia, Philippines, Thailand, and Vietnam,

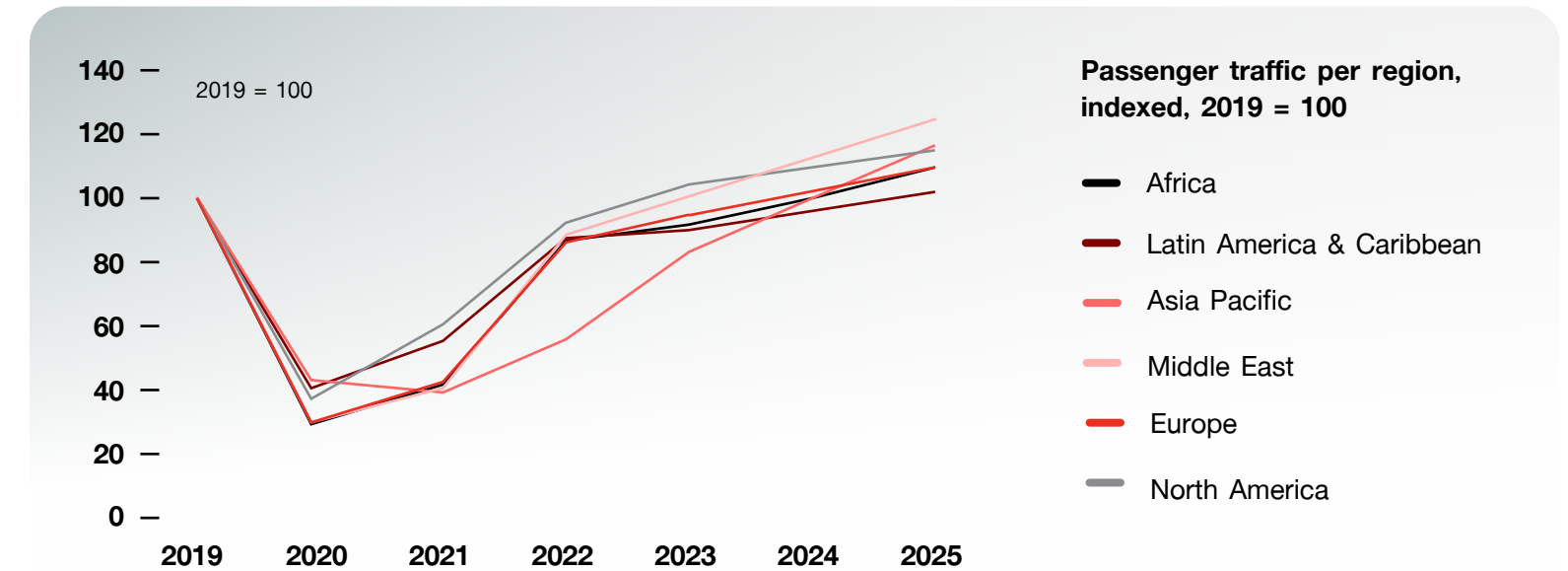
Figure 1: Historical trend of oil prices



According to IATA, airlines globally are on a path to profitability recovery, with those in North America already turning a profit in 2022, followed by those in Europe and the Middle East in 2023, and the rest in 2024. For airlines in the EAP region, IATA expected that overall seat capacity would recover to 76 percent of the pre-COVID level, a significant improvement YoY, despite lagging behind other regions such as North America and Europe, which are expected to

recover to 99 percent and 89 percent of the pre-COVID levels, respectively. Oil prices are expected to ease to a range of USD 80-90 per barrel in 2023, however, the crack spread might remain high given a limitation in refining capacity, which implies a lesser benefit to the airlines from the decline in oil prices and might continue to pressure airlines' performance throughout the year.

Figure 2: Trend of air passenger traffic recovery

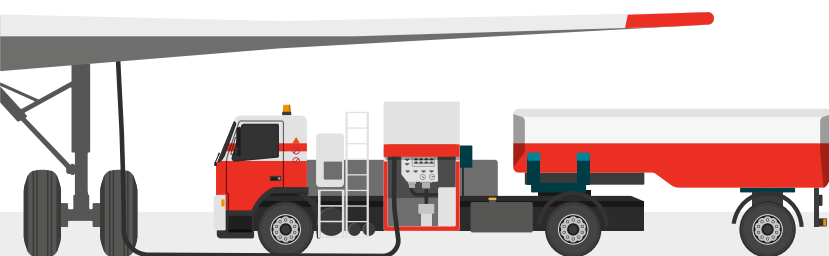


Source: IATA/Tourism Economics Air Passenger Forecasts

2. COMPETITION

Following the industry recovery compared to last year, the competition in 2022 was rationalised with promotional campaigns mainly focusing on high seasonal periods. The limited seat capacity compared to pent-up demand led to an increase in airfare and airlines' efforts to become profitable. Fuel prices increased significantly due to the Russia-Ukraine

war, and certain fees were imposed by the industry to partially offset the impact. On the other hand, the depreciation of the Baht in the first nine months of the year put pressure, at various scales, on the airlines' financial performance, but the Baht appreciated strongly in the final quarter, which helped alleviate the pressure on airlines' equity levels. Despite the ongoing recovery, some airlines continued to struggle, remaining in bankruptcy or undergoing rehabilitation to recover from the ongoing impact of COVID-19.



Thai Airways, the national airline which positioned itself as a full service, provides customer experience branding “Touches of Thai” which offers multiclass scheduled services, complimentary in-flight meals, a frequent flyer programme and airport lounges and is based its operation at Suvarnabhumi Airport. Thai Airways established Thai Smile to provide connecting services in domestic and ASEAN countries. Moreover, Thai Airways has generated more cash by opening THAI Catering and expanding into the logistics business. In addition, Thai Airways filed the rehabilitation petition on 27 May 2020. Following that, on 20 June 2021, the court issued an order approving the rehabilitation plan, and on 20 October 2022, the Central Bankruptcy Court approved the proposal to amend Thai Airways’ rehabilitation plan. With the tourism recovery, Thai Airways reported positive EBITDA in 2022.

Nok Air, a low-cost carrier that focuses on customers who are highly price-sensitive on airfare and offers aircraft rental service in addition to operation. Nok Air bases its operation at Don Mueang International Airport. Previously, Nok Air filed the rehabilitation petition on 4 November 2020, and later on 29 September 2021, the court issued an order approving the business rehabilitation plan. Despite being in rehabilitation, Nok Air held its position in the domestic market having the second-largest market share after Thai AirAsia.

Bangkok Airways, the owner and operator of the airports including Samui, Trat and Sukhothai is a boutique full-service carrier focusing mainly on Samui Island routes. The airline focuses on leisure travellers and routes not exceeding five hours from the operation centres, covering Southeast Asia, South Asia and India. Furthermore, Bangkok Airways has invested in the ‘City Airport’ deal in The Eastern Economic Corridor, which will fortify ground business, catering, and warehouse in the future. Toward the end of the year, it successfully established the BA Airport Leasehold Real Estate Investment Trust (BAREIT) with an investment size of Baht 14,300 million to acquire leasehold rights over land, building, runway, taxiway and apron, passenger terminals among other related assets for operating Samui Airport.

Thai Lion Air, a low-cost carrier of Indonesia under PT Lion Group, started its operation at Don Mueang International Airport. The airline strategy provides a competitive price against competitors with the slogan “We make people fly” with more focus on route expansions of domestic routes. In late 2021, Thai Lion Air started its air cargo business using Airbus A330 aircraft, which has a base of operations in Suvarnabhumi Airport.

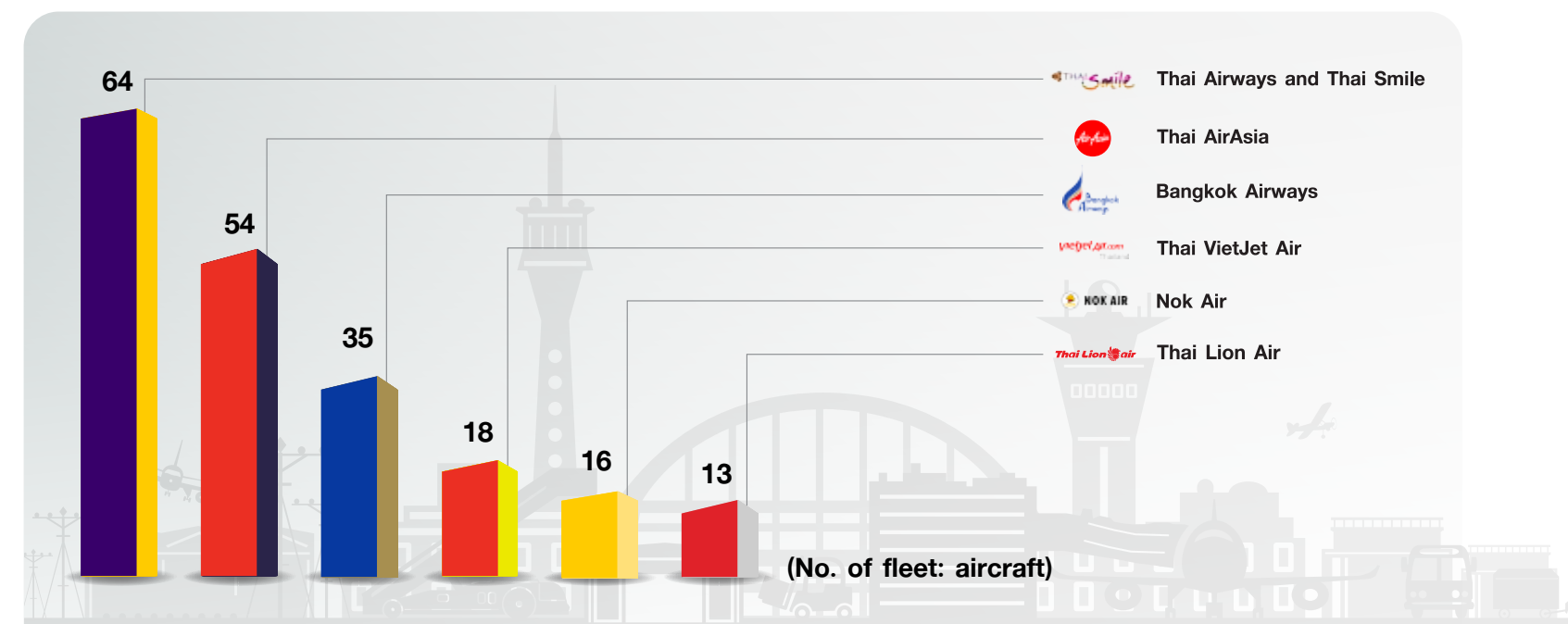
Thai VietJet Air, a low-cost carrier of VietJet Airline, bases its operation at Suvarnabhumi Airport and has flown domestic flights since September 2016.

Thai Vietjet Air has rapidly grown business through both promotions and route operation expansion, resulting in market share gain from other airlines over the past years. It also focuses on the air cargo business to supplement its income. Thai VietJet Air has diversified its business to the online travel booking platform (OTA) business under the name “Skyfun.travel” in July 2022.

Thai AirAsia’s strategy aims to solidify its position as a leader in the domestic market and to keep expanding strategically on international routes through competitive dynamic pricing, prime flight times and frequency, quality of service and distinguished on-time performance. With the recovery of the tourism

industry, Thai AirAsia has adjusted its flight routes to match demand and improved flight efficiency. This included resuming as many routes flown before the pandemic as possible and also adding new destinations, such as Fukuoka, Japan and Dhaka, Bangladesh for the first time. (To learn more about Thai AirAsia’s business strategy, please visit the Business strategy section.)

The major airlines that were granted the Air Operator Certificate (AOC) from CAAT provide services on both domestic and/or international routes and have a number of aircraft in service as of 31 December 2022 as shown below.



Source: CAAT and SET Filing

2.1 INTERNATIONAL

The main competitors of Thai AirAsia on international routes including full-service carriers are (1) Thai Airways, (2) Cathay Pacific Airways, (3) Singapore Airlines, (4) Vietnam Airlines, (5) Air Macau, (6) Myanmar Airlines International, and (7) Malaysian Airlines. While low-cost carriers are (1) Tiger Airways, (2) Jetstar Airways, (3) Spring Airlines, (4) Thai Lion Air, (5) Thai VietJet Air, (6) IndiGo, and (7) ZIPAIR.

2.2 DOMESTIC

Key main players in the domestic market include (1) Thai Airways, (2) Thai Smile, and (3) Bangkok Airways, while low-cost carriers include (1) Nok Air, (2) Thai Lion Air, and (3) Thai VietJet Air.

2023 BUSINESS STRATEGY

Thai AirAsia is dedicated to offering top-notch and reasonably priced air travel to both Thai citizens and tourists visiting Thailand. As a leading low-cost carrier, the Company places a strong focus on customer experience and satisfaction, as evidenced by its latest globally-acknowledged on-time performance (“OTP”) rankings by OAG (2nd World’s Most On-Time Low-Cost Carrier) and Cirium (Top 3 Low-Cost Airline for OTP in the World), unparalleled safety record, and extensive

route network. In 2022, Thai AirAsia further solidified its dominance in the domestic market with a one-third market share and plans to continue holding a significant share of passengers on all domestic routes. As we move into 2023, Thai AirAsia intends to resume all domestic routes that were in operation in 2019, which is projected to result in the transportation of 13 million passengers. On the international front, in addition to the ASEAN market, Thai AirAsia aims to capitalise on the potential influx of Chinese tourists to Thailand following the reopening of China’s borders. Building on its historical performance, the Company aims to capture 10-15 percent of the Chinese tourists visiting Thailand, while also maintaining its presence in the South Asia market through its sizable fleet. In total, the Company expects to carry not less than 20 million total passengers in 2023, compared to 22.2 million passengers carried in 2019.

Currently, Thai AirAsia operates a fleet of 54 aircraft, with one aircraft to be re-delivered and 42 aircraft in active service. The Company does not have plans to add new aircraft in 2023, but it is prepared to bring additional aircraft into service as needed to meet demand, such as through an ad-hoc rotation of spare aircraft within AirAsia Group. In the future, if the fleet needs to be expanded, the Company plans to acquire A321neo and A320neo aircraft, the latest and most efficient models in the A320 Airbus Family,

which offer up to 30 percent more capacity per flight and consume less fuel per passenger, compared to the current majority fleet of A320ceo. With four hubs located throughout Thailand, Thai AirAsia will continue to strengthen its common route network and capture growth in unique cross-regional routes. The Suvarnabhumi hub will remain to offer an opportunity for potential fly-thru and cargo services driven by international demand.

As customer behaviour evolves, Thai AirAsia is continually improving its Super App features by leveraging its airline business and partnerships to expand its services into the travel-related areas such as food delivery and ride-hailing in early 2022. Additionally, Thai AirAsia is also implementing digitalisation at various passenger touchpoints, including the development of facial recognition technology for easy check-in in partnership with the airport and enhancing its back-end chatbot to better cater to customer needs.

Overall, Thai AirAsia has set profitability and cash flow improvement as top priorities for 2023. To accomplish this, the Company will focus on implementing dynamic pricing strategies and prioritise route profitability. Cost control will also be a key focus, with efforts to further reduce cost per unit as more flights return to normalcy. The high maintenance expenses incurred in the previous year are expected to stabilise after

completing the re-delivery phase and bringing all inactive aircraft back into service. The management team will also consider hedging foreign currency and fuel as deemed appropriate. The decision to furlough staff during the pandemic has proven beneficial for Thai AirAsia, allowing the Company to resume operations faster than competitors. This approach will be continued to ensure there is a sufficient number of staff ready to be called upon when the entire fleet becomes active.

In addition, Thai AirAsia will continue to work with government agencies to support promotional activities for both domestic and international travel. This includes co-campaigns to launch new routes in smaller cities that have seen an increase in travel demand. Thai AirAsia will also be involved in discussions on important issues such as the appropriate level of excise tax and the long-term sustainability of the industry for the benefits of all stakeholders.



SECURITIES AND SHAREHOLDERS

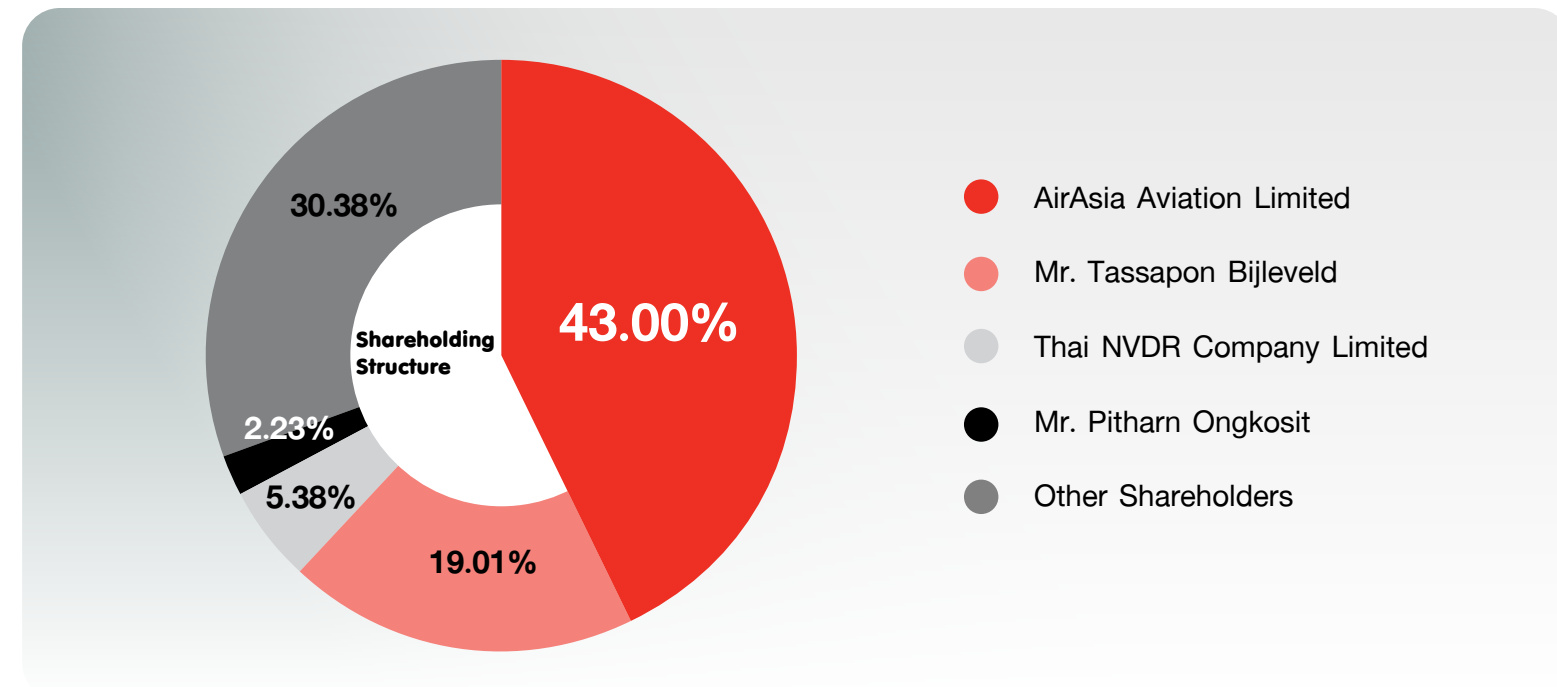
EQUITY SECURITIES

Asia Aviation Public Company Limited

As at 31 December 2022, Asia Aviation has the registered and paid-up capital of Baht 1,216,428,571.30, being common shares of 12,164,285,713 shares at the par value of Baht 0.10 per share. On 31 May 2012 the Company was listed on the Stock Exchange of Thailand under ticker “AAV”.

Thai AirAsia Company Limited (subsidiary)

As at 31 December 2022, Thai AirAsia has the registered and paid-up capital of Baht 946,183,270, being common shares of 94,618,327 shares at the par value of Baht 10 per share.



MAJOR SHAREHOLDERS

Asia Aviation Public Company Limited

As at 30 December 2022, Asia Aviation has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding percentage (%)
1. AirAsia Aviation Limited ^{(1), (2)}	5,230,616,671	43.00
2. Mr. Tassapon Bijleveld	2,312,088,286	19.01
3. Thai NVDR Company Limited	654,585,368	5.38
4. Mr. Pitharn Ongkosit	271,536,896	2.23
5. Bualuang Long-Term Equity Fund	222,587,254	1.83
6. Mr. Tanarat Pasawongse	180,860,822	1.49
7. K Master Pool Fund – Provident Fund	179,191,340	1.47
8. K Flexible Equity RMF	113,454,295	0.93
9. Mr. Palin Lojanagosin	113,210,985	0.93
10. Bualuang Long-term Equity Fund 75/25	107,059,063	0.88

Remark: ⁽¹⁾ AirAsia Aviation Limited (“AAA”) (currently renamed as AirAsia Aviation Group Limited (“AAAGL”)) is a subsidiary of Capital A Berhad (“Capital A”) (formerly known as AirAsia Group Berhad) that registered under Malaysian laws, in which Capital A has a 100% shareholding.

⁽²⁾ Capital A, listed of Bursa Malaysia, manages the business of investing in other companies.

Capital A Berhad

As at 31 December 2022, Capital A has major shareholders with details on the number of shares and shareholding percentage as follows:

Name	Direct		Indirect	
	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)
Tune Live Sdn. Bhd.	509,000,000 ⁽¹⁾	12.23	-	-
Tune Air Sdn. Bhd.	516,485,082 ⁽²⁾	12.41	-	-
Positive Boom Limited	332,498,504 ⁽³⁾	7.99	-	-
Tan Sri Anthony Francis Fernandes	1,600,000 ⁽⁴⁾	0.04	1,025,485,082 ⁽⁶⁾	24.64
Datuk Kamarudin bin Meranun	2,000,000 ⁽⁵⁾	0.05	1,025,485,082 ⁽⁶⁾	24.64
Choi Chiu Fai,Stanley	-	-	332,498,504 ⁽⁷⁾	7.99

Remark : ⁽¹⁾ Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Live Sdn. Bhd.

⁽²⁾ Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Air Sdn. Bhd.

⁽³⁾ Shares held under own name and Kenanga Nominees (Asing) Sdn. Bhd. for Positive Boom Limited

⁽⁴⁾ Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tan Sri Anthony Francis Fernandes.

⁽⁵⁾ Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Datuk Kamarudin bin Meranun.

⁽⁶⁾ Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd and Tune Air Sdn. Bhd.

⁽⁷⁾ Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Positive Boom Limited.

Thai AirAsia Company Limited (subsidiary)

As at 31 December 2022, Thai AirAsia has 7 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding percentage (%)
1. Asia Aviation Public Company Limited	94,618,320	100.00
2. Mr. Tassapon Bijleveld	2	0
3. Gp. Cept. Tanapat Ngamplang	1	0
4. Mr. Preechaya Rasametanin	1	0
5. M.L. Bovornovadep Devakula	1	0
6. Mr. Santisuk Klongchaiya	1	0
7. Mrs. Hathaimas Ekkalakdilkok	1	0
Total	94,618,327	100.00

ISSUANCE OF OTHER SECURITIES

The company and its subsidiary issued other securities, comprising convertible debentures and non-convertible debentures as follows.

- Asia Aviation issued an unsubordinated and unsecured convertible debenture offered in a private placement on 14 December 2021 with total amount of Baht 2,200 million, with a maturity period of not more than 2 years and no interest rate. It has a conversion ratio of 0.00175 unit to 1 common share with a conversion price of 1.75 Baht/share. It has been subscribed by Bangkok bank Plc. Ltd. in the amount of Baht 1,200 million for a total unit of 1,200,000 units and North Haven Thai Private Equity, L.P. in the amount of Baht 1,000 million for a total unit of 1,000,000 units. The allocation of the newly-issued ordinary shares was in the amount of not exceeding 1,257,142,857 shares reserved for the exercise of the right to convert the Convertible Debentures. During 2022, North Haven Thai Private Equity, L.P. exercised all their rights to convert 1,000,000 units of the convertible debenture into 571,428,572 ordinary shares, thus as of 31 December 2022, there are 1,200,000 units of convertible debenture and not exceeding 685,714,285 ordinary shares remaining.

2. Thai AirAsia's non-convertible debentures comprise unsubordinated, secured and unsecured ones in Baht currency with fixed interest rates as follows:

Debentures	Outstanding Amount (Baht million)	Issuance Date	Maturity Date	Interest Rate (% p.a.)	Term of Interest Payment	Credit Rating
No. 1/2021 Series 1 (Unsecured)	0 (Redeemed Baht 600 million in 2022)	19 May 2017	19 May 2022	3.28	Semi-Annual	-
No. 1/2018 Series 1 (Unsecured)	0 (Redeemed Baht 600 million in 2022)	26 June 2018	26 Apr 2022	6.75	Semi-Annual	BB- ⁽¹⁾
No. 1/2018 Series 2 (Unsecured)	1,000.00	26 June 2018	26 June 2023	2.95	Semi-Annual	BB- ⁽¹⁾
No. 1/2017 Series 2 (Unsecured)	0 (Redeemed Baht 600 million in 2022)	6 Oct 2021	6 Apr 2022	3.28	Semi-Annual	BB- ⁽¹⁾
No. 1/2022 (Secured and callable by issuer)	1,431.50	30 June 2022	30 June 2024	6.80	Quarterly	-
No. 2/2022 (Secured)	750.00	30 Sep 2022	30 Sep 2023	6.00	Quarterly	-
Total	3,181.5					

Remark: ⁽¹⁾ Debentures were rated as credible from Tris Rating Co., Ltd (As of 8 March 2022)

DIVIDEND POLICY

The Board of Directors of Asia Aviation may recommend annual dividends subject to the approval of the shareholders' meeting. For interim dividends, the Board of Directors is authorised for such approval, considering the profitability of the Company, which will be reported to the next Shareholders' Meeting.

Asia Aviation Public Company Limited

Asia Aviation may consider paying dividends by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Asia Aviation are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the Board of Directors. In 2022, Asia Aviation did not pay dividends to Shareholders.

Thai AirAsia Company Limited

Thai AirAsia may consider paying dividends by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Thai AirAsia are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the Board of Directors. In 2022, Thai AirAsia did not pay dividends to Shareholders.

RISK MANAGEMENT

(GRI 2-16)

The aviation industry continued to face a number of changes in 2022, as a consequence resulting in the risk in our operation. Asia Aviation realises the importance of risk management in order to ensure the efficient management of the Company and its subsidiary company. Risk management has been an important foundation helping assist the Company to achieve sustainable objectives and is one of the fundamentals essential to build confidence among all stakeholders and considered to be a part of good corporate governance. Risk management aids to support

management for better quality data in decision making at the intense rapid changes in the aviation industry. Also, risk management reduces the uncertainty to the operations, improves resource deployment for maximum efficiency, supports proper projection of performance results, and improves risk culture and communication. Since Asia Aviation operates by holding shares in Thai AirAsia, therefore, a risk management system has been established at Thai AirAsia which is a subsidiary that operates the main business for the Company.

Thai AirAsia is committed to implementing Risk Management in both [1] Enterprise Risk Management

based on the ISO 31000 international standard principles and [2] Business Continuity Management based on the ISO 22301 international standard principles. The risk management policy has also been wide-spread through corporate culture to employees at all levels in raising awareness and emphasising that it is the duty of all employees to consider the importance of risk management. Employees must be able to apply risk management methodologies to align operations across the organisation, which would give the greatest benefit to the Company in achieving good business performance, reducing negative impacts on society and environment and any impact that may occur to the business as much as possible.

The Risk Management Committee⁽¹⁾ consists of the Chief Executive Officer and the management from the key departments reviewing and managing risks from both internal and external factors. The Committee plays an important role in supporting risk management from top down communication across the Company, accentuating positive means and assisting relevant methodologies for consistent risk management practises throughout the organisation. Furthermore, the risk management policy continues to be highlighted through corporate culture to employees at all levels. This ensures that all employees are aware and recognise the importance of risk management.

The Risk Management framework of Thai AirAsia consists of the following five categories namely



(1) Scopes, duties and responsibilities of the Risk Management Committee and Risk management processes are disclosed under the heading "Risk Management Policy" on the Company's website at <https://www.aavplc.com>



Risk Governance

Thai AirAsia's risk governance is a part of the management of the entire organisation to ensure that risk management is a priority when performing its duties and governance structure including duties and responsibilities to promote the effective risk management throughout the organisation.

Risk Management Workshop



To conduct training with the risk owners of each department to properly assess and effectively manage their risk

Risk Management Communication



To effectively communicate risk management policies and strategies throughout the organisation, as well as to create a risk management culture and the evaluation of performance through annual KPI's

Risk Management Culture

Thai AirAsia recognises the importance of effective risk management and believes that a culture of risk awareness can be cultivated through promoting understanding of risk management across the organisation. The Company is therefore committed to creating and promoting a risk management culture that is consistent, sustainable, and measurable.

Risk Management Awareness



To create awareness and emphasise the importance of risk management to all levels of employees via e-learning

Risk Management Reporting



To submit enterprise risk management report every quarter to management and bi-annually to the Risk Committee

Enterprise Risk Process

Thai AirAsia and Risk Management implement the guidelines and the integrated framework in line with the international principles of the ISO31000 standard. The 7 steps of Risk Management process are:

- 1. Define and review** criteria for evaluating risks, both internal and external, as well as determining risk management strategies and objectives for the company including acceptable levels of risk.
- 2. Identify** the event that could have a negative impact on the Company's ability to achieve target or mission considering both internal and external factors.
- 3. Assess** the identified risks by considering the likelihood of the risk occurring and the potential impact if the risk were to occur by applying the context of the degree of impact and proximity of the threat. Correlating the risks and how it could impact other risks as well as prioritising the risk based on the risk level.
- 4. Plan** to prepare for and mitigate the impacts of potential threats, and to increase business opportunities while considering the level of risk along with cost management.
- 5. Implement or respond** to risks that are defined with high and very high likelihood of occurrence.
- 6. Monitor and review** the risk management system, the effectiveness of controls placed and changes to the business environment.

- 7. Communicate and report** to the Audit and Risk Committee as well as providing regular reports to Management accordingly.

Strategic Risk

- 1. The potential for losses due to current market competition**

The COVID-19 pandemic has severely affected the aviation industry, forcing some airlines to cease operations or resize their business. To sustain ongoing operations through the disruption, Thai AirAsia expands its offering "Beyond Just Affordable Flights" with the launch of logistics and food delivery business. Various products and services besides air travel shall keep existing customers and attract new customers to the brand. Yet its mission is to be the leading low-cost carrier in Asia Pacific. Thai AirAsia has maintained a dominant market share among competitors by boosting flights and frequencies even during the crises. Thai AirAsia carried 9.9 million passengers across Asia Pacific, served 13 destinations in 58 cities and flew 65,300 flights in 2022. To gear up for a return to normalcy and resume operations at full capacity after COVID-19 travel restrictions eased and air travel demand came back, Thai AirAsia has retained much-needed talents, particularly among mechanics, technicians and pilots and has performed robust aircraft maintenance over the past years.

2. Company reputation damaged from Social Media

Nowadays, technology has played a crucial role in all activities of life including travelling. Technology has made travelling easier and more convenient. As part of a digital transformation strategy into a full-fledged OTA (Online Travel Agency) platform, Thai AirAsia has integrated travel technology solutions onto Super App and AVA (AirAsia Virtual Allstars), an online chatbot powered by artificial-intelligence (AI), designed and trained to answer simple inquiries about products and services to help companies respond faster to customers anywhere anytime.

Since the start of the pandemic, AVA received over 45 million queries, which is more than five times the volume of what AVA received in the same period last year. Regardless, about 80 percent of these queries were resolved by AVA but the remaining requests which required further attention, caused passengers dissatisfied and expressed negative feedback on social media. It has impacted a company's image, passengers' trust, possibly leading to losses in revenue.

Hence, Thai AirAsia has set up specialised teams to enhance efficient communication in basic information, procedures, and benefits of the automated system for passengers to get familiarised, understand and adjust to AVA. AirAsia Group has a plan to enhance AVA

with a new software capable of treating customers better and may also rebrand with a new name next year. To approach and engage more users, AVA so far has joined the popular messaging applications like WhatsApp, Facebook Messenger and Wechat and soon Twitter DM, Line and Viber.

3. Climate change from the aviation business and relevant regulations

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is a global scheme to address emissions from international air travel. Agreed on in 2016 by the International Civil Aviation Organisation (ICAO), it obliges airlines which meet following criterias: 1) operating by aircraft weighs more 5,700 kilogrammes on takeoff, 2) annually emitting 10,000 tonnes of CO₂ on international routes, 3) operating for more than three years and 4) flying between both states connecting under the pilot stage of the CORSIA. Airlines must monitor and report their emissions from 2019 and purchase emission reduction units generated by projects in other sectors in order to cover any growth in CO₂ emissions above baseline in its attempt to achieve the goal of net zero emissions by 2050.

With the increasing global air travel, there is pressure on the aviation industry to reduce carbon emissions. CORSIA aims to help international airlines reduce their environmental impact. Thai AirAsia has been selected

by the Civil Aviation Authority of Thailand (CAAT) to participate in CORSIA as a demonstration of the airline's commitment to following international regulations and reducing its carbon emissions. Airlines will use the emissions levels of the years 2019-2020 as a baseline for measuring emissions and if the emissions levels exceed the baseline, the airline will be required to pay compensation from 2021 onwards.

Consequently, the aforementioned policy poses a risk to the aviation industry in terms of its operations. The airline must therefore prepare to manage the release of carbon dioxide and may be liable for costs associated with its emission. This will result in increased operating costs, such as carbon taxes, investment in new technologies to reduce carbon emissions, and higher prices for passengers due to increased costs.

In response, the Company has devised a strategy to maximise fuel efficiency in its flight operations while minimising its impact on the environment through four main approaches, namely [1] efficiently managing the fleet achieved through the use of the Airbus A320neo and A321neo, which are widely recognised as some of the most fuel-efficient narrow-body commercial aircraft, [2] establishing a project to enhance environmental sustainability through improved efficiency in fuel conservation and implementation of green operating procedures, such as environmentally-friendly flight

operations. This includes the use of appropriate equipment to optimise thrust direction and minimising aircraft engine operation while on the ground, [3] using sustainable aviation fuel or SAF, and [4] purchasing carbon credits. In 2022, the Company carried out activities that followed the aforementioned direction, resulting in a lower level of carbon dioxide emissions compared to the standards of 2020. Thus, there was no obligation to compensate for the amount of carbon released.

Operational Risk

1. Operating single fleet type Airbus A320 family with CFM56-5 and LEAP-1A engines

Thai AirAsia operates the Airbus A320 family of aircraft, which uses CFM56-5B and LEAP-1A engines. As all of their aircraft are of the Airbus type, this can lead to delays in delivering new Airbus aircraft as per the Company's procurement orders. In the event of design defects or problems with the Airbus model including the CFM56-5B and LEAP-1A engines, this may affect all aircraft, which may result in [1] Thai AirAsia's aircraft having to be parked for repairs and fixing these issues, impacting the Company's operations and passengers' confidence and [2] the expiration of a lease agreement may also affect the Company's flight operations and finances due to the fluctuation in prices of operated A320.

Thai AirAsia has conducted an initial assessment of risk, which encompasses all details of aircraft and engine types, prior to their use. By considering data and each model's history, it was found that these aircrafts have a high level of safety and cost-effective services for the Company's flight operations. Moreover, the Company continuously monitors industry news and updates their operations based on the use of these aircrafts in conjunction with other manufacturers and maintenance units. In terms of safety and maintenance operations, the airfield is managed in a systematic and timely manner to prevent or reduce damage that may occur from the aforementioned aircraft models. Regular maintenance checks and inspections are performed according to schedule to ensure the safety and reliability of the aircraft. Moreover, market conditions and the sales potential of the aircraft are evaluated as they reach their end-of-life to maximise the flexibility of the remaining operational aircraft and prevent interruptions in the Company's normal operations.

2. Thai AirAsia is dependent on automated systems and the internet in its business operation

As part of the leading sustainable travel technology company, Thai AirAsia automates its business and improves efficiency through technology adoption connected to the internet, which facilitates passengers and company in many facets of an operation. Online reservation via airasia.com and airasia Super App increased up to

66 percent in 2022. Online technology is another tool to enhance business communication. It can be used to increase effective communication both internally and externally to improve brand awareness, purchase decisions and brand loyalty as well as achieving seamless organisational alignment and operational efficiency.

Thai AirAsia continues to improve network performance, accuracy and connectivity in order to satisfy the demands of passengers as the failure of connectivity can be catastrophic to the Company, exposing it to the risks of penalty charge, lost revenue, reduced productivity and customer complaints. In regard to collaboration with AirAsia Group, Thai AirAsia has a standardised review process and measurement of network performance along with backups and business continuity plans against any disruptions.

3. Business operations of Thai AirAsia rely on the Company's relationship with Capital A Berhad

Thai AirAsia received support from Capital A in many ways, including allowing Thai AirAsia to have the exclusive right in Thailand to use the trade name "AirAsia" for the business of Thai AirAsia and access to marketing knowledge, business operations, and customer service. In addition, Thai AirAsia leases aircraft under an operating lease agreement from AirAsia Mauritius ("AAM"), a subsidiary of AAB, who manages aircraft procurement and allocation in each country. Airbus, the manufacturer,

does not have a direct contract with Thai AirAsia. The lease overall will expire between 2022 and 2030. The Company also relies on online sales channels from AirAsia Com Travel Sdn Bhd ("AACOM") and joint support from AirAsia Sea Sdn. Bhd ("AASEA").

In the past year, Thai AirAsia entered into an agreement with Asia Digital Engineering ("ADE"), a subsidiary of AAB, for engineering and maintenance support. Also, Thai AirAsia relies on information technology such as core software systems (centred in Kuala Lumpur) namely [1] NewSkies 4.3, developed by Navitaire, used for management/reservation and ticket sales, [2] Oracle Cloud Application used for financial operations and procurement, [3] Swiss Aviation Software Ltd.'s AMOS used for engineering management, aircraft maintenance and transportation, etc.

Doing business reliant on its relationship with Capital A may expose it to operating cost risks if Capital A increases its fees, which the Company may be disqualified if it is unable to bear such costs. In addition, the system developed through Capital A may not be suitable for the environment and market conditions of Thai AirAsia or if the main software system crashes, it may affect the business operations of Thai AirAsia as well.

The Company's senior executives hold regular meetings in order to assess the situation regarding issues

of relationship and dependency with Capital A. Also, a contingency plan for the core software systems used by Thai AirAsia was created. Prioritisation of usage of spare parts for the aircraft of Thai AirAsia's was considered to implement a quick maintenance and repair plan.

Financial Risks

1. The risk of sustained losses resulting in negative shareholders' equity which may affect the ability to repay debt

Due to the pandemic of the COVID-19 that has affected the number of trips and the number of passengers greatly reduced together with the suspension of flight services according to government policy, this caused the Company to have insufficient income to cover expenses. As a result, the Company continued operating losses since 2019 causing the Company to have negative shareholders' equity. The Company solved the problem by increasing capital twice, on 8 December 2021 in the amount of Baht 3,900 million and on 17 February 2022 in the amount of Baht 6,000 million, totaling Baht 9,900 million. As of 31 December 2022, the Company still had negative shareholders' equity of Baht 12,904.9 million. Control costs and expenses continued to be performed in order to return to profit from operations and to clear accumulated losses in the future

As of 31 December 2022, the Company had a loss before interest expenses, taxes, depreciation and amortisation (EBITDA) of Baht 2,302.6 million and interest-bearing liabilities of Baht 43,844.2 million, resulting in the inability to calculate the interest-bearing debt to EBITDA. In addition, the loss resulted in a negative interest coverage ratio (ICR) of 1.04 times and a negative debt service coverage ratio (DSCR) of 0.24. Also, liquidity ratio was at 0.24 times, indicating that the Company is illiquid and has a high short-term debt burden. Overall, this shows that the Company has a risk in the ability to repay debt and may cause a default on debt payment.

As of 31 December 2022, the Company had interest-bearing liabilities due within one year in the amount of Baht 9,740.7 million, consisting of short-term loans from financial institutions in the amount of Baht 750.0 million, short-term debentures of Baht 742.9 million, short-term borrowing from parent company of Baht 89.0 million, current portion of long-term borrowings from financial institutions of Baht 828.0, current portion of long-term debentures of Baht 999.8 million and current portion of liabilities under lease agreements of Baht 6,331.1 million. The interest-bearing liabilities due more than one year was Baht 34,103.5 million comprising of long-term loans from financial institutions in the amount of Baht 2,560.3 million, debentures in the amount of Baht 1,417.8 million, and liabilities under hire-purchase contracts due more than one year in the amount of Baht 30,125.4 million.

The Company plans to repay the portion of long-term loans from financial institutions due within one year from capital increase, borrowing and debenture issuance, and the Company plans to repay the debentures due in June 2023 from operating income including cash that the company has. As of 31 December 2022, the Company had cash and cash equivalents in the amount of Baht 794.1 million. In the situation of the COVID-19 epidemic, the Company negotiated with the aircraft lessor to adjust the conditions to relieve various rental fees, such as extending the contract term in exchange for exemption from rent, etc. In the past, the Company has had no problem being unable to repay debentures or loans from financial institutions or lease liabilities. However, if the Company is unable to issue the new debentures in full amount, the Company still has a reserve fund loans from related companies and is in the process of requesting a loan from a financial institution for debt repayment if such reserve funding source is insufficient. The Company will need to procure additional liquidity from other sources to pay off debts that are due or negotiate to adjust the repayment conditions if the Company is unable to provide additional liquidity may result in debt that is due to default.

2. The risk of maintaining financial ratios with financial institutions

The Company must maintain the net financial debt to equity ratio (Debt Covenant) with financial institutions

at the end of 2022 not exceeding 3 times. As of 31 December 2022, the above ratio could not be calculated due to negative equity. Therefore, it is considered that the Company is unable to maintain financial ratios (Covenant) in accordance with the requirements of financial institutions. However, the Company received a letter of waiver from financial institutions on 26 December 2022 for the 2022 financial statements and was not considered a breach of the loan agreement.

However, if the Company has an increased debt burden or has poor operating performance, there may be a risk that the Company will not be able to maintain financial ratios in accordance with the terms and conditions with financial institutions if the financial institution does not grant a waiver. This may result in such financial institutions calling for premature repayment, resulting in the Company losing liquidity and being unable to pay debts which may be in the category of debenture default (Cross Default).

In this regard, the Company has remedies and supporting plans to maintain the ratio of debt to shareholders at an appropriate level as follows:

1. Negotiate with financial institutions regarding the Company's operating results to request a waiver

2. Improve operational results to return to profit.

3. Cash flow management risks in the business

The aviation industry inevitably faces significant risks in managing its cash flow. It is a result of unexpected events that can happen at any time such as a loss of aircraft, an emergency or serious incident, terrorism, natural disaster or a serious epidemic. This may affect business operations causing the Company to temporarily or permanently suspend flight operations and affect the cash flow of the Company's operations. Sometimes the damage caused is greater than the value of compensation under the insurance policy.

The Company has assigned the Finance Department to continuously plan and prepare cash flow budgets, including planning to find funding sources to bring more liquidity if necessary. While the Human Resources Department asks for cooperation from employees to save costs in order to improve cash flow management and liquidity under a crisis, such as allowing employees to work from home or asking employees for voluntary leave without pay, etc.

4. High Operating Cost due to fuel price may have a negative impact on the business

The cost of fuel is the main expense in operating the aviation business. The Company had fuel costs accounting for 31 percent of the Company's

operating costs in 2022. The Company's operations will be greatly affected if jet fuel prices rise, and therefore has a policy to hedge against jet fuel prices in order to reduce the volatility of fuel costs. In addition, the Company has a policy to manage the rate of jet fuel consumption in the flight operations.

However, as of 31 December 2022, the Company did not have a fuel hedging position due to uncertain fuel consumption and the oil price was still high, which the Company expected that the oil price would likely decline.

5. The risk of fluctuations in foreign exchange rates may have a negative impact on the business

Since the Company's revenues and expenses are denominated in many foreign currencies, the Company has effectively managed the risk of exchange rate fluctuations. It is managed under natural hedging policy, i.e. a management of expenses to be in the same currency as revenue as much as possible. After that, the Company manages cash flow by managing the balance of each currency into the currency in which the Company's main expenses are used, such as maintenance contracts, aircraft lease agreement, aviation fuel supply contract. This is conducted through structured loans in different currencies adjusted to

correspond to the currency of Net Operating Cash Flow. Also, the Company reduces the risk of excessive foreign currency debt by trying to have more Baht-denominated debt in order to reduce the volatility of gains/losses from exchange rates in the Company's financial statements. The Company manages the risk of foreign exchange with financial instruments such as cross currency swap (CCS) as well as spot and forward foreign exchange. Although the Company has entered into foreign currency hedging transactions, managing such risks may not completely eliminate them.

6. The Interest Rate Volatility

The Company may have to incur significant debt burdens in the future to raise funds for the purchase of aircraft and to use as an investment expense or as an expense according to business expansion plans. Some of these may be liabilities with floating interest rates. An increase in interest rates will result in an increase in the Company's future cost of borrowing. The Company has taken measures to mitigate interest rate fluctuations by fixing certain interest rates in the negotiating process of finance leases and considering the use of financial instruments. As of 31 December 2022, the ratio of debt with floating interest rates to fixed interest rates was approximately 45:55.

Compliance risk

1. The leakage of personal information of passengers and employees-Data breach

As Thailand has announced the enforcement of the Personal Data Protection Act (PDPA) 2562 B.E. on 1 June 2022, some penalties might incur if the Company does not comply such as [1] fines, sanctions from relevant authorities, investigations, investments in new safety measurement. legal fees, etc. [2] lack of confidence in the storage of personal information from passengers, [3] leakage of personal information, and [4] corruption in databases.

In the digital age where every citizen has access to the internet, most of today's airline transactions can be done via the internet as well. Personal information and credit card information are stored digitally. Therefore, there is a risk of leakage to the outside including the theft of important information of both passengers and staff. Also, there is a risk that employees who deal with personal information can cause some errors. Thai AirAsia is fully aware of cyber threats and has formulated the information security policy which complies with the PDPA, the Information Security Management System section of ISO 27001, and

the Payment Card Industry Data Security Standard (PCI DSS) to enhance cybersecurity. It includes building an awareness for staff and training of cybersecurity and PDPA compliance, and ensuring data governance framework to prevent data leakage, together with improving protection levels with continuous monitoring of any vulnerability to breach attacks.

2. The aviation industry is governed and regulated by international aviation safety and standards

The Civil Aviation Authority of Thailand (CAAT) is an independent agency of the Thai government under the oversight of the Minister of Transport. It is responsible for prescribing, regulating, and auditing Thai civil aviation. Any instances of non-compliance with the laws, rules, procedures, and International Standards. identified by the CAAT affects flight suspension, route suspension, limitation of flight frequency, the suspension or cancellation of licence or certificates or imposition of any fine penalties.

The COVID-19 pandemic has had a significant impact on Thai AirAsia which massively reduced revenues and forced it to reduce capital expenditures, operational costs and a number of employees, resulting in a shortcoming in training to fulfil the safety standards and regulatory requirements.

After the aviation industry was beginning to recover from Covid-19 in the past year, Thai AirAsia accelerated proactive plans to remediate the deficiency and included additional procedures to ensure the significant deficiency is not repeated in the future. We also followed the IATA Operational Safety Audit (IOSA), a global industry standard for airline operational safety auditing, and assigned the aviation safety department (or corporate safety) to ensure that the safety of employees is not put at risk. Thai AirAsia has established proactive methods to identify work-related risks, and eliminate or minimise them so far as is reasonably practicable, together with continuous updates of standards to reflect regulatory revisions and publishing safety-related issues within the organisation. Further, Thai AirAsia has set up the Quality Assurance Department and the Internal Audit Department to ensure compliance and maintain operational safety, efficiency and quality.

3. The compliance of the Air Navigation Act B.E. 2497 (1954) and other related laws

Since Air Navigation Act B.E. 2497 and its secondary legislations as well as Regulation of the Civil Aviation Board No.97 Re: Granting Licensing to Civil Aviation Business: Commercial Air Transport and Aerial Work

and the notifications of Civil Aviation Board impose that Thai airline shall directly or indirectly have Thai shareholders not less than 51 percent of the total shares (“Eligible Persons”), AAV and Thai AirAsia, consequently, have been aware of such issues and been complying with the aforementioned regulations as the violation of the regulations may result in the withdrawal of Air Operation Licence (AOL) and Air Operator Certificate (AOC) of Thai AirAsia. The foreign limit set for AAV was not exceeding 0.1 percent of total shares. In addition, Thai AirAsia must comply with the Foreign Business Act 2497 B.E., The Declaration of the Revolutionary Council Release 58, and the Air Navigation Act which indicate that Thai AirAsia’s shareholders must consist of persons with Thai nationality for not less than 51 percent of the total capital, whether it is a person of each type alone or a combination of types defined as follows.

- (1) Natural person who holds Thai nationality;
- (2) Ministry, sub-ministry, department or State agency;
- (3) Limited company or public limited company which Ministry, sub-ministry, department or State agency hold not less than 51 percent of the total shares;
- (4) Limited company or public limited company which natural person, who holds Thai nationality, hold not less than 51 percent of the total shares;

- (5) Limited partnership, of which all partners of the unlimited liability hold Thai nationality and not less than 51 percent of the capital belongs to a natural person holding Thai nationality;
- (6) Registered ordinary partnership, of which all partners hold Thai nationality;
- (7) Mutual funds established under the Securities and Exchange Act where a securities company, which is not a foreigner pursuant to the Foreign Business Act, is responsible for the operation of the mutual fund.
- (8) Provident funds established under the Provident Fund Act, which is not a foreigner pursuant to the Foreign Business Act, with a fund manager who is not a foreigner pursuant to the Foreign Business Act.
- (9) Limited company or public limited company in which the juristic person under Clause (7) or (8) holds not less than 51 percent of the total shares
- (10) Limited company or public limited company in which a natural person who hold Thai nationality under Clause (1), a juristic person under Clause (2), (3) or (4) or a juristic person under Clause (7) or (8), collectively hold not less than 51 percent of the total shares;

In this regard, the juristic persons under Clause (3) (4) (5) (6) (7) (8) (9) or (10) above must be registered under Thai law and have a head office located in the Kingdom of Thailand.

In summary, the Air Navigation Act stipulates that Thai AirAsia must have persons who are not eligible persons and persons who are not Thai nationals directly and indirectly holding shares in Thai AirAsia not exceeding 49 percent of the total shares of Thai AirAsia. The Company reserves the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company’s group to lose its rights under the Air Navigation Act. This might result in such a non-eligible person having to sell the Company’s shares. If the transfer of shares continues to result in the violation of all criteria above, this may lead to the suspension of the air navigation licence and cause significant negative effects on the business such as financial issues, operating results and business prospects of Thai AirAsia. In addition, if the proportion of foreign shareholders reaches the maximum limit, Thai shareholders will be restricted in transferring shares to foreigners. This will cause a lack of liquidity and affect the market price including

the risk if the Company has shareholders that do not comply with the regulations specified. This may have a serious negative impact on the Company's business operations, including a risk of being suspended from the status of an airline in Thailand and may face a revoke of international aviation rights.

In limiting such risks, prior to the closing date of share register book, the Company will verify names of Non-Eligible Persons and refuse with the share registra to accept whose shares which may cause the Company to lose its rights under the Air Navigation Act. Moreover, the Company has communicated to investors who do not belong to the categories described above to be aware of the risks and recommended them to buy the Company's shares through the Non-Voting Depository Receipt (NVDR) instead.

Emerging Risk

1. Challenges from flight suspension to/from China as the world's largest aviation market

Air travel has continued to recover from COVID-19 after more countries eased travel restrictions and opened up their borders. China is one of the world's largest

aviation markets and its reopening has positive impacts toward Thailand aviation and benefits Thai AirAsia as a goldmine since prior to the pandemic.

However, Thai AirAsia keeps monitoring the situation of the pandemic which may become more severe as China flights resume, whereas some countries have imposed new COVID-19 measures on travellers coming from China. Since the virus continues to mutate and spread more easily, the effectiveness of the vaccines continues to wane. This may bring suspension rules on international flights to China and potential for the Company to lose revenue. Hence, the Company has carefully evaluated the impact of flight suspensions before operating and has studied the potential of new destinations such as flights to Japan and India to reduce business risks exposures.

2. Challenges arising from lack of readiness of personnel

The pandemic has affected the operations of Thai AirAsia and possibly the operations of business partners including airport ground handling agents. These companies may reduce workforce by termination or suspension of employment contracts to keep business

continuity during the crisis. Hence, they may need more time for recruitment and training prior to the resumption of flights, leading to business decelerations while the travel demand is increasing. This brings challenges to the Company in losing revenue and customers to competitors.

Thai AirAsia realises the risk and has created an advanced planning framework by paralleling the process of budget allocation, resources, contract reviews and route planning.

3. Challenges in resuming routes to which Thai AirAsia has flown

In recent years, important supply chains related to operations of airlines, including business partners, passengers, operators involved in operations have been affected by the COVID-19. Thailand's aviation industry has slowed down, while various airlines necessitated operational executions in critical situations, which included reducing the number of flights, the number of employees, and the number of aircraft in flight operations, to maintain business continuity until the situation returns to normal. Although Thai AirAsia has been implementing risk management in advance

and providing supportive measures in various forms, the effects from the pandemic have been persistent and continuous. As a result, the business may take a long time to recover. When the situation started to improve, driven by ease in travelling restrictions, Thai AirAsia implemented strategies to quickly resume its operations and strengthen its market position. This included a launch of new routes and destinations and plans to resume all flights flown before the pandemic. However, the operation might be affected if the Company cannot operate a sufficient number of active aircraft. Therefore, the Company has accelerated aircraft maintenance plans to activate the entire fleet to support more routes and flights in the future. Also, the Company has a contingency plan for aircraft leasing from the AirAsia group if the aircraft activation does not go as planned.



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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FULL YEAR OF 2022

Executive Summary



The global tourism industry finished the year on a strong note. Despite headwinds, the industry's recovery is on track.

Globally, air passenger traffic picked up steam in 2022 and rebounded significantly, reaching 68.5%¹ of revenue passenger kilometres (RPKs) in 2019. The figures showed that tourism and air travel are in high demand along with improving traveller sentiment. Domestic travel recovered better in 2022, with international travel catching up gradually in the second half after many countries lifted restrictions on international borders. Nevertheless, Asia-Pacific continued to lag other regions due to slower border reopening,

especially in China, which maintained a zero-COVID policy. According to the International Monetary Fund ("IMF"), 2022 global GDP grew by 3.4% year-over-year ("YoY") pressured by China's subdued growth and the Russia-Ukraine war. Consequently, the average Brent oil price in 2022 was at USD 100.9 per barrel, up 42% YoY deepened by the subsequent sanctions placed on Russia. Meanwhile, central banks' monetary policies to combat high inflation rates may result in a short-term economic slowdown, particularly

in the United States and Europe. This has created turbulence in currencies in which the USD hit a 13-year appreciation during the first nine months of 2022 but then highly depreciated in 4Q2022. The Thai Baht

started the year at 33.6 Baht per USD and rose to 38.1 Baht per USD in 3Q2022 before finishing at 34.7 Baht per USD in 4Q2022.



Thailand surpassed its 10 million tourist goal for 2022 with 11.25 million visitors, a leap from 428,000 the year before when strict travel restrictions were in place.

The numbers, which exceeded the government's goal, showed a significant improvement as Thailand attempted to recover its crucial tourism sector. In 4Q2022, there were 5.46 million tourist arrivals, compared with 3.61 million in the previous quarter, fuelled by relaxed economic conditions and year-end seasonality. As a result, the number of international arrivals recorded 11.2 million in 2022, a significant increase from 428,000 in 2021, with passengers

from ASEAN, Europe, and South Asia accounting for 41%, 23%, and 11%, respectively. On the other hand, domestic tourism experienced strong demand, with 224.8 million total visits, increasing 208% YoY, supported by government stimulus packages and pent-up demand. In 2023, the Tourism Authority of Thailand ("TAT") anticipates 30 million international visitors, including 7-8 million from China, Thailand's largest source market prior to the pandemic.



2022 performance of Asia Aviation Public Company Limited ("the Company") and Thai AirAsia Company Limited highly improved but pressured by unrealised FX loss.

In 4Q2022, Thai AirAsia recorded the best operational quarter since COVID-19 supported by an accelerating number of passengers of 4.06 million with a load factor of 90%. With cost control, EBITDA in 4Q2022 turned profitable at Baht 1,628.9 million, the first time in 11 quarters. For 2022, Thai AirAsia carried 9.95 million passengers, while the overall capacity has recovered to 46% of the pre-COVID level (or 72% for 4Q2022). Underpinned by the 84% load factor, the Company's total revenue stood at Baht 18,290.8 million, increasing

306% YoY. CASK continued to decrease to Baht 2.62, down 42% YoY. However, incorporating the Thai Baht depreciation and fuel price hikes during the year, the Company reported a net loss of Baht (8,214.4) million. Normalising the unrealised FX loss and loss from derivatives totalling Baht (1,460.0) million, the Company continued to narrow its EBITDA loss in 2022 to Baht (1,277.9) million, highly improved from Baht (3,109.6) million in 2021.

¹ The International Air Transport Association (IATA)

Financial Performance Summary

Asia Aviation Public Company Limited is a sole shareholder of Thai AirAsia Company Limited (“Thai AirAsia”), an airline operator of Thai AirAsia which the Company holds 100 percent.

Asia Aviation’s financial performance for the year ended 31 December 2021 and 2022 have been summarised below:

Statement of Comprehensive Income

Asia Aviation Public Company Limited Unit: Baht million	Consolidated For the three month period ended 31 December			Change	Consolidated For the year ended 31 December			Change
	2022	2021			2022	2021		
Total revenues	12,498.8	2,152.1		+481%	18,290.8	4,508.2		+306%
Total expenses	8,218.0	4,266.1		+93%	26,766.4	16,358.8		+64%
Profit (loss) from operating activities	4,280.8	(2,114.0)		N.A.	(8,475.6)	(11,850.6)		+28%
Profit (loss) for the period	3,114.4	(1,671.4)		N.A.	(8,214.4)	(11,957.9)		+31%
Equity holders of the Company	3,114.4	(992.7)		N.A.	(8,030.0)	(6,647.5)		-21%
Non-controlling interests of the subsidiary	-	(678.6)		N.A.	(184.4)	(5,310.5)		+97%
Total comprehensive income for the period	3,239.6	(1,486.3)		N.A.	(7,978.3)	(11,531.5)		+31%
Equity holders of the Company	3,239.6	(864.9)		N.A.	(7,846.2)	(6,386.9)		-23%
Non-controlling interests of the subsidiary	-	(621.3)		N.A.	(132.0)	(5,144.6)		+97%
Basic/Diluted Earnings (loss) Per Share (Baht)	0.2393	(0.1939)		N.A.	(0.6921)	(1.2985)		+47%
EBITDA Reconciliation								
Profit (loss) from operating activities	4,280.8	(2,114.0)		N.A.	(8,475.6)	(11,850.6)		+28%
Gain (loss) on exchange rate	3,712.0	532.8		+597%	(1,361.9)	(3,654.4)		+63%
Gain (loss) on derivatives	(80.6)	18.2		N.A.	(98.0)	391.2		N.A.
Gain (loss) from disposal assets	415.4	(43.2)		N.A.	376.3	(43.5)		N.A.
Depreciation and amortisation	1,394.8	1,886.1		-26%	6,114.1	5,434.3		+13%
EBITDA	1,628.9	(735.7)		N.A.	(1,277.9)	(3,109.6)		+59%

Revenue

Due to the resurgence of COVID-19 cases in Thailand and the Company's compliance with the regulation, Thai AirAsia suspended the operation temporarily between 12 July and 2 September 2021.

Total revenues in 2022 were Baht 18,290.8 million, up 306% from last year as the pandemic subsided, resulting in an accelerating recovery in tourism, especially after 1 July 2022 when the government relaxed its COVID-19 curbs and fully opened the borders. Consequently, Thai AirAsia carried 9.95 million passengers during the year, increasing 240% from last year, leading to an increase in ASK of 243% and a seat capacity increase of 176%. The domestic capacity has recovered by 63% compared to the pre-pandemic level, marking Thai AirAsia's leadership in the domestic market. On the other hand, the international capacity excluding China has recovered by 31% compared to the pre-pandemic level, led by flights to ASEAN and South Asia, particularly, Vietnam, Malaysia, Singapore, and India. Moreover, Thai AirAsia continued its remarkable on-time performance ("OTP") at 92%.

- **Revenues from sales and services** were reported at Baht 17,553.3 million, increasing by 358% compared to the same period last year, attributable to the total passengers of 9.95 million and a healthy average fare of Baht 1,434 per passenger, rising by 32% from the reinstatement of more international flights and the imposition of fuel fluctuation fee for domestic

flights. Thai AirAsia utilised an average of 29 operating aircraft in 2022 compared to an average of 15 aircraft in 2021, with an elevated utilisation rate of 9.6 hours per aircraft per day, the highest rate since the pandemic. As a result, RASK was strongly posted at Baht 1.70, exceeding Baht 1.49 and Baht 1.28 in 2019 and 2021, respectively.

- **Ancillary income** was Baht 3,318.7 million, increasing by 410% from last year, driven by the fees from checked baggage, seat selection, processing & service fees, and the resumption of international flights. Ancillary income accounted for 19% of revenues from sales and services, while ancillary income per passenger increased to Baht 334, up from Baht 222 in 2021.

- **Other income** was Baht 737.5 million, increasing by 8% compared to last year, primarily due to the Baht 422.9 million gain from aircraft disposals in 4Q2022.

Cost and Expense

Total expenses were Baht 26,766.4 million, up 64% from the previous year, attributed primarily to higher fuel and maintenance and overhaul costs following the fuel price increase and activation of 17 aircraft in the year.

- **Cost of sales and services** stood at Baht 23,533.5 million, rising by 111% compared to the same period last year, in line with the 172% increase in the number of flights flown.

- **Fuel costs** were Baht 8,277.0 million, up 489% compared to last year, due to a 226% YoY higher fuel consumption, while the average jet kerosene price hiked 71% YoY to USD 124.4 per barrel. Currently, the Company is not in any fuel hedging position.
- **Staff costs** were Baht 2,824.5 million, up 40% from the previous year due to a higher number of onboarded staff for flight operations, corresponding to increased operating aircraft.
- **Maintenance and overhaul costs** were Baht 4,000.5 million, up 145% from the previous year due to higher maintenance costs to bring the grounded fleet back into service. The Company completed the redelivery of six aircraft in 2022 and is currently redelivering one more aircraft in 1Q2023.
- **Other costs of sales and services** were Baht 8,431.5 million, increasing by 38% from last year, mainly from depreciation and amortisation of rights-of-use assets, while ramp and airport operation expenses rose from higher number of flights flown.

- **Selling and administration expenses ("SG&A")** were Baht 1,711.0 million, up 38% from the previous year, primarily due to the expenses paid to AirAsia Com Travel in response to the increase in sales. In 2022, SG&A was 10% of revenues from sales and services, down from 32% in the previous year, and narrowing the gap with 2019 at 8%.

- **Other expenses** were Baht 1,521.9 million, decreasing by 61% compared to the previous year, mainly from a decrease in unrealised loss from the exchange rates.

Overall, CASK significantly reduced to Baht 2.62 as opposed to Baht 4.51 in 2021. With fuel costs excluded, CASK ex-Fuel was Baht 1.81, a significant decrease from Baht 4.04 in 2021, driven by proactive cost management and a marked increase in ASK.

Profit and Loss

In 2022, the Company recorded a narrower EBITDA loss of Baht (1,277.9) million, a 59% improvement from last year, due to the recovery in operating performance. Finance costs were Baht 2,219.5 million, increasing by 17% mainly due to the interest expenses from TFRS 16 on lease liabilities and higher cost of funds. In comparison, the effective interest rate stood at 5.0%, increasing from 4.5% in 2021. Income tax revenue for the year was Baht 2,451.6 million, mainly from the carry forward of tax losses for the period. As a result, the Company reported a net loss for the period attributable to the equity holders amounting to Baht (8,030.0) million, compared to a loss of Baht (6,647.5) million in 2021, with basic and diluted loss per share of Baht (0.69), taking into account the recognition of 100% of Thai AirAsia's net loss compared to 55% in the same period last year.

Key Operating Statistics

Thai AirAsia Company Limited	4Q/2022	4Q/2021	Change	FY2022	FY2021	Change
Passenger carried (million)	4.06	1.15	+253%	9.95	2.93	+240%
Capacity (million seats)	4.52	1.51	+199%	11.90	4.31	+176%
Load factor (%)	90	76	+14 pts	84	68	+16 pts
Revenue passenger kilometres (million seats-km)	3,774	783	+382%	8,627	2,083	+314%
Available seat kilometres (million seats-km)	4,246	1,030	+312%	10,308	3,002	+243%
Average fare (Baht)	1,652	1,130	+46%	1,434	1,090	+32%
Revenue per available seat kilometres (Baht)	1.95	1.49	+31%	1.70	1.28	+34%
Cost per available seat kilometres (Baht)	2.02	4.33	-53%	2.62	4.51	-42%
Cost per available seat kilometres (ex-fuel) (Baht)	1.23	3.75	-67%	1.81	4.04	-55%

A snapshot of Asia Aviation's financial performance for the three-month ended 31 December 2021 and 2022 has been summarised below:

Thai AirAsia experienced a successful 4Q2022, marked by an uptrend of passenger numbers, reaching 4.06 million, a 253% YoY growth and 47% QoQ. This was fuelled by domestic passenger growth of 43% QoQ, while international passengers saw a robust 61% QoQ growth. During this quarter, Thai AirAsia inaugurated new routes, including the first flights from

Don Mueang to Fukuoka, Dhaka, and Lucknow, and introduced new routes from the Chiang Mai hub to Danang and Hanoi. In addition, flight frequency to Singapore was doubled to 42 flights a week following the opening of Changi's Terminal 4. By year-end, Thai AirAsia had 42 operating aircraft and posted an overall load factor of 90%, a level not seen since 1Q2019.

As a result, AAV reported **total revenue** of Baht 12,498.8 million, an increase of 481% YoY and 155% QoQ. The **average fare per passenger** was Baht 1,652, an increase of 46% YoY and 18% QoQ, mainly due to the imposition of the domestic fuel fluctuation fee and a healthy fare environment for international flights. Additionally, **ancillary income** grew to Baht 1,571.3

million, increasing by 567% YoY and 65% QoQ, while **ancillary income per passenger** reached a record of Baht 387, driven by revenues from checked baggage, processing fees, and inflight services.

Cost of sales and services reached Baht 7,591.9 million, up by 100% YoY and 15% QoQ. The increase

was mainly driven by higher **fuel costs**, which reached Baht 3,369.1 million, an increase of 464% YoY and 35% QoQ, as a result of the rising jet fuel prices and an increase of 196% YoY and 43% QoQ in the number of flights flown. Meanwhile, **staff costs** rose to Baht 971.2 million, an increase of 54% YoY and 37% QoQ, in line with the higher number of flights flown. **Maintenance and overhaul expenses** stood at Baht

900.6 million, increasing by 50% YoY but decreasing by 22% QoQ. The drop QoQ was from lower redelivery expenses and a lower rate of aircraft activation. **SG&A** expenses increased by 66% YoY and 35% QoQ to Baht 555.5 million, mainly from online sale commissions paid to AirAsia Com Travel. However, **SG&A to revenues from sales and services** decreased from 22% in 4Q2021 and 9% in 3Q2022 to 7% in this quarter.

In summary, AAV reported a positive **EBITDA** of Baht 1,628.9 million, the first since the COVID-19 pandemic. The appreciation of the Thai Baht from 38.1 Baht per USD in 3Q2022 to 34.7 Baht per USD in this quarter resulted in an unrealised FX gain of Baht 3,712.0 million, while **finance costs** were Baht 484.2 million, decreasing by 15% YoY and 23% QoQ due to lower debt and lease liabilities. Additionally, there was **income tax expense**

amounted to Baht 689.9 million. Consequently, AAV recorded a **net profit for the equity holders of the Company** of Baht 3,114.4 million, an improvement compared to a net loss of Baht (992.7) million in 4Q2021 and Baht (4,050.2) million in 3Q2022.

Statement of Financial Position

Asia Aviation Public Company Limited Unit: Baht million	Consolidated		Change
	As at 31 December 2022	As at 31 December 2021	
Total assets	64,685.5	71,208.3	-9%
Total liabilities	56,731.1	54,379.5	+4%
Equity attributable to owners of the Company	7,954.4	20,201.1	-61%
Non-controlling interests of the subsidiary	-	(3,372.3)	N.A.
Total shareholders' equity	7,954.4	16,828.8	-53%



Assets

As of 31 December 2022, the Company had Baht 64,685.5 million of total assets, decreasing by 9% from the end of 2021 mainly from lower cash and cash equivalents, right-of-use assets, aircraft maintenance reserves, and fixed assets⁽²⁾ while partially offset by higher deferred tax assets.

- Current assets were Baht 5,236.3 million, decreasing by 32% compared to the end of 2021. Cash and cash equivalents stood at Baht 797.8 million, dropping by 85% mainly due from net repayment in debt. Amounts due from related parties rose by 132% to Baht 2,539.9 million mainly from sales received on behalf for the Company within the AirAsia Group.

- Non-current assets were Baht 59,449.2 million, declining by 6% from Baht 4,351.0 million of fixed and right-of-use assets being depreciated and Baht 1,902.9 million of aircraft maintenance reserves amortised for aircraft overhaul activities, offset by an increase in deferred tax assets of Baht 2,084.6 million mainly incurred from operating loss.

Liabilities

As of 31 December 2022, the Company reported total liabilities of Baht 56,731.1 million, increasing by 4% from the end of 2021 mainly from higher unearned income and accrued expenses, offset by lower liabilities under lease agreements and interest-bearing debt.

- Current liabilities were Baht 21,893.1 million, increasing by 25%. Unearned income rose by 96% to Baht 4,750.9 million mainly from the improvement in travelling sentiment, while accrued expenses increased by 68% to Baht 4,137.8 million due to higher accrual for aircraft maintenance reserve.
- Non-current liabilities were Baht 34,838.0 million, decreasing by 5% mainly from lower lease liabilities which dropped by 4% to Baht 30,125.4 million following lease payment during the year.
- Interest-bearing debt excluding lease liabilities was Baht 7,298.8 million, down from Baht 7,664.3 million following a net repayment in debentures and borrowings.

Equity

As of 31 December 2022, the Company had Baht 7,954.4 million of total shareholders' equity, declining by 53% from the end of 2021 mainly due to the deficits from the operating loss for the period partially offset by a higher share premium from the right offering and the converted debentures in the year. Overall, the Company's interest-bearing (excluding lease liabilities) debt-to-equity and net debt-to-equity ratios equalled 0.92x and 0.82x, respectively.

Cash Flows

Asia Aviation Public Company Limited

Unit: Baht million

	Consolidated For the year ended 31 December	
	2022	2021
Net cash generated from (used in) operating activities	564.0	(4,347.0)
Net cash generated from (used in) investing activities	(589.7)	1,283.7
Net cash generated from (used in) financing activities	(4,530.7)	7,313.6
Net increase (decrease) in cash and cash equivalents	(4,556.4)	4,250.3
Unrealised exchange gain (loss) on cash and cash equivalents	(5.4)	(1.1)
Cash and cash equivalents at the beginning of the period	5,359.6	1,110.4
Cash and cash equivalents at the end of the period	797.8	5,359.6

Key Financial Ratio

Asia Aviation Public Company Limited

	Consolidated For the year ended 31 December	
	2022	2021
Current Ratio (excluding lease liabilities)	0.2x	0.4x
EBITDA Margin	(7%)	(81%)
Net Profit Margin	(47%)	(312%)
Return on Assets	(12%)	(17%)
Return on Equity	(66%)	(70%)
Net Interest-Bearing Debt-to-Equity Ratio (excluding lease liabilities)	0.8x	0.1x
Interest Coverage Ratio (excluding interest due to TFRS16)	(2.8x)	(4.4x)

⁽²⁾ Fixed assets comprise property, building, aircraft, leasehold improvements and equipment.

In 2022, the Company had net cash generated in operating activities totalling Baht 564.0 million, turning positive again since 2019 mainly due the strong business recovery in the second half of 2022. Net cash used in investing activities was Baht 589.7 million mainly from the payments for maintenance reserves, for leasehold improvement and acquisitions of equipment, and the acquisition of shares to increase the stake in Thai AirAsia to 100%, a total of Baht 14,789.1 million, offset by the proceeds received from the sales of aircraft and equipment, a total

of Baht 4,292.2 million. Net cash used in financing activities totalled Baht 4,530.7 million, mainly from the Baht 6,763.6 million net payments for lease agreements including the early termination and the Baht 370.9 million net repayments for debentures and borrowings. This was partially offset by the Baht 3,000.0 million proceeds from the right offering during the period. In summary, the Company had Baht 4,556.4 million net decrease in cash and cash equivalents and had a cash balance of Baht 797.8 million at the end of the period.

BUSINESS OUTLOOK

The Company anticipates that the strong momentum of the global tourism industry will continue in 2023.

According to the World Bank's forecast, the GDP growth in the East Asia and Pacific region, which constitutes 96 percent of Thai AirAsia's capacity flown in 2019 (all except South Asia), is expected to increase by 4.3% in 2023, 260 ppts above the average of the global GDP growth forecast. This superior growth is expected to be driven by the reopening of China and the milder inflation severity, which renders the region less susceptible to recession compared to other regions.

Moreover, the Bank of Thailand ("BOT") predicts that Thailand's GDP growth will be 3.7% in 2023, primarily due to the improvements in tourism and domestic consumption, offset by expected slower exports and some deceleration in investments. The Tourism Authority of Thailand ("TAT") has recently revised its inbound tourist target to 30 million, up from 25 million in late January, following promising Chinese

arrivals. The domestic tourism sector is also expected to remain robust.

Thai AirAsia aims to carry 20 million passengers in 2023, compared to its peak of 22.2 million in 2019.

Thailand's Domestic passengers are projected to fully recover to 2019 levels, at approximately 14 million people, while international passengers are expected to quadruple from 2 million in 2022 to 8 million this year, driven by the demand for travelling in ASEAN, a healthy recovery in South Asia, and the resumption of flights to and from China. Thai AirAsia intends to continue leading the domestic market with the most extensive route network and competitive fares while placing more focus on the international market. With the reopening of China, Thai AirAsia plans to resume flights to 11 cities in China by June, accounting for around 73% of weekly flights flown to China in 2019. New international routes will continue to be explored, including potential flights from Don Mueang to Jakarta (Indonesia), Manila

(Philippines), and Colombo (Sri Lanka). This is supported by the fleet size of 53 aircraft, all of which are planned to be fully operated in 2H23. As the Company does not have an aircraft delivery order this year, available aircraft within AirAsia Group might be utilised if the travelling demand is justified later in the year.

With a positive outlook for the top-line, the Company aims to achieve profitability this year driven by lower operating costs per unit from enhanced aircraft utilisation rate at 12.5 hours/aircraft/day and a stronger load factor of 87 percent. However, several uncontrollable downside risks exist, including the prolonged conflict between Russia and Ukraine, which may exert pressure on fuel prices to remain elevated or decline at a slow pace. As a result, the Company is cautious about hedging the fuel price until the reward-to-risk ratio is justified, while continuing to partially hedge foreign currency exposure and attempt to naturally hedge cash inflows and outflows.

In summary, 2023 is expected to mark a return to normalcy as the COVID-19 pandemic is gradually relegated to the past. To capitalise on this trend, Thai AirAsia will maintain its commitment to high service standards reflected in our exceptional OTP and strive to enhance business sustainability through closer collaboration with regulatory bodies and improved communication with passengers. As a participant in CORSIA, Thai AirAsia must monitor and report carbon emissions required by CAAT including participating in carbon offsetting programmes. According to the current flight plans, the carbon credit purchases for 2023, if any, should be immaterial. Despite that, the Company will continue to actively implement the Green Operation programme, including enhancing flight efficiency and exploring the potential use of sustainable aviation fuel (SAF) in the medium term to mitigate our carbon footprint.

FINANCIAL STATEMENTS OF ASIA AVIATION PUBLIC COMPANY LIMITED FOR THE PAST THREE YEARS

Statement of Financial Position	As at 31 December					
	Audited 2020		Audited 2021		Audited 2022	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Assets						
Total current assets	2,760.2	4.1	7,672.9	10.8	5,236.3	8.1
Total non-current assets	65,217.5	95.9	63,535.4	89.2	59,449.2	91.9
Total assets	67,977.7	100.0	71,208.3	100.0	64,685.5	100.0
Liabilities and shareholders' equity						
Total current liabilities	17,823.3	26.2	17,560.3	24.7	21,893.1	33.8
Total non-current liabilities	32,794.1	48.2	36,819.2	51.7	34,838.0	53.9
Total liabilities	50,617.4	74.4	54,379.5	76.4	56,731.1	87.7
Equity attributable to owners of the Company	14,266.1	21.0	20,201.1	28.3	7,954.4	12.3
Non-controlling interests of the subsidiary	3,094.2	4.6	(3,372.3)	-4.7	-	-
Total shareholders' equity	17,360.3	25.6	16,828.8	23.6	7,954.4	12.3

STATEMENT OF COMPREHENSIVE INCOME	For the year ended 31 December					
	2020 ^(1, 2)		2021		2022	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Total revenues	16,237.3	100.0	4,508.2	100.0	18,290.8	100.0
Total expenses	23,788.1	146.5	16,358.8	362.9	26,766.4	146.3
Profit (loss) from operating activities	(7,550.8)	-46.5	(11,850.6)	-262.9	(8,475.6)	-46.3
Profit (loss)	(8,666.9)	-53.4	(11,957.9)	-265.2	(8,214.4)	-44.9
Equity holders of the Company	(4,764.1)	-29.4	(6,647.5)	-147.5	(8,030.0)	-43.9
Non-controlling interests of the subsidiary	(3,902.8)	-24.0	(5,310.5)	-117.8	(184.4)	-1.0
Total comprehensive income	(8,882.7)	-54.7	(11,531.5)	-255.8	(7,978.3)	-43.6
Equity holders of the Company	(4,882.8)	-30.1	(6,386.9)	-141.7	(7,846.2)	-42.9
Non-controlling interests of the subsidiary	(3,999.9)	-24.6	(5,144.6)	-114.1	(132.0)	-0.7
Basic and Diluted earnings (loss) per share	(0.9823)		(1.2985)		(0.6921)	

⁽¹⁾ The percentage of total revenues consists of revenues from sales and services, net gain on the exchange rate and other income

⁽²⁾ Reclassifications of the comprehensive income statements

CASH FLOW STATEMENT (Million Baht)	For the year ended 31 December		
	2020	2021	2022
Net cash flows from (used in) operating activities	(897.9)	(4,347.0)	564.0
Net cash flows from (used in) investing activities	12,064.4	1,283.7	(589.7)
Net cash flows from (used in) financing activities	(14,031.4)	7,313.6	(4,530.7)
Net increase (decrease) in cash and cash equivalents	(2,864.9)	4,250.3	(4,556.4)
Unrealised exchange gain (loss) on cash and cash equivalents	(6.9)	(1.1)	(5.4)
Cash and cash equivalents at beginning of the year	3,982.2	1,110.4	5,359.6
Cash and cash equivalents at end of the year	1,110.4	5,359.6	797.8

Key Financial Ratios

For the year ended 31 December

		2019	2020	2022
Liquidity Ratio				
Current Ratio	times	0.2	0.4	0.2
Quick Ratio	times	0.1	0.4	0.2
Cash Ratio	times	(0.1)	(0.2)	0.0
Account Receivable Turnover Ratio	times	29.6	8.6	23.9
Average Collection Period	days	12.3	42.7	15.3
Inventory Turnover Ratio	times	76.6	47.7	74.5
Average Inventory Period	days	4.8	7.7	4.9
Account Payable Turnover Ratio	times	24.5	12.9	19.2
Average Payment Period	days	14.9	28.4	19.0
Cash Cycle	days	2.2	21.9	1.1
Profitability Ratio				
Gross Profit Margin	percent	(50.2)	(193.2)	(34.1)
EBIT Margin ⁽¹⁾	percent	(55.4)	(309.5)	(48.3)
Other income per Total Assets	percent	16.0	15.1	4.0
Net Profit (Loss) Margin ⁽²⁾	percent	(34.9)	(173.6)	(45.7)
Return on Equity	percent	(27.9)	(38.6)	(57.0)
Efficiency Ratio				
Return on Assets	percent	(7.3)	(9.6)	(11.8)
Return on Fixed Assets	percent	4.9	(50.1)	(6.1)
Asset Turnover Ratio	times	0.2	0.1	0.3
Financial Policy Ratio				
Debt to Equity Ratio	times	3.5	2.7	7.1
Interest Coverage Ratio	times	0.8	(7.5)	0.2
Cash Basis ⁽³⁾	times	(0.2)	(0.2)	(0.1)
Dividend Payout Ratio	percent	-	-	-

⁽¹⁾ Profit (loss) before finance costs and income tax revenue divided by the revenues from sales and services

⁽²⁾ Profit (loss) attributable to equity holders of the Company divided by the revenues from sales and services

⁽³⁾ Earning before interest tax depreciation and amortisation (EBITDA) (excluding dividend income, gain (loss) on sales and investments, finance income, gain (loss) on the exchange rate, and gain (loss) on derivative)

FINANCIAL STATEMENTS OF THAI AIRASIA COMPANY LIMITED FOR THE PAST THREE YEARS

Statement of Financial Position	As at 31 December					
	Audited 2020		Audited 2021		Audited 2022	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Assets						
Total current assets	2,657.3	5.9	3,019.2	6.6	5,225.9	11.9
Total non-current assets	42,472.5	94.1	42,489.5	93.4	38,734.5	88.1
Total assets	45,129.8	100.0	45,508.7	100.0	43,960.4	100.0
Liabilities and shareholders' equity						
Total current liabilities	17,820.8	39.5	19,975.7	43.9	22,027.3	50.1
Total non-current liabilities	30,804.8	68.2	36,488.1	80.2	34,838.0	79.2
Total liabilities	48,625.6	107.7	56,463.8	124.1	56,865.3	129.4
Total shareholders' equity	(3,495.8)	-7.7	(10,955.1)	-24.1	(12,904.9)	-29.4

STATEMENT OF COMPREHENSIVE INCOME	For the year ended 31 December					
	2020 ^{(1), (2)}		2021		2022	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Total revenues	16,236.3	100.0	4,507.5	100.0	18,289.5	100.0
Total expenses	23,794.6	146.6	16,255.9	360.6	26,734.5	146.2
Profit (loss) from operating activities	(7,558.3)	-46.6	(11,748.4)	-260.6	(8,445.0)	-46.2
Profit (loss) for the year	(8,673.0)	-53.4	(11,785.7)	-261.5	(8,185.9)	-44.8
Total comprehensive income for the year	(8,888.7)	-54.7	(11,359.3)	-252.0	(7,949.8)	-43.5
Basic earnings (loss) per share	(199.12)		(262.62)		(90.36)	

⁽¹⁾ The percentage of total revenues consists of revenues from sales and services, net gain on the exchange rate and other income

⁽²⁾ Reclassifications of the comprehensive income statements

CASH FLOW STATEMENT

(Million Baht)

For the year ended 31 December

	2020	2021	2022
Net cash flows from (used in) operating activities	(903.5)	(4,327.9)	675.8
Net cash flows from (used in) investing activities	12,064.3	1,280.8	3,304.3
Net cash flows from (used in) financing activities	(14,031.4)	2,747.1	(3,891.7)
Net increase (decrease) in cash and cash equivalents	(2,870.6)	(300.0)	88.4
Unrealised exchange gain (loss) on cash and cash equivalents	(6.9)	(1.1)	(5.4)
Cash and cash equivalents at beginning of the year	3,889.6	1,012.1	711.0
Cash and cash equivalents at end of the year	1,012.1	711.0	794.1

Key Financial Ratios

For the year ended 31 December

		2020	2021	2022
Liquidity Ratio				
Current Ratio	times	0.1	0.2	0.2
Quick Ratio	times	0.1	0.1	0.2
Cash Ratio	times	(0.1)	(0.2)	0.0
Account Receivable Turnover Ratio	times	29.6	8.6	24.0
Average Collection Period	days	12.3	42.5	15.2
Inventory Turnover Ratio	times	76.6	47.5	74.5
Average Inventory Period	days	4.8	7.7	4.9
Account Payable Turnover Ratio	times	24.5	12.8	19.2
Average Payment Period	days	14.9	28.5	19.0
Cash Cycle	days	2.2	21.7	1.1
Profitability Ratio				
Gross Profit Margin	percent	(50.2)	(191.7)	(34.1)
EBIT Margin ⁽¹⁾	percent	(55.4)	(306.9)	(48.1)
Other income per Total Assets	percent	16.0	15.1	4.0
Net Profit (Loss) Margin ⁽²⁾	percent	(63.6)	(307.8)	(46.6)
Return on Equity	percent	(518.9)	163.1	68.6

Key Financial Ratios

For the year ended 31 December

		2020	2021	2022
Efficiency Ratio				
Return on Assets	percent	(20.6)	(26.0)	(18.3)
Return on Fixed Assets	percent	(14.8)	(89.0)	(6.6)
Asset Turnover Ratio	times	0.4	0.1	0.4
Financial Policy Ratio				
Debt to Equity Ratio	times	(13.9)	(5.2)	(4.4)
Interest Coverage Ratio	times	0.1	(2.3)	0.2
Cash Basis ⁽³⁾	times	(0.2)	(0.2)	(0.1)
Dividend Payout Ratio	percent	-	-	-

⁽¹⁾ Profit (loss) before finance costs and income tax revenue divided by the revenues from sales and services

⁽²⁾ Profit (loss) attributable to equity holders of the Company divided by the revenues from sales and services

⁽³⁾ Earning before interest tax depreciation and amortisation (EBITDA) (excluding dividend income, gain (loss) on sales and investments, finance income, gain (loss) on the exchange rate, and gain (loss) on derivative)

GENERAL AND OTHER INFORMATION

General information

Company name	: Asia Aviation Public Company Limited (AAV)
Type of business	: A holding company investing in business of low-fares airline or relevant business in relation to airline operation
CG Scoring	: Excellent
Head office	: 222, Don Mueang International Airport, 3 rd Fl., Central Office Bldg., Room no. 3200, Vibhavadee Rangsit Road, Sanambin, Don Mueang, Bangkok 10210
Tel	: 02-562-5700
Fax	: 02-562-5705
Website	: www.aavplc.com
Registration number	: 0107554000313
Authorised and paid-up capital as at 31 December 2022	: Authorised capital of Baht 1,285,000,000.00 Paid-up capital of Baht 1,216,428,571.30 from common stock of 12,164,285,713 shares at the par value of Baht 0.10



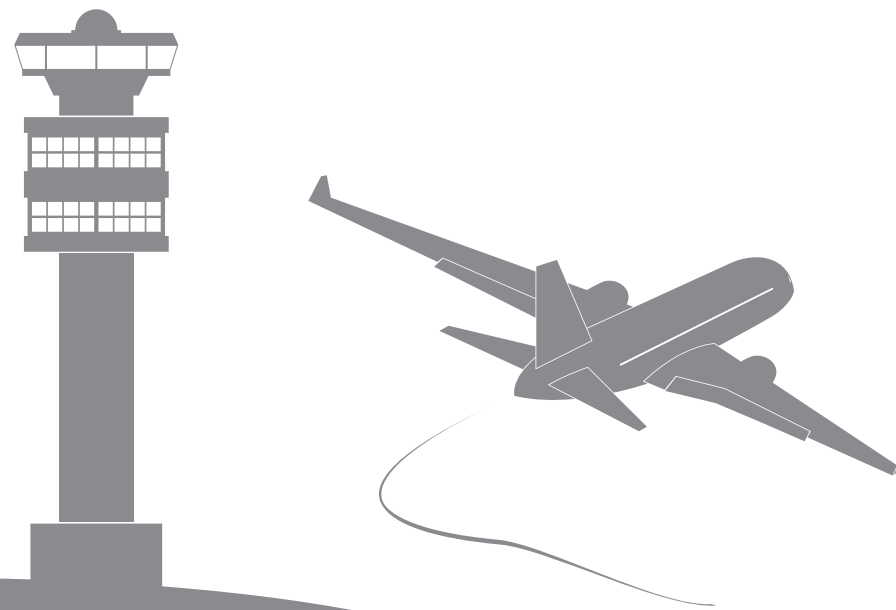
Subsidiary's general information

Subsidiary name	: Thai AirAsia Company Limited
Type of business	: A low-fares airline or relevant business in relation to airline operation
Head office	: 222, Don Mueang International Airport, 3 rd Fl., Central Office Bldg., Room no. 3200, Vibhavadee Rangsit Road, Sanambin, Don Mueang, Bangkok 10210
Tel	: 02-562-5700
Fax	: 02-562-5705
Authorised and paid-up capital as at 31 December 2022	: Authorised and paid-up capital of Baht 946,183,270 from common stock of 94,618,327 shares at the par value of Baht 10
Shareholding	: 100.0%



References

Registrar	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 93 Rachadapisek Road, Dindaeng, Bangkok 10400
Tel	: 02-009-9999
Fax	: 02-009-9991
Website	: www.tsd.co.th
Auditor	: EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Tel	: 02-264-9090
Fax	: 02-264-0789-90
Website	: www.ey.com





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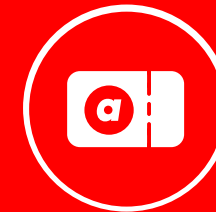
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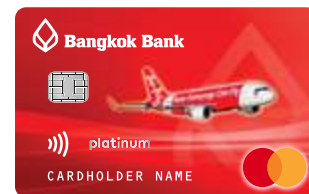
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SUSTAINABILITY REPORT

SUSTAINABLE BUSINESS DEVELOPMENT

(GRI 2-1, 2-2, 2-3, 2-9, 2-14, 2-22, 2-23, 2-24)

The prolonged COVID-19 pandemic severely impacted Thai AirAsia from late March 2020 across much of 2022. The outbreak affected every sector of the economy, triggering economic volatility and posing persistent challenges. In response to constantly changing COVID-19 travel rules, Thai AirAsia sought to constantly adapt and manage factors within its control to the best of its ability. In particular, the Company implemented comprehensive health measures to minimise the risk of COVID-19 transmission in order to safeguard guests and employees. As the pandemic eased into endemic status, Thai AirAsia returned to full-scale service starting October 2022.

As Thai AirAsia continues to advance its sustainability agenda, the Company maintains its listing on the Sustainable Index of the Stock Exchange of Thailand for the fourth consecutive year as the only airline in the industry to be listed.

Reporting Guidelines

About this Report

Thai AirAsia has been publishing its sustainability report annually since 2018. Each year, we expand our reporting coverage and strengthen our disclosures in material sustainability areas that support the achievement of the United Nations' Sustainable Development Goals (SDGs).

This report covers the period between 1 January 2022 and 31 December 2022 and is prepared in accordance with the following reporting standards:

- Global Reporting Initiative Standards (GRI Standards) (Core option level)
- The Stock Exchange of Thailand Sustainability Reporting Guide for Listed Company (Core Option Level)
- The Task Force on Climate-related Financial Disclosures (TCFD)

Scope and Boundary

The scope of coverage of this report covers Thai AirAsia operations in the year 2022. The report excludes the information from any business that Asia Aviation PCL has less than 50% ownership, either directly or indirectly, or where it does not have management control.

Report Content and Validation

The core content and critical information of this report have been reviewed by the Board of Directors and respective heads of departments to validate accuracy, pertinence to the material sustainability issues being addressed and relevance to stakeholders. While an external agency was not employed for the validation of this report, our financial data is verified by a certified public accountant while our carbon emissions data is verified by a third party verification company accredited by the Civil Aviation Authority of Thailand. The latter is submitted annually to the civil aviation authorities in compliance with requirements under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) by the International Civil Aviation Organization (ICAO).

Material issues were reviewed and updated by the Company to reflect on the business development and global trends of 2022 in the following areas:

- (1) The content of this report encompasses 12 material areas, an increase from the 11 areas identified in our previous report. The new addition is in "Diversity and Inclusion" disclosures.
- (2) Key material issues to sustainability that are highly significant to stakeholders and the business, include; Customer Relationship and Operational Performance, Occupational Health and Safety, Corporate Governance and Conduct, Technology, Innovation and Information Security and Risk and Crisis Management.

Contact us:

Thai AirAsia welcomes recommendations and feedback to our report. These may be conveyed to the Sustainability Department and Corporate Communications Department at

Email: taa_sustainability@airasia.com

Address: Don Mueang International Airport, 3rd Floor, Central Office Building, Room No. 3200 Vibhavadee Rangsit Rd., Don Mueang Bangkok, 10210

Telephone: (66) 2562-5700



Sustainability Management Policy and Sustainability Commitment

(GRI 2-22, 2-23, 2-24, 2-27)

Thai AirAsia is committed to providing guests with excellent travel services while enhancing our value chain through responsible business practices. Through observance of our 3G (Good/Green/Growth) sustainability strategy, we address our stakeholders' expectations in the three pillars of economy, society and the environment. We believe that the 3G approach can be applied to every action to ensure that we consistently deliver on our commitment to sustainable development. In 2022, we aligned Thai AirAsia's Sustainability Policy with the Capital A group aspirations and commitments.

Sustainability Policy

Since its establishment as Capital A (previously known as AirAsia Group), the Company has remained at the forefront of innovation in the aviation and travel industries. The Company has now expanded into new digital businesses, acknowledging the importance of flexibility in different dimensions.

The Company is committed to rebuilding for the future by minimising our environmental footprint, securing the integrity of our systems and serving our communities. The Company continues investing in our talent and creating the best conditions for them to thrive.

Towards meeting its commitment, the Company acts according to the following policies:



Environment

- Meet and uphold all environmental standards issued by the International Civil Aviation Organization and applicable civil aviation authorities.
- Align ourselves with the International Civil Aviation Organization's Long Term Aspirational Goal to reach net zero by 2050.
- Invest in the most efficient fleet and continue to innovate operational efficiencies that reduce fuel consumption and CO₂ emissions.
- Explore further carbon reduction opportunities- especially through the utilisation of sustainable aviation fuels and carbon offsets.
- Conserve natural resources by optimising resource consumption, especially fuel, electricity and water.
- Manage waste under the 3R principles to Reduce, Reuse and Recycle.





Social

- Continuously improve on our safety practices and provide a safe and healthy work environment for our employees.
- Nurture a diverse and inclusive culture that does not discriminate on grounds of gender, race, ethnicity, age, abilities, sexual orientation or any other condition.
- Continue to be an industry leader that increases female participation in all roles including Science, Technology, Engineering and Mathematics (STEM).
- Maintain an inclusive work environment that emphasises fair working conditions, safety, health and work-life balance.
- Ensure the basic human rights of our employees, business partners and other parties are respected, while taking a zero tolerance stance towards exploitation of child labour and forced labour.
- Contribute to ASEAN Community-building aspirations by empowering entrepreneurship and building resilience amongst associated communities.
- Support the growth of responsible tourism in ASEAN to conserve natural ecosystems and heritage sites.



Governance

- Meet our sustainability ambitions as detailed in Capital A's Sustainability Redbook.
- Establish a sustainability framework to meet the aspirations of the United Nations Sustainable Development Goals (SDGs).
- Conduct our business practices with transparency, integrity and robust corporate governance.
- Continuously review and update policies and processes to maintain the highest standards of compliance across all key metrics.
- Manage risk and opportunities of each line of business, including environmental, social, and governance (ESG) aspects.
- Instil a culture of sustainability in our workplace and recognise exemplary conduct.
- Communicate our sustainability values, approach and priorities to all stakeholders, including our investors, business partners, suppliers and guests.
- Practise responsible sourcing and favour business partners that offer a value proposition that is consistent with our ESG priorities.



This policy is periodically reviewed to ensure its suitability and adequacy.



Sustainable Business Vision:

We are committed to being an airline that engages in sustainable business practices and will apply the standards of our industry to hone our competitive advantage while upholding the sustainability indicators recognized on the world stage and by the stock market. We aspire to list on a global sustainability index by 2024.



Sustainable Business Mission:

Sustainability is to be instilled as a part of our corporate culture. We will:

- Understand how sustainability affects our business
- Be responsible to society, the economy and the environment and integrating factors for sustainability into our business decisions
- Innovate to surpass requirements and return value from sustainability to our business



SUSTAINABILITY STRATEGIES



GOOD

Thai AirAsia operates with adherence to the principles of good governance, conducts its business with strict compliance to laws, rules, regulations, contracts and agreements, with transparency and accountability, with respect towards human rights, treating labourers with fairness and justice, fostering a good organisational culture, investing in developing personnel both in terms of skills and ethics, creating growth opportunities for communities surrounding the tourism industry and supporting sustainable growth with the goal of becoming an organisation that is accepted and trusted by society and its stakeholders.



GREEN

Thai AirAsia is dedicated to effectively managing its resources and the environment, seeking to safeguard the environment from impacts generated throughout its supply chain. The Company targets and acts to mitigate its effect on the environment in all aspects at all times, so that it may grow with harmony and true sustainability while also campaigning for travel that is responsible to the environment.



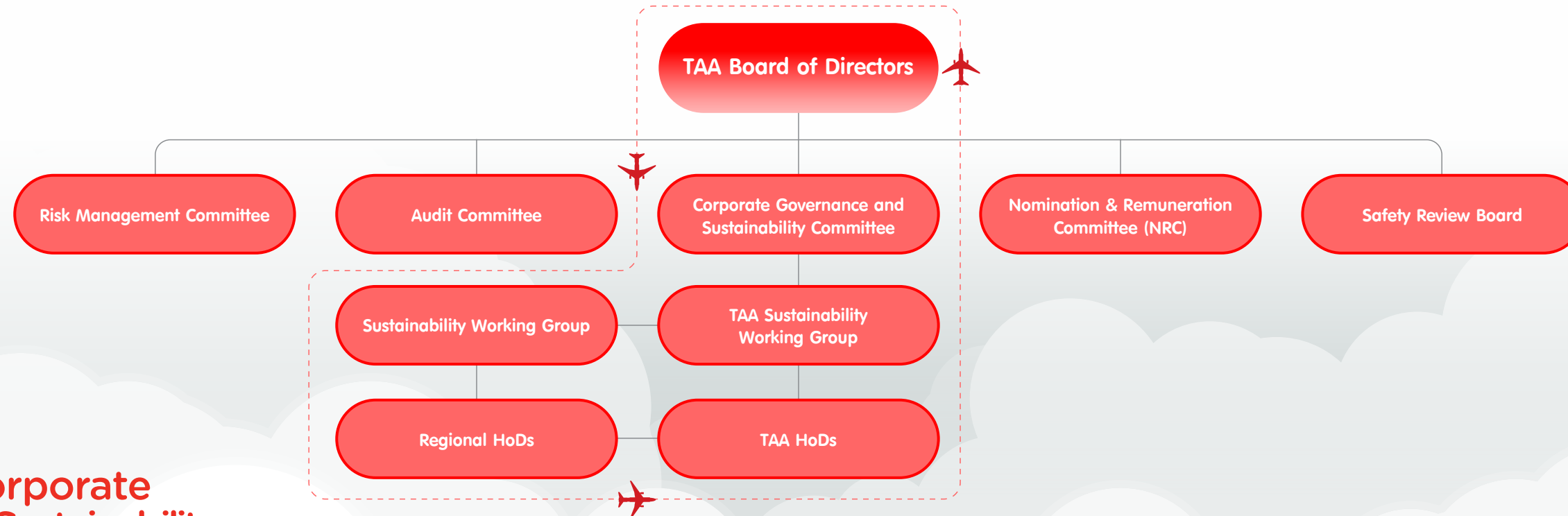
GROWTH

Thai AirAsia is dedicated to promoting sustainable social growth in all dimensions, starting with the growth of its own business to support social reinforcement. Thai AirAsia builds careers with stable income, creates opportunities and sources innovations that allow for safe and convenient travel alongside efficiently managing capital, communicates with stakeholders to ensure understanding and shares its knowledge and innovations by working with other organisations towards social sustainability, progress and positive change.

The strategies are in line with the Company's vision of "Being the leading sustainable travel technology company in Asia providing services with value greater than their cost" and mission to create a globally recognised, sustainable Asean brand focused on adding value to the economy, society and environment.

Sustainability Management Structure

(GRI 2-9, 2-14)



Thai AirAsia Corporate Governance and Sustainability Committee

Thai AirAsia established its Corporate Governance and Sustainability Committee to oversee sustainability governance, while Thai AirAsia Sustainability Working Group, under supervision of Corporate Governance and Sustainability Committee coordinates actions by multiple departments across the Company. The Thai AirAsia Sustainability Working Group comprises heads of each department, who are tasked with integrating sustainability policies that are material to the Company's business into their plans, strategies and operations and setting measurable targets.

The scope and authority of the Corporate Governance and Sustainability Committee is as follows:

1. Review, devise appropriate strategies, policies, targets, practices and budgets for sustainability endeavours that take in account of stakeholder's opinions and impacts. Refer relevant sustainability initiatives to the Company's Board of Directors for approval.
2. Determine sustainability material issues that are essential to business operations so that stakeholder concerns are addressed.

3. Monitor and evaluate the implementation of sustainability strategies and policies. Advise and support sustainability initiatives that aim towards achieving set targets.
4. Report key sustainability updates to the Board of Directors for evaluation and approval. The Thai AirAsia Sustainability Working Group will support the initiatives by meeting every quarter to review implementation and progress before presenting reports to the Thai AirAsia Corporate Governance and Sustainability Committee. Thai AirAsia

Corporate Governance and Sustainability Committee hold a meeting twice a year.

The Company holds an annual meeting with the Board of Directors to review the sustainability performance of the past year including reviewing the updated Company's sustainability policy and strategy. The policy and direction will be aligned with the direction from Capital A.

2022 SUSTAINABILITY HIGHLIGHTS

Good



International
Organization for
Standardization (ISO)
ISO 9001:2015



The Company is ISO 9001:2015-Quality Management Systems certified

Net Promoter Score
(NPS)
55%



The Company measures its service efficiency using the Net Promoter Score, targeting a score of 50%. NPS in 2022 was 55%.



Green

Climate change
3gCO₂/RPK

Achieved Reducing the Carbon Intensity Ratio to 3gCO₂/RPK per year



Greenhouse Gas emissions
806,643
tonnes CO₂

Scope 1, 2, and 3 Emissions

Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
Cooperated with Civil Aviation Authority of Thailand (CAAT) for 4th year



Thai AirAsia has cooperated with the Civil Aviation Authority of Thailand to participate in CORSIA program since 2019

Contactless self check-in
Saved **3,472,821**
Sheets of Paper

Saved 3,472,821 sheets which is 1,041,846.30 THB worth of paper that would have been printed with seating charts

Green Operating Procedure
2,237
tonnes of fuel savings



Thai AirAsia's fuel efficiency programme (Green Operation) delivered 2,237 tonnes of fuel savings which converts to more than of 7,000 tonnes of CO₂ emissions avoided or USD 1.8 million saving

Vibhavadi Zero Waste Participated for 4th year

Continuously Participating in Vibhavadi Zero Waste. This year, the Company increased its Recycle Rate of Non-Hazardous Waste from 88.1% in 2021 to 100% at its Don Mueang Station.

Non-Hazardous Waste Recycling at Don Mueang Station

Company targeted Recycle Rate of over 80% of total Non-Hazardous Waste. Company recycled 100% of Non-Hazardous Waste from Don Mueang Station, achieving zero waste to landfills.

100%

Reduce Water consumption on Flight and consume water only

53.16
per flight



The Company targeted no more than 60 litres of water consumed per flight. This year, the Company was able to achieve its target, averaging 53.16 litres of water consumed per flight.

Growth

No. Work-Related Fatalities

0

No work-related fatalities among Thai AirAsia employees or contractors in 2022

No. Work-Related Diseases

0

No Thai AirAsia employees or contractors experienced work-related disease in 2022

Gender Diversity and Equality
36.3%

In 2022, 36.3% of employees were female, of which 15.18% were Manager or HOD level.



Disputes with Communities/Society

0

Zero disputes with communities or society

Employee Training

24 Hours/Person/Year

Average 24 hours of specialised training per employee per year



COVID-19 RESPONSE



The Company reviewed COVID-19 impacts in 2022 and additional views from stakeholders in meetings with its Sustainability Committee to identify responses and sustainability issues to be addressed.

Evaluation of Continued COVID-19 Pandemic Impacts on Sustainability.

KEY STAKEHOLDERS

Business Partner



Communities and Environment



COVID-19 IMPACT

Digitisation for new normal

Workforce management to continue
airworthiness during COVID-19 disruption

Resource Management during non-operational
period



ACTION

- Strengthen cyber security system and upgrade Chatbot capability for increased utilisation
- Application of remote audit to overcome travel limitations in certain areas

- Spilt team for operational workforce
- Work from home for non-operational; Morning Health check
- Morning health check online form

- Operational team optimise usage of energy
- Long-term parking of non-operated aircraft to reduce resources and energy

MATERIALITY MAPPING

- Technology, Innovation and Information Security
- Sustainable Supply Chain management

- Health and Safety

- Climate Strategy
- Waste management

KEY STAKEHOLDERS

Allstars



Governance Agencies



COVID-19 IMPACT

Management of Human Resources in accordance with Occupational Safety and Health Standards and the well-being of employees



- Consideration towards relaxing international air travel requirements
- Consideration towards national reopening policies and measures
- Consideration towards relaxation of health measures for air travel

ACTION

- ATK testing 12 hours prior to operation
- Second Job offering for employees
- Vaccines are provided to staff
- Additional training to prepare staff for recovery of air travel

- Working closely with government entities on reopening the nation and lifting of strict travel requirements, use of vaccination certificates to allow for unimpeded international travel
- Prompt cancellation of government required passenger spacing on flights
- Prompt government allowance of in-flight meal and beverage service

MATERIALITY MAPPING

- Health and Safety
- Human Rights
- Human Capital Development

- Cancellation of Test & Go
- Cancellation of middle seat blocks during flights
- Vaccine certification for unimpeded international travel



STAKEHOLDER ENGAGEMENT

(GRI 2-29)

Thai AirAsia regularly engages with its stakeholders to understand their perceptions, attitudes and expectations using surveys and feedback from relevant agencies. We value our stakeholders' feedback and their perspectives are taken into consideration for the organisation's growth strategies to create long term shared value.

Our stakeholders are divided into 9 main groups, namely, Board of Directors, government agencies, customers (passengers), communities, media, investors, Allstars (employees), financial institutes and business partners.

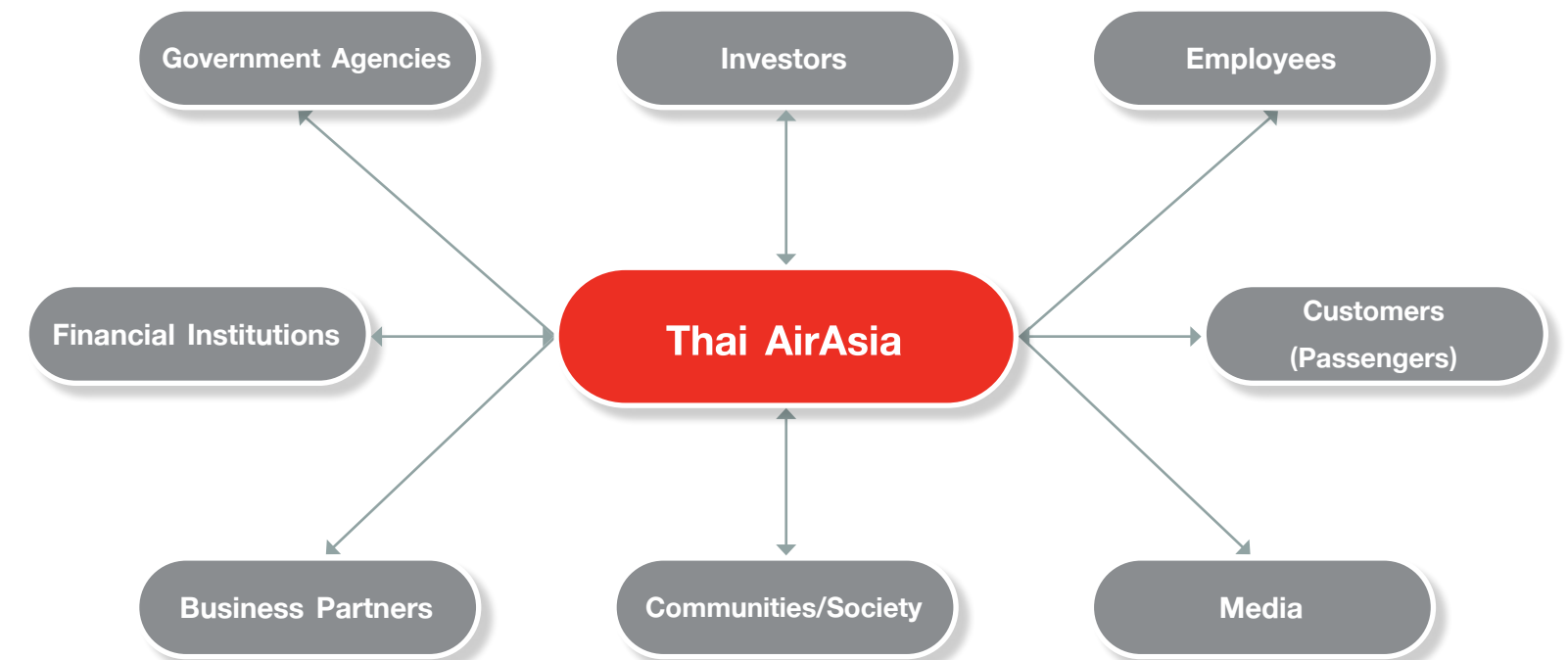
Role of the Board of Directors in Stakeholder Engagement

On top of setting general policies, strategies and operational frameworks within the Company, the Board of Directors also considers external views and data to ensure the direction of Thai AirAsia is perceived as transparent, honest and beneficial to both itself and its stakeholders.

For efficient management, transparency, accountability and responsiveness to change, directors of the Board:

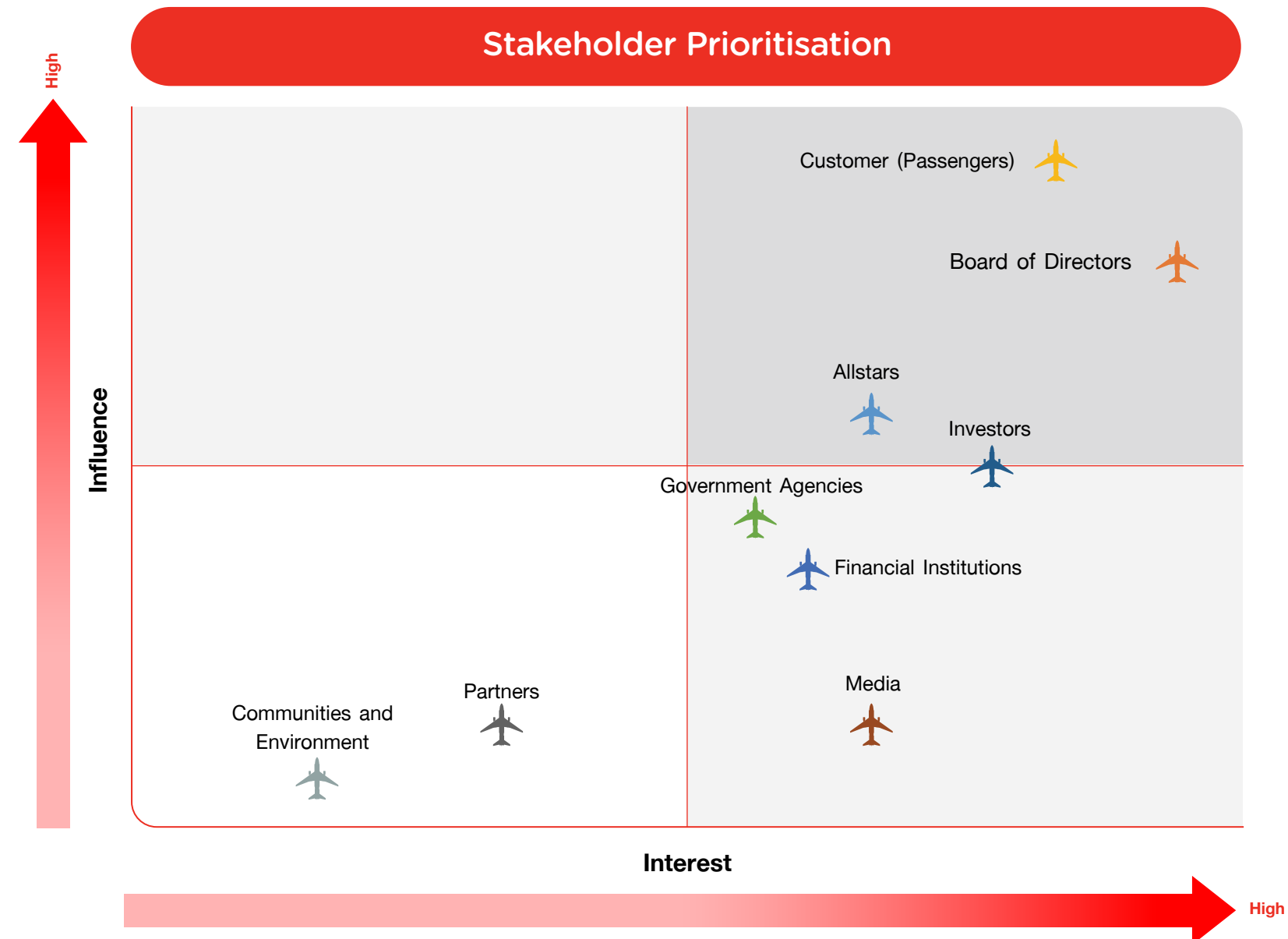
- Practise good governance, effectively manage risks and comply with the requirements of regulatory bodies, relevant laws, the Board's own objectives, regulations and the conclusions of shareholder meetings as well as monitor operations to ensure progress according to set plans and policies.
- Discuss and approve essential key performance indicators for the dimensions of society, environment and financial efficiency along with related policies.

The Board of Directors and Audit Committee meet at least four times a year, engage in sub-committee meetings as necessary and engage in shareholder meetings at least once per year for transparent disclosure of information to shareholders and major stakeholders.



Prioritisation of Stakeholders

The Company prioritises stakeholders based on their influence and interests as follows:



Stakeholder Engagement

Stakeholder	Stakeholder Benefits	Expectations/Interests	Response to Expectations/Interests	Channel and Frequency of Engagement
Customers (Passengers) 	- Safe and on-time travel - Products and services that meet lifestyle demand - The creation of shared value through the value chain	- Safe travel - On-time flights - Seamless, convenient travel experiences - Products and services that adapt to changing demands - Quality, legal and safe products - Novel and attractive products	- Establishment of workgroups to respond to passenger demands directly - Take remedial action in response to customer complaints to avoid repeated issues and losses for both parties - Regular application of Customer Satisfaction Surveys - Improved products and services that add value throughout the value chain	- Quarterly Customer Satisfaction Surveys - Complaints accepted 24/7 via employees, Live Chat or Chatbots, AirAsia website, Super App mobile application and social media channels - Customer meetings at AirAsia Sales Offices, AirAsia Travel & Service Centres during daily operating hours
Allstars (Employees) 	- Necessary training for duties - Decrease in workplace incidents	- Occupational Health and Safety - Salary and benefits - A fair and transparent work environment	- Provision of channels for employees to communicate their opinions and request directly to management e.g. Santisuk's Post Box, AskPAC, chatbot, email - Occupational Health and Safety management - Fair salary and benefits management - Constant employee development	- Communication via internal electronic channels including email, Google Workspace - Quarterly employee performance review - Weekly management discussions - Quarterly operations meetings - Weekly Coffee Talk between CEO and heads of departments

Stakeholder	Stakeholder Benefits	Expectations/Interests	Response to Expectations/Interests	Channel and Frequency of Engagement
Investors 	- Accurately and timely access to information - Upholding of investor rights as per legal regulations - Confidence in the Company and investment opportunities in Company stocks and bonds	- Business competitive advantage and return on investment - Risk management - Good Corporate Governance and transparent disclosure	- Transparent disclosure of information in accordance with Thai and international standards - Opportunity for shareholders to express their opinions including discussing Company performance	- Quarterly high-level executive operations summary - Regular domestic and foreign investor meetings - Annual shareholder meeting - Investor visits, once a year as appropriate - Timely disclosure of information on Company website
Financial Institutions 	Accomplishment of business targets within acceptable risk parameters	- Company's competitive advantage - Risk management - Good Corporate Governance and transparent disclosure - Financial policies appropriate to the business environment and Company strategies	- Operational returns disclosure according to international standards - Hearing for recommendations and opinions on business processes	- Meetings, discussions and conferences on returns and project outcomes, twice a year - Communication on different transactions throughout the year - Monthly notifications and reports on transactions - Quarterly seminars and conferences on economic, financial market and capital market developments

Stakeholder	Stakeholder Benefits	Expectations/Interests	Response to Expectations/Interests	Channel and Frequency of Engagement
Government Agencies 	• Good relations • Public Travel Safety measures • Alignment of objectives and directions	• Good Corporate Governance and transparent disclosure • Cooperation and collaboration between government and private sectors • Compliance with government laws, regulations and requirements	• Cooperation and collaboration, compliance with government policies, orders, regulations and laws such as fare rates and safety measures	• Discussions with government agencies and regulatory bodies • Monthly reports to government agencies • Regular participation in government activities and programs • Work closely within Thailand's aviation development network (NTCAD) • Regular support for domestic and international tourism policies from the Tourism Authority of Thailand • Participation in activities of local agencies and organisations that promote Thai culture • Monthly compliance with government prescribed COVID-19 prevention measures • Applied for government assistance to airlines, to reduce key capital costs to support business continuity amid the COVID-19 pandemic

Stakeholder	Stakeholder Benefits	Expectations/Interests	Response to Expectations/Interests	Channel and Frequency of Engagement
Media 	- Official updates on news beneficial to the public - Exchanges with employees on Company vision and perspectives - Foster good relations	- Transparent and accurate Company information - Timely and speedy news responses, especially in crisis situations - Company visions and perspectives on the industry as a leader in the low-cost carrier industry	- Briefing on current circumstances at least once a quarter - Bolstering confidence towards Company's stability - Establishment of a news community including a LINE group for the Corporate Communications Department and media groups - Foster a Corporate Communications Department culture based on managing communication, ready contact and the presentation of timely and accurate updates, especially in crisis situations	- Dispatch Company press releases via Email and LINE Group at least two times a week - Press conferences each quarter - Annual meeting with the press - Regular participation in seminars, forums, etc. organised by media establishments and direct and indirect sponsorship of media activities - Communication with media via online channels
Business Partners 	- Confidence in business operations - Employment of innovations for the development of products and management	- Honest operations - Enhanced competitiveness - Future direction of business - Collaboration and continuous support for product quality - Transparent Procurement, and business partner evaluation - Delivery of goods that meet standards and legal requirements	- Extensions on partner credit terms - Efficient and standards meeting operations, meeting of stakeholder expectations - Participation in programs for the enhancement of safety with engineering & maintenance business partners - Effectiveness and in line with stakeholders' expectation - Compliance with government requirements for food safety standards	- Meetings, workshops, observational visits - Conferences with aircraft and parts manufacturers to receive the latest updates - Representatives of aircraft manufacturers to visit Thai AirAsia 24-hour contact channel between Thai AirAsia engineering team and aircraft manufacturers - Operation and performance reports including annual business partner evaluation

Stakeholder	Stakeholder Benefits	Expectations/Interests	Response to Expectations/Interests	Channel and Frequency of Engagement
Community, Society, Environment 	- Minimisation of environmental impact due to business operations - Compliance with environmental laws - Promotion of responsible tourism awareness - Support for activities that create shared value throughout the value chain	- Impact on communities, society and the environment resulting from the Company's operations - Transparent and accountable operations - Cooperation with government agencies - Activities that promote and build participation in driving sustainable tourism	- Adherence to Company policies for the minimisation of social and environmental impact - Transparent communication and input from employees and stakeholders opinions - Public seminar to educate on sustainability knowledge e.g. Sustain Me Talk with Chiang Mai University - Open Houses and tours at AirAsia Academy	- Airline services integrity - Public forums at least once a year - Tours and open houses at least once a month



THAI AIRASIA MATERIALITY ASSESSMENT 2022

(GRI 3-1, 3-2)

At Thai AirAsia, it is important to us that we align our sustainability journey with our stakeholders' evolving priorities to create meaningful long-term value and impact through our business. In 2022, we conducted a materiality survey with our stakeholders to identify our economic, environmental, and social (EES) challenges and priorities. As our business grows, we welcome and engage with more stakeholders that contribute to the success of our business. This year, we expanded our materiality survey to include both internal and external stakeholders for a better understanding of their expectations and priorities.

Material topics were identified in 2021 and reviewed this year to ensure it remains relevant to our stakeholders' priorities and business. Upon assessment, the material topics reflect our stakeholders' and the business' interests where the only amendment is the addition of "Diversity and Inclusion" as a new material topic. In line with global trends, we introduced "Diversity and Inclusion" as a standalone topic to highlight Thai AirAsia's commitment in embracing a safe, inclusive and supportive environment where the talents and strengths of people are valued regardless of identity.

We aim to conduct a more comprehensive assessment next year to ensure we remain on top of global and industry trends, meet our stakeholders' priorities, and align with the Capital A Group.



Step 1 Identifying material topics

We identified key material topics and categorised them according to the EES aspects. The material topics are based on the analysis of current global and industry trends, a review of global frameworks and a closer examination of the Group's priorities.



Materiality assessment process

Step 3 Prioritising material topics

Then, we collated and analysed the online survey results to determine material topics of greatest importance to our stakeholders and business. A total of 12 material matters were identified and categorised under the EES pillars.



Step 2 Gathering stakeholder input

Next, we engaged our internal and external stakeholders through an online survey to gather the opinions of our stakeholders of the material topics. In total, we received a total of 350 responses to the survey.

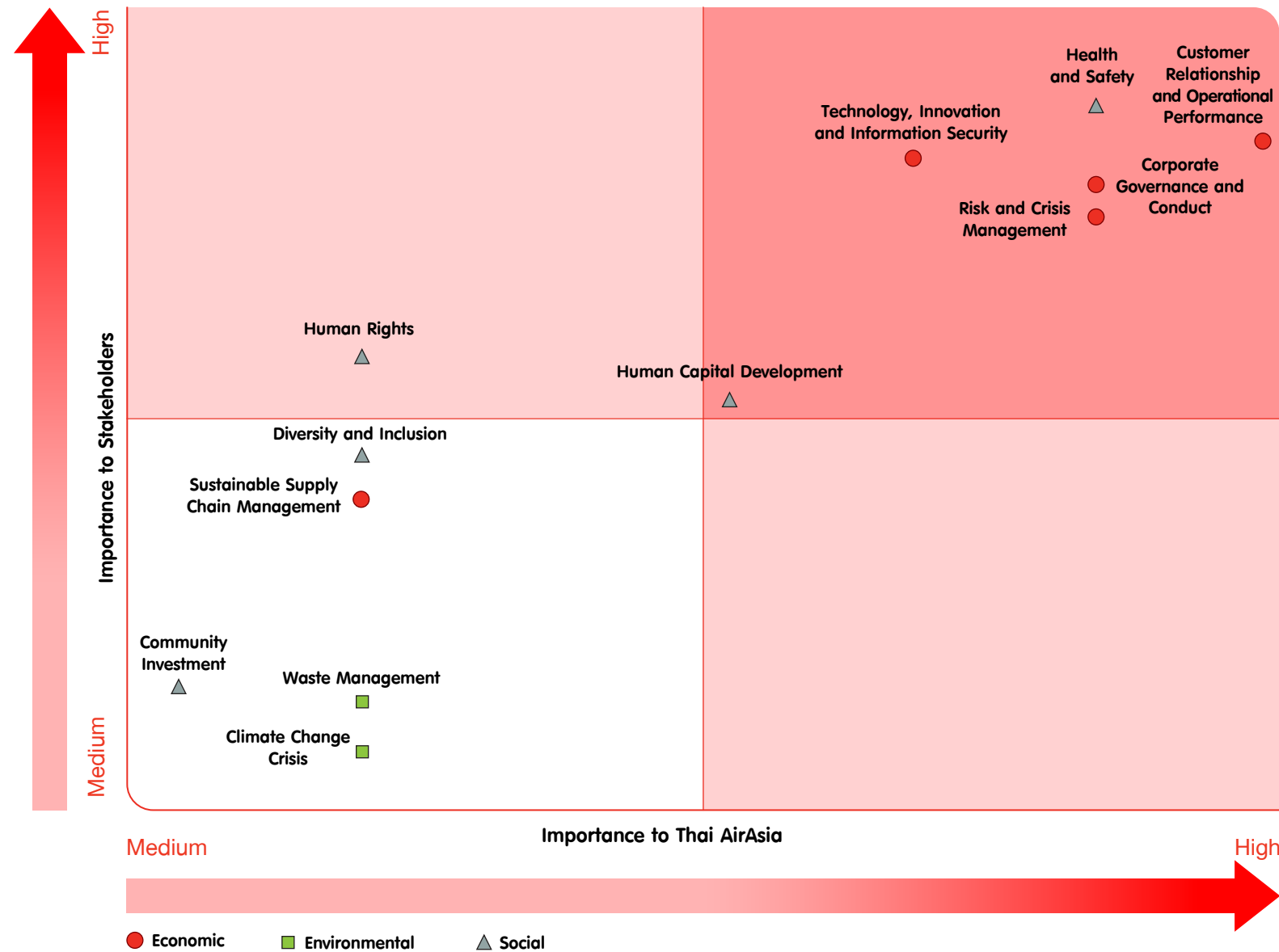


Step 4 Verification and endorsement

Finally, we tabled the results of the materiality assessment to the Board of Directors and received approval and endorsement of the findings.



Materiality Matrix



Our Material Topics

	Material Topic	Description	Key Stakeholder and Impact Boundary
 ECONOMIC GOOD	Corporate Governance and Conduct	Delivering integral and transparent operations by upholding the highest standards of corporate governance and ethical conduct to ensure the trust and best interest of our stakeholders and shareholders.	Governance Agencies, Investor, Financial Institution, Media, Employee
	Technology, Innovation and Information Security	Harnessing the capabilities of technology to innovate, build partnerships and unlock new opportunities for business growth. We ensure data privacy and information security of our employees, customers and all third parties by upholding robust cybersecurity systems.	Partners, Customer, Media, Employee
	Risk and Crisis Management	Ensuring a resilient risk culture through robust management systems and internal controls to reduce the risk the Company faces and prevent major disruptions to the business.	Investor, Financial Institution, Employee
	Sustainable Supply Chain Management	Reinforcing a sustainable supply chain through our Supplier Code of Conduct where our suppliers are expected to meet our expectations of environmental and social best practices. We make efforts to ensure responsible and ethical sourcing.	Partners, Employee
	Customer Relationship and Operational Performance	Building trust and loyalty with our customers through continuously improving our customer experience journey and service quality for greater satisfaction.	Investor, Customer, Media, Employee

	Material Topic	Description	Key Stakeholder and Impact Boundary
 ENVIRONMENT GREEN	Climate Change Crisis	Taking responsibility for our impact on the climate by putting in place an ambitious net zero strategy and managing our climate-related risks and opportunities. This encompasses the management of our greenhouse gas emissions, energy consumption, and water usage.	Governance Agencies, Partner, Community
	Waste Management	Monitoring and managing waste generated by practicing the principles of reduce, reuse, and recycle. This includes waste from food, packaging, and onboard materials.	Governance Agencies, Partner, Community
 SOCIAL GROWTH	Health and Safety	Prioritising and protecting the health and safety of our employees and customers throughout our operations. We inculcate a culture of safety through robust management systems and employee awareness initiatives.	Customer, Partner
	Diversity and Inclusion	Embracing a diverse and inclusive workforce where representation is reflected at all levels and where employees are treated with respect, dignity, and receive equal opportunities.	Partners, Employee
	Human Capital Development	Attracting top talent and investing in the training and development of our talent pool while nurturing our employees to achieve personal and professional growth.	Partners, Employee
	Human Rights	Committing to respecting the fundamental rights and freedoms of our employees as well as upholding our commitments to prevent human trafficking, forced labour, child labour, and discrimination in our business.	Customer, Partners, Employee
	Community Investment	Empowering and investing in our communities through initiatives that support gender empowerment, sustainable travel and ASEAN Community building.	Community, Employee

Sustainability Goals

Thai AirAsia based its sustainability goals on materiality issues and aligned them with those of Capital A. Each material topic and its objectives are matched to the United Nations Sustainable Development Goals (UN SDGs) it contributes to. The objectives are broken down into short-, medium-, and long-term targets for a progressive and attainable goal.

SDGs	Material Topic	2022 Objective	Results and Progress in 2022	Status	Plan for Development	Short-term Objective (Present-2025)	Medium-term Objective (2035)	Long-term Objective (2050)
 	Climate Change Crisis Management 	Reduce the Carbon Intensity Ratio to 3gCO ₂ /RPK per year	Normalisation of passenger numbers and Green Operating Procedures reduced the Carbon Intensity Ratio to targets	 Achieved	Added innovations and operating procedures to assist pilots to fly efficiently to reduce CO₂ emissions. Strong marketing and flight scheduling increased Load Factor, reducing the Carbon Intensity Ratio	Maintain CO₂ emissions below median set by ICAO in accordance with CORSIA Continuously reduce Carbon Intensity Ratio to 3gCO₂/RPK/per year	Implement SAF utilisation in flight operations to reduce CO₂ emissions Maintain CO₂ emissions below median set by ICAO	Achieve Net Zero Carbon Emissions
	Waste Management 	Don Mueang station recycles 100% of non-hazardous waste	zero landfill of non-hazardous waste for Don Mueang stations No use of plastic straws and plastic bags for in-flight meals The airline is continuing to develop its recycling processes	 Achieved	- Continue certification by the Low Emission Support Scheme (LESS) - Continue waste segregation and recycling	Continue certification by LESS and publicise results in the Sustainability Report	Reduce landfill waste from all main stations to zero by 2050	
 	Governance and Code of Conduct 	Support directors and managements to train in Corporate governance and Code of Conduct for the benefit of their duties	Sustainability Committee underwent relevant ESG training Disclosure and financial reporting of registered company	 Achieved	All Sustainability Committee members undergo relevant ESG training Employees undergo business ethics training	Employees understand and adequately practise Code of Conduct Communications through all channels promote employee awareness in good governance and company regulations		

SDGs	Material Topic	2022 Objective	Results and Progress in 2022	Status	Plan for Development	Short-term Objective (Present-2025)	Medium-term Objective (2035)	Long-term Objective (2050)
 	Technology, Innovation and Information Security Management 	Promote awareness in information security and add technological security measures	- Cooperated with Group Information Security on cybersecurity - Information Security awareness promoted via online channels to all employees - Cooperation with DPO toward data security in compliance with PDPA law - Adoption of Single Sign-on for all platforms using Google G Space 2-Factor Authentication - Cancelled use of External Drives using Endpoint Security on client devices within the Company	 Achieved	1. Internal audit of Information Security in cooperation with Capital A Berhad Information Security 2. Employees received training in Information Security Awareness and operation with information security 3. Further integration of Cloud Infrastructure for increased work efficiency	Increased utilisation of Multifactor Authentication within the Company Promotion of document classification for more accurate archiving	Promote use of the Cloud Infrastructure for every application and Identity Management using 2-Factor Authentication All employees are aware of the importance of Information Security	
 	Risk and Crisis Management 	Risk management and business continuity plans for all department and stations	Risk management and business continuity plans implemented for every department with only new stations that came into operation in 2022 still pending	 In Progress	1. Improve the Risk Management Policy 2. Train employees on risk management and business continuity 3. Devise/Improve risk management and business continuity plans consistently for maximum efficiency	Effective risk management and business continuity plans for all department and stations		
 	Sustainable Supply Chain 	Keep up to date with relevant ESG regulations for auditing of business partners and apply ESG criteria to following year's audit checklist	Integrate ESG criteria to annual business partner audits	 In Progress	Audit partners using ESG criteria Train auditors on additional ESG assessment topic and material issues	Apply ESG audit and assessment to all business partners including major and minor partners and measure operational efficiency		

SDGs	Material Topic	2022 Objective	Results and Progress in 2022	Status	Plan for Development	Short-term Objective (Present-2025)	Medium-term Objective (2035)	Long-term Objective (2050)
	Customer Relationship and Operational Performance 	OTP: On-time Performance of 90%	- OTP 92%	✓ Achieved	1. Operation in accordance with OTP strategies 2. Perform root cause analysis and fix problems in a timely manner 3. Monthly OTP operation and efficiency briefings	OTP 90%		
		Service efficiency measured by Net Promoter Score of 50%	- NPS 55%					
	Health and Safety 	- Safety performance indicator does not exceed target	- Foster a culture of safety aligned with the safety policy	✓ Achieved	1. Operate according to Occupational Health and Safety and workplace environment plans announced in safety policy 2. Briefings to prompt participation by employees at all levels 3. Safety risk management 4. Safety assurance 5. Health and safety Promotion 6. Transitioned safety training for employees to online and E-Learning platforms			
		- Employee physical, emotional and social health promoted	- Safety Management System effective enough to maintain Lost Time Injury Frequency Rate (LTIFR) at target of below 1.65 - 100% of employees undergo Occupational Health and Safety and workplace environment training	✓ Achieved ⚙ In Progress				

SDGs	Material Topic	2022 Objective	Results and Progress in 2022	Status	Plan for Development	Short-term Objective (Present-2025)	Medium-term Objective (2035)	Long-term Objective (2050)
 	Diversity and Inclusiveness	Foster diversity and inclusiveness in the workplace and company culture	Employee satisfaction score (eNPS) no lower than 50	eNPS 45 from target of 50 Employees are treated equally, with respect and accepted for their diversity	- Employee recruitment policy does not discriminate based on gender, age, ethnicity, religion, sexuality, disability - Revise benefits to apply to a diverse range of employees - Company leadership support for diversity and inclusiveness declared in company values - Training provided on understanding differences based on age gaps	Employee satisfaction score (eNPS: 50)		
	Human Capital Management	- Adapt structure and human capital appropriately, carry out Succession Planning - Intently develop employees in skills necessary to the modern context, foster work life balance - Build company loyalty	Succession & Development Plan Turnover rate < 5% Employee receives an average 24 hours for specialised training and 2 hours for fundamental training per year	✓ Achieved and Turnover rate within target (4.7%) ⚙️ In Progress	- Adapt structure and operations for efficiency, maximum utilisation of resources, proceed according to Succession Plan - Develop training courses and formats - Continually build bonds within the Company, conduct employee satisfaction surveys	Successors & Development PAn	Employee receives an average 24 hours for specialised training and 5 hours for fundamental training per year	

SDGs	Material Topic	2022 Objective	Results and Progress in 2022	Status	Plan for Development	Short-term Objective (Present-2025)	Medium-term Objective (2035)	Long-term Objective (2050)
  	Human Rights 	Respect employee freedom of expression, provide equality and provide health, work environment and personal information security	Employee satisfaction score (eNPS) no lower than 50	eNPS 45 from target of 50	1. Operate with Workplace Benefits Committee 2. Operate with Occupational Health and Safety and Workplace Environment Committee 3. Flexi Work policy accommodates employee needs 4. Review Human rights policy	Employee satisfaction score (eNPS) no lower than 50 Conduct Human rights due diligence for employees		
  	Community Investment 	Establish a network for driving sustainability through AirAsia Academy	Conduct at least two activities per year to promote awareness and action on elevating the Sustainable Tourism value chain and maintain relationships with stakeholders via LINE groups Achieved: Conducted Sustain Me Talk with Faculty of Economics, Chiang Mai University and an Open House at AirAsia Academy		1. Stage activities to promote awareness and action toward sustainability across the value chain 2. Collaboration with allies on activities that promote action, such as a measurable Low Carbon Trip 3. Build confidence and trust among tourists to return to community tourism using advertising	Conduct at least four activities per year to promote awareness and action on elevating the Sustainable Tourism value chain and maintain relationships by surveying participation Collaboration with allies on activities that promote action, such as a measurable Low Carbon Trip	1. Be a leader in Low Carbon tourism allowing carbon measurements to be redeemed for Big Points 2. Collaborate with partners towards developing community tourism that is sustainable and offers shared value 3. Maintain satisfaction of stakeholders	

Sustainable Strategy: GOOD



CUSTOMER RELATIONSHIP AND OPERATIONAL PERFORMANCE

(GRI 2-29, 3-3)

On-Time Performance



Commitment

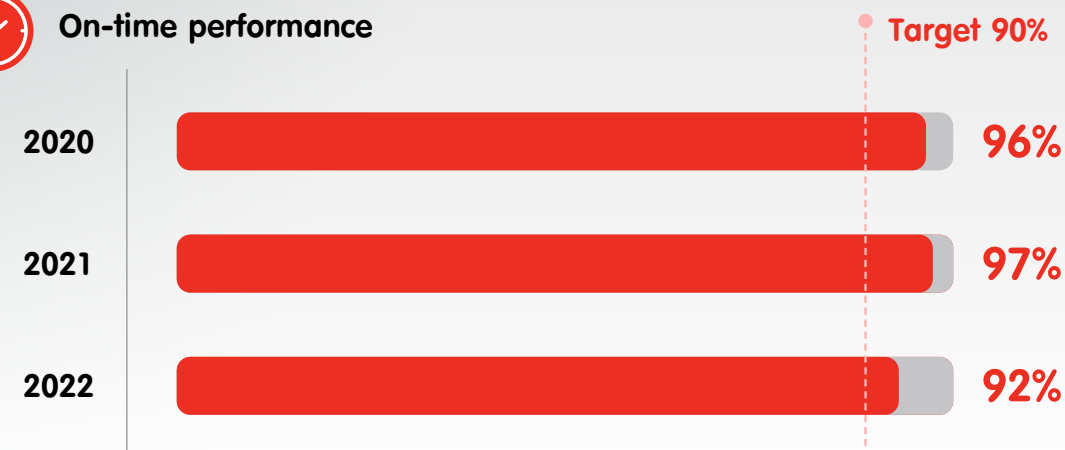
On-time performance (OTP) is crucial to airline operation and flight delays impact both overall performance and are a major cost for the Company. Due to this, maintaining efficient OTP is a matter of high priority for Thai AirAsia. Our target OTP rate for 2022 was 90 percent.

Performance 2022

For the year, we are proud to have maintained consistent reliability with an on-time performance rate of 92 percent. (due to this year's increased number of flights and return to normal operations by airlines, on-time performance fell from last year).



On-time performance



OTP Strategy

The safe and on-time journey of each flight requires integrative management among all departments. The Company established an On-Time Performance Committee to oversee this matter. Led by the Chief Executive Officer, the committee meets monthly to discuss OTP performance and factors affecting our achievement of set targets. Below are some areas covered:

- **Flight Schedule Analysis** - Analysis is performed to strategise improvement in OTP. Flight scheduling impact is reviewed and statistics are used to analyse ground operations, leading to amendments for more efficient time management.
- **Single Database Operation System** - A connected online document system constructed to reduce communication time and facilitate operations. OTP indicators are transmitted through the system to each station.



- **Analysis of Delay Types and Patterns** - A working group analyses the effects of delays for the effective addressing of root causes and sets KPIS to measure the performance of relevant teams.
- **Analyses of Weather Conditions** - Analyses of weather at each station to mitigate delays due to weather

Future Plans

Thai AirAsia is determined to improve its OTP to greater efficiency, even in light of impacts by the pandemic and regulations placed on flights. The plan for improvement is as follows:

- **Prediction of Future Delays** - Predicting potential delays allows planning and remedy. Past data and current factors will be used to make predictions.
- **Prioritisation of Flights** - Since Thai AirAsia flies to several countries, analyses and development of co-routes must be carried out collaboratively.



Customer Satisfaction Evaluation

✈️ Commitment

Thai AirAsia is committed to providing high-quality service to passengers. To diverse needs, the Company believes that passenger feedback is critical in establishing trust and confidence as well as recognising the importance of listening to passenger recommendations, which provide the key to operating ethically and with good governance as well as to sustainable growth.

♥️ Customer Satisfaction

For the effective enhancement of passenger service, Thai AirAsia has been using the Net Promoter Score (NPS) satisfaction index since 2019. The index measures customer satisfaction at set touch points along the Customer Journey with each point having a directly responsible department.

Improving the NPS requires integrative work by all departments towards a common goal. The customer satisfaction evaluation process involves assessment and revisions to operations at each touch point on a monthly basis to ensure that passenger needs are being met and strategies are being adapted at a timely pace.

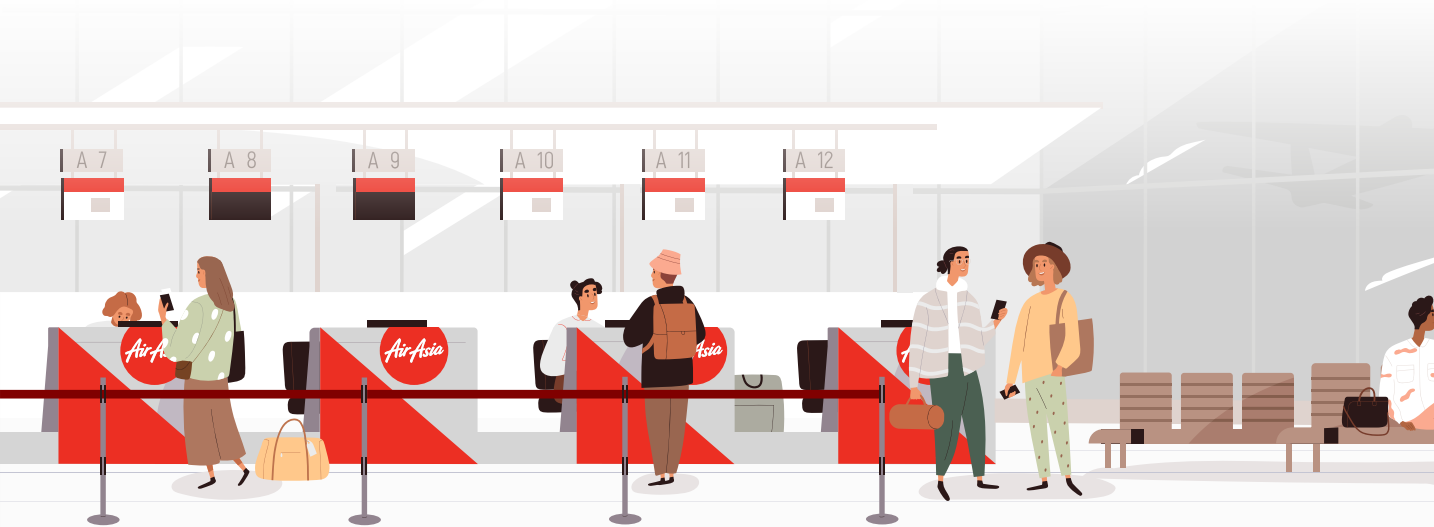


Guest Services

The Guest Services Department is on the frontline of serving passengers and its duties include issuing tickets, boarding passengers, disembarking passengers and handling the sale of tickets at 24 airports nationwide.

The Company issued measures to improve guest services and, with the relaxation of COVID-19 prevention measures, we recruited more staff to meet the operational demands. The department further bolstered standards by organising training for employees who had been deferred from work for over two months or more and required they achieve passing scores on a test of standards before returning to their duties.

A guest services development training course was also created with the TMC. The “Red Booster” course was designed to be a “booster shot” for staff returning to service after the COVID-19 crisis and also provided them with positive experiences to be passed on to passengers. The course began in September 2022.



Inflight Service

The cabin crew serves passengers in-flight with a focus on safety and service with the aim of having passengers reach their destinations smoothly, safely and on-time. Cabin crew service adheres to standards set by Thai AirAsia.

Service processes were adapted to shifting circumstances for optimal performance both in terms of preventing and handling the spread of COVID-19, the main cause for changes during the global pandemic. Service for both commercial flights and charter flights were drastically altered from normal circumstances.

Even during distancing necessitated by the pandemic, the Cabin Crew Department was able to stage regular training and uphold its service practices to ensure the proper care of passengers. This was achieved through the BEGREAT concept:



Branding & Engagement

- All cabin crew are representatives of the AirAsia brand
- All cabin crew are participants in the communication of the Company's policies and activities to the public

Grooming

- It is the duty of all cabin crew to maintain a good public image as brand ambassadors for AirAsia

Revenue

- It is the duty of all cabin crew to generate revenue for the Company through the sale of products and to meet sales targets

Enforcement of Safety

- All cabin crew must adhere to SOPs and SEPs for the safety of themselves and their colleagues
- All cabin crew must be aware of and prioritise safety for the confidence of passengers on all journeys

Attitude & Habit

- All cabin crew must maintain a positive attitude towards service and take responsibility for their duties

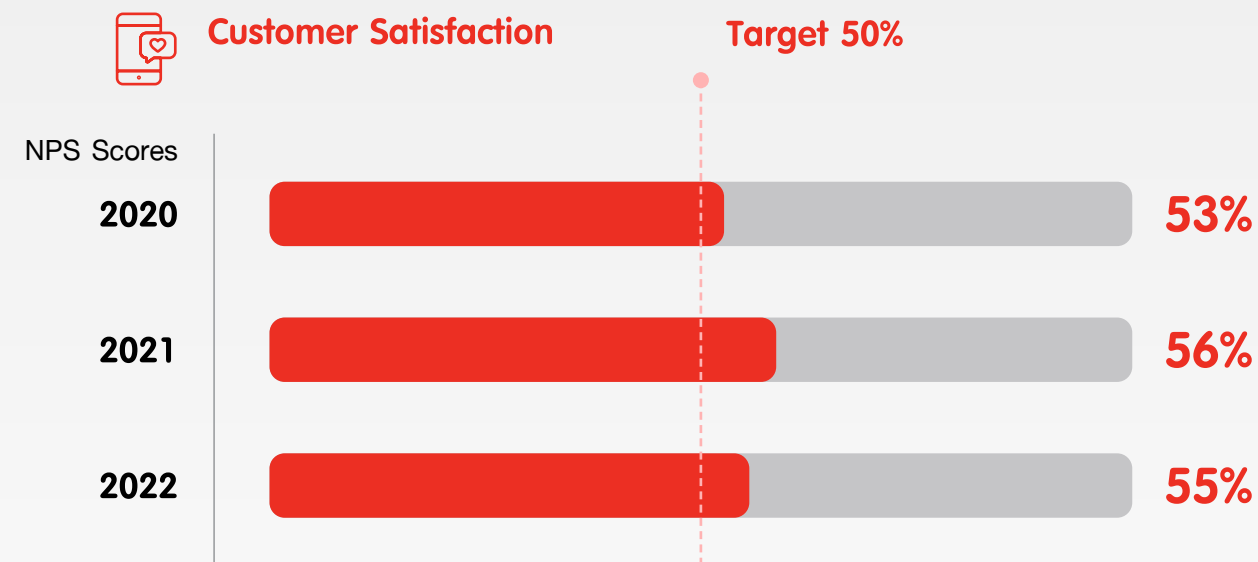
Tactical & Consistent

- All cabin crew must be able to apply their knowledge and the functional skills provided to them in training efficiently and adequately in accordance with service standards

Based on assessments of customer satisfaction over the past year, positive factors for satisfaction include safety during journeys, the ticketing process, OTP, enthusiastic service and good human relations throughout the service process.

Customer Satisfaction (NPS Score Summary)

In 2022, Thai AirAsia targeted a total Net Promoter Score (NPS) of 50 percent. The score dropped slightly from 56% in 2021 to 55% in 2022 because our reduced workforce had to cater to more guests and more complex travel documentation requirements. Nonetheless, passenger satisfaction on service quality was generally maintained, indicating the Company's ability to continue to provide good service.



On top of strategising responses by departments, the Company also analyses and evaluates satisfaction and sets plans for development and improvement of products and services as well as overall operations:

- For improvement of its Contact Centre, the Company developed a live chat chatbot for more convenient access to information and solutions by customers. The User Experience (UX) and User Interface (UI) are to be updated in 2023 and Live Chat Agents increased from 333 in 2021 to 366 in 2022 to provide support for more than 10 languages. More languages are also added to the chatbot and Live Chat Agent to accommodate a wider array of customer nationalities.
- The principles of Red Booster and 7 Service Wonders are to be integrated to further elevate service.

Responsible Marketing and Advertising

Thai AirAsia is committed to complying with all relevant laws and providing accurate information on its products and services in its marketing, advertising, public relations and promotional activities. All information portrayed in the Company's advertising, public relations and communications with consumers are reviewed by the Legal Department and Revenue Department prior to release and the Company is ready to respond and coordinate with a relevant department in the event a customer has a complaint or concern involving the accuracy of any advertised information.

Customer Data Protection Policy and Practices

Thai AirAsia and AirAsia Group have pledged to collect personal customer data responsibly and to protect the privacy of personal data in every possible way. The Company collects, utilises and discloses personal data in accordance with the Personal Data Protection Act of 2019 (PDPA). Customers, contractual parties and users may view additional details in the AirAsia Privacy Statement available at www.airasia.com

The Company maintains appropriate personal data security as required by law and limits access to personal customer data for its employees and representatives to protect against leaks and unauthorised usage.



TECHNOLOGY, INNOVATION AND INFORMATION SECURITY

(GRI 3-3, 418-1)

Technology and Innovation

✈️ Commitment

Thai AirAsia is committed to keeping its operations cutting-edge and sustainable. The Company leverages technology to promote innovation to enhance the competitiveness and efficiency of our products and services. The COVID-19 pandemic accelerated our growth and use of innovative technologies to optimise the capabilities in all activities. Thai AirAsia has developed products amid these challenges to meet the needs of all its stakeholders equally. Thai AirAsia has expanded on its resources to maximise the responsiveness of its products and has adapted its revenue strategies for greater flexibility in response to fluctuating circumstances.



Contactless Check-In

The Company issued measures for social distancing and reducing contact with equipment in public spaces to reduce COVID-19 transmission risks during passenger check-in. We introduced and promoted use of contactless check-in kiosks where guests can scan the QR codes available through their personal smart devices for a seamless, touch-free check-in experience. This initiative began in May 2020 and as of 2022, Thai AirAsia continues to use its 80 contactless check-in kiosks across its airport.



Result and Target

In 2022, passengers who utilised contactless check-in made up 47 percent of total check-ins for domestic travel.



The proportion accounts for

3,472,821

in saved paper sheets worth
Baht

1,041,846.30

To date, the contactless system has operated without error 100 percent of the time since its introduction.

The Guest Service Department has also developed a digital Trip File collection system to further reduce paper usage, saving 520,890 sheets of paper thus far. The Auto Flight Break Up Form system introduced in 2020 to replace paper forms with digital versions also reduced radio traffic while increasing the efficiency of transmitting accurate information and remedying redundant tasks.

Passenger data logs using a handheld system were adopted in 2018 to improve the accuracy of passenger data checks and mitigate user error. All of these innovations have saved paper, enhanced work efficiency, minimised human error and freed up space that would have been devoted to document archives while improving recall and the availability of information for statistical analysis.

Robotic Process Automation (RPA) Development

Thai AirAsia is constantly optimising its operational efficiency. We target repetitive tasks with increased workloads in line with the number of aircrafts put into service by the Company. The Company initiated studies into the development of Robotic Process Automation (RPA) to lighten workloads and reduce the frequency of human error. The initiative allows employees to redesign their work processes and have the new formats presented and approved by executives to replace the previous, less efficient methods.



Result and Target

The Engineering Department studied the use of RPA for recording data into its database to reduce the amount of time taken to manage data. The RPA was piloted in April 2021 using the following prototype:

Project RPA



RPA for aircraft maintenance record

Reduce workload up to 37% of maintenance record work and equivalent to

320,000 Baht per year



RPA for printout

17 listed report

Reduce workload equal to manhours cost

200,000 Baht per year

For development of the RPA, the Engineering Department established a dedicated working group consisting of members from each department. The group was trained in using the prototype and an opinion survey was carried out to inform further development.

While development was halted temporarily in 2022 due to the COVID-19 pandemic, Thai AirAsia continued to benefit from the RPA and has set long-term goals of employing the program throughout all its departments beyond Engineering, expecting it to become a comprehensive in-house working program.

Chatbot for Quick Reference

Under current operations, data utilised in each operation is accompanied by reference documentation and requires reference data from several channels such as the method and process of maintenance, apron data, etc. Thai AirAsia recognised this as an opportunity to introduce a database and communication system and utilise chatbots to decrease time spent searching for references and improve user convenience and work efficiency by having information collected at a central source.



Result and Target

The Engineering and Flight Operations departments began usage and management of the Chatbot for Quick Reference on the LINE application in January 2021 and it remained in use through 2022. In 2022, further functions were added alongside more reference sources, such as maintenance manuals to assist in repairs and calibration readings for later review of equipment and ensure the equipment is ready for use. The Company plans to survey satisfaction with the chatbot among engineers and flight operations personnel to set performance indicators for 2023.

Information Security



Commitment

Thai AirAsia aims to drive the development of systems and processes to maintain consistent data security standards. Data is a crucial resource for analysis and the control of operations toward providing quality service to customers, stakeholders, and related agencies. Thai AirAsia bases its management on Capital A standards and maintains regulations and procedures that correspond to current circumstances.

Information and Communications Security Management Structure

Information and communications security management is overseen by the Group Information Security Department, which has the following duties:



Information Security

Group Information Security Department

Objective

- 1 Evaluations of the adequacy of controls for new information systems/applications
- 2 Evaluations of emerging security technologies
- 3 Security of Group's servers and network are reviewed and monitored
- 4 Investigations of any computer security incidents and highlighting major security incidents to the AirAsia ISMS Management Committee and Data Governance Committee
- 5 Adequacy of information asset protection within the AirAsia Group
- 6 Promotion of security awareness in the organisation through security awareness programs
- 7 Assurance of the adequacy of security controls by coordinating security reviews such as penetration testing and vulnerability assessment

Group Chief Information Security

InfoSec Governance Risk
& Compliance

Data Security &
Privacy

InfoSec Operations

InfoSec Testing

Business Security

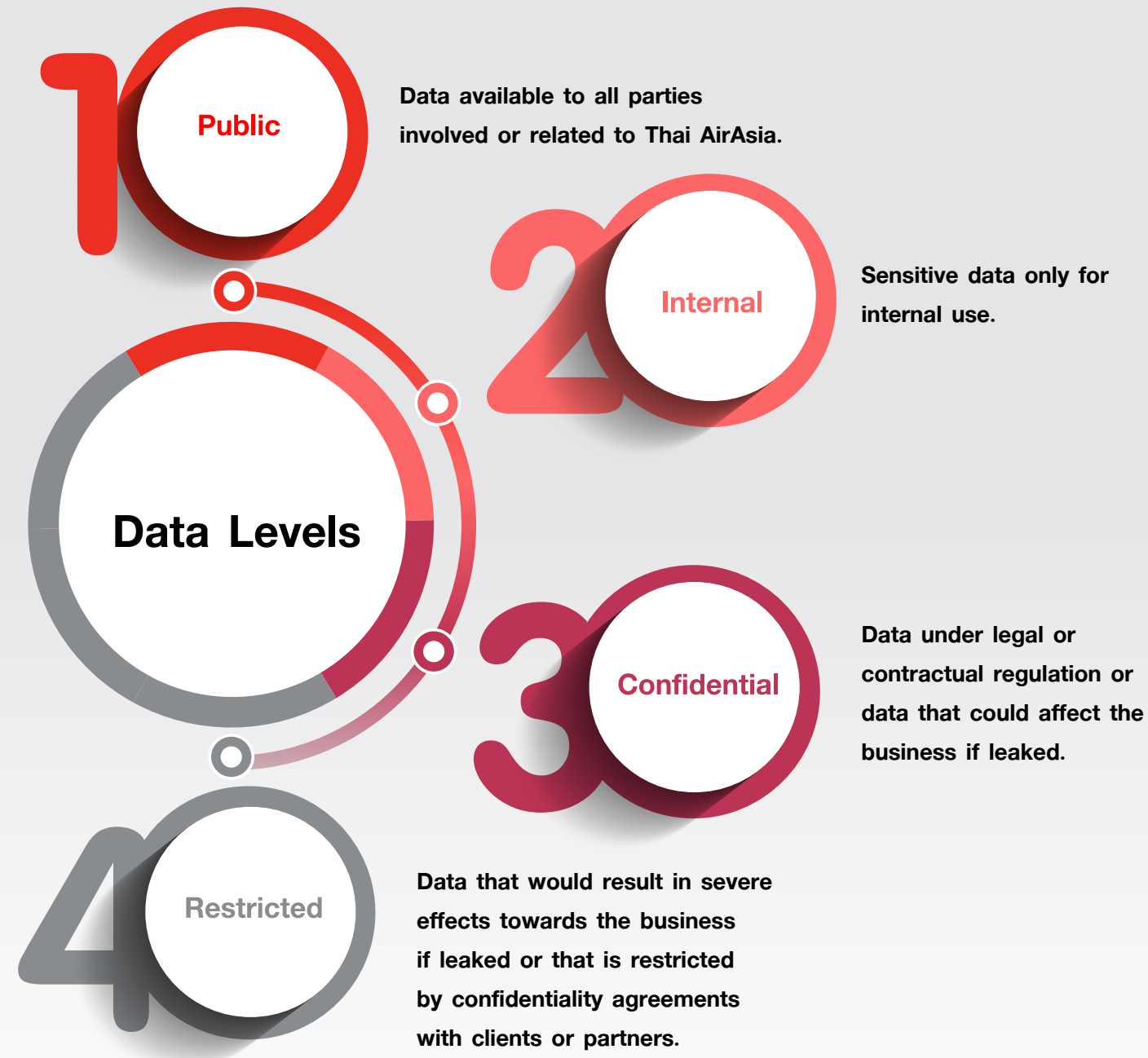
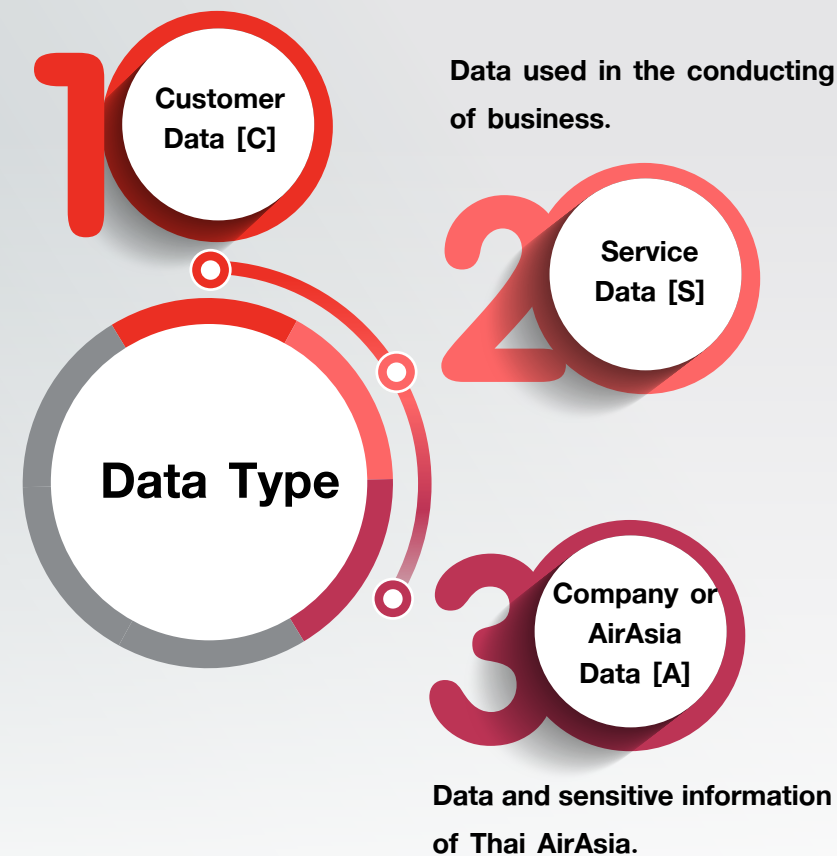
Business Security

Business Security

Information Security Management and Framework

Thai AirAsia manages information security according to the Standard Operating Procedures (SOPs) of AirAsia Group, which categorises data as follows:

Personal customer data or data in which the customer has identified themselves.



Access to internal and external data recorded by the Company in digital form is conditionally restricted and requires passwords set according to the data level. All data must be kept on equipment or servers authorised by AirAsia Group Information Security. For Thai AirAsia, the ICT Department installs, manages, inspects and remedies any issues involving data usage and Company information technology.

The Company's information security policy was developed from the main measures in the Information Security Management System section of ISO 27001, which guides and supports organisations to understand the risks and vulnerable points of protected data systems, as well as the Payment Card Industry Data Security Standard (PCI DSS), a standard for improving payment security that is overseen by the PCI Security Standards Council (PCI SSC).

Cyber Security Management

In preparation against ever-changing cyber threats, Thai AirAsia constructed a process for annually reviewing, developing, and testing data security and implemented measures to defend against cyber-attacks based on evaluations of the present state and emerging risk factors. Moreover, AirAsia Group cooperated with Google to build a Cloud-based data security system. Constant monitoring for security breaches is carried out by the Information Security Department, which has set protocols for the reporting and resolving of issues in the following manner:

Cyber Security Operation and Maintenance

1. Operation and Maintenance

Thai AirAsia has the Group Information Security body, established under Capital A, led by the Chief Information Security Officer (CISO) to oversee cyber security and delineate operations by priority to the Company. Its duties include:

1. Evaluation and management of new systems/ applications
2. Evaluation of new technology security
3. Inspection and monitoring of server and network security
4. Inspection of computer security incidents and management of major security incidents
5. Security management and protection of group data property
6. Security awareness promotion through training
7. Security endorsement and management through checks such as hacking tests and vulnerability assessments

Internal information communication services are divided into three areas of responsibility; ICT Server, ICT Network and ICT Desktop. Each area must meet its own KPIs:

- 1.1. **KPI System Target:** All Company systems must be ready for operation. Server Availability must be no lower than 97 percent each month.
- 1.2. **KPI Network Target:** Network connections must be ready for operation and connected to AirAsia Group systems for continual operation. Network Availability must be no lower than 97 percent each month.
- 1.3. **KPI Support Target:** ICT issues must be resolved within the timeframe of their priority. Timely resolutions must be no lower than 97 percent each month. Resolution timeframes are as follows:

Priority 1 issues must be resolved within 3 hours

Priority 2 issues must be resolved within 1 day

Priority 3 issues must be resolved within 3 days

Priority 4 issues must be resolved within 5 days

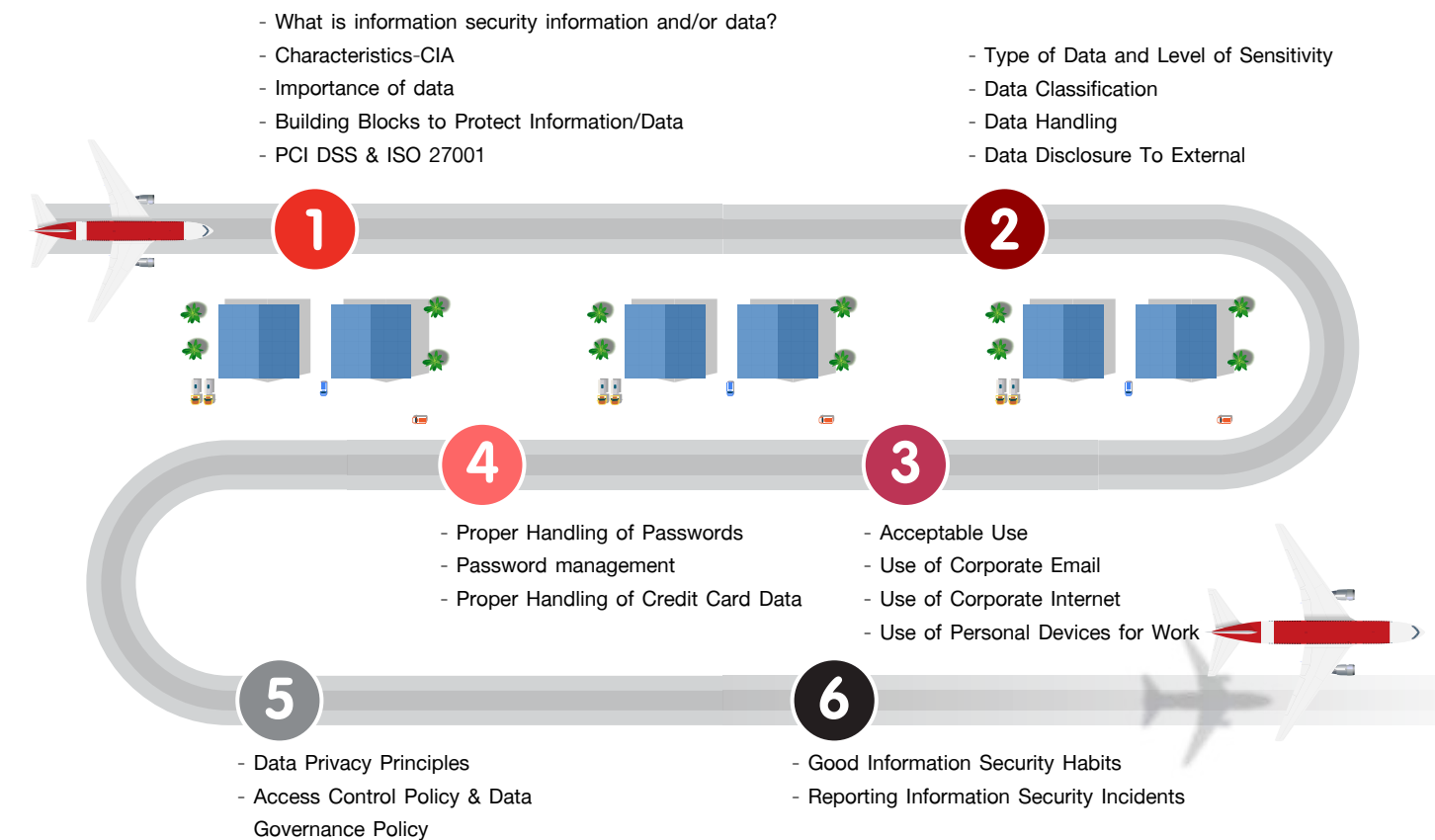
2. Information Security Training for Employees

Thai AirAsia provides “Information Security Awareness” materials to employees for their understanding and awareness of the importance of information security. All employees must undergo training in this topic at the start of their employment and are then notified to undergo a review once annually. Each employee receives at least one hour of information security training each year. A source for further study of information security is also provided for the better understanding of employees.

In 2022, there were 70 percent of all employees trained on Information Security topic.

Information Security Awareness Education 2022 Roadmap

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3. Cyber Threat and Cyber-Attack

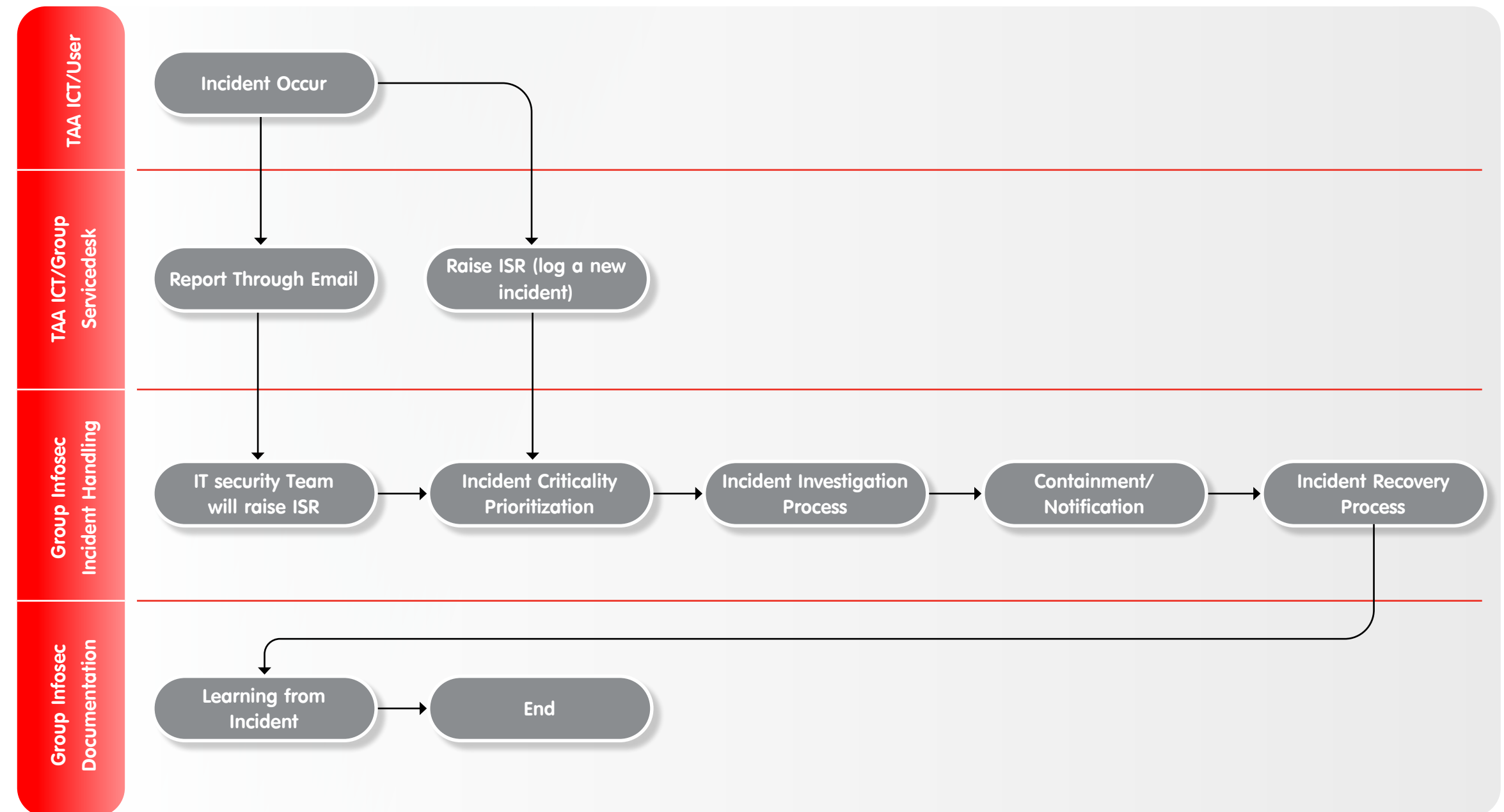
Warning Procedure

The cyber threat warning procedure requires Information Security to classify the threat, draft a remedial plan, trigger the warning system and undertake a process to contain the threat against impacting operations.

Information Security Incident Response Guideline

In the event of an incident or information security threat, any witness or the ICT office must file a report with Information Security using the Internal Service Request (ISR) platform. Once Information Security has received the report, Security Operations will classify the issue, assign it a level of severity and carry out an assessment procedure while notifying all related offices. Further steps will be containment, isolation of the threatened system, recovery of affected systems and the launching of a backup system.

Incident Response Workflow



Incident Report Channels



Reporting Information Security Incidents (GRI 481)

What to report

- Suspected unauthorized access to system and/or data
- Unauthorized change to system, such as a hardware or software change
- Disruption of technology services
- Any other adverse event that could be security related

How to report

- Email: infosec.incident@airasia.com or
- Raise Internal ticket



Management during the COVID-19 pandemic



Commitment

During the COVID-19 pandemic, the ICT Department accommodated out-of-office operations in support of the Company's 'Work from Home' policy. The department provided notebook computers for home use by employees and connected the devices to the Company's security network to ensure information security and

stable network during work from home period. For further reduction of risks and the opportunity for threats, the Company employed a secure VPN, use of the Google ecosystem and two-step verification to encrypt Company data in cyberspace. Guidance was provided to all employees on using Google Meet and other assistive programs for the efficient continuity of operations.



Result and Target

Thai AirAsia achieved the following KPIs:

KPI	Results 2020	Results 2021	Results 2022
System : Server Availability of 97%	99.50%	100.00%	99.18%
Network : Network Availability of 97%	97.66%	100.00%	99.75%
Support : Solutions within Timeframe 97%	99.88%	100.00%	97.90%
Cyber Attacks: 0	0	0	1 case

During 2022, the Company experienced one cyber threat incident. The service of several servers was halted by an external operator, impacting operations in Malaysia and Thailand. In Thailand, Information Security and ICT disconnected the affected servers and shut down the Virtual Private Network (VPN) immediately to address and remedy the situation. The shutdown purged all suspected users and blocked further access of servers. In addition, ICT also requires

employees to reset their passwords and increases the minimum level of password security.

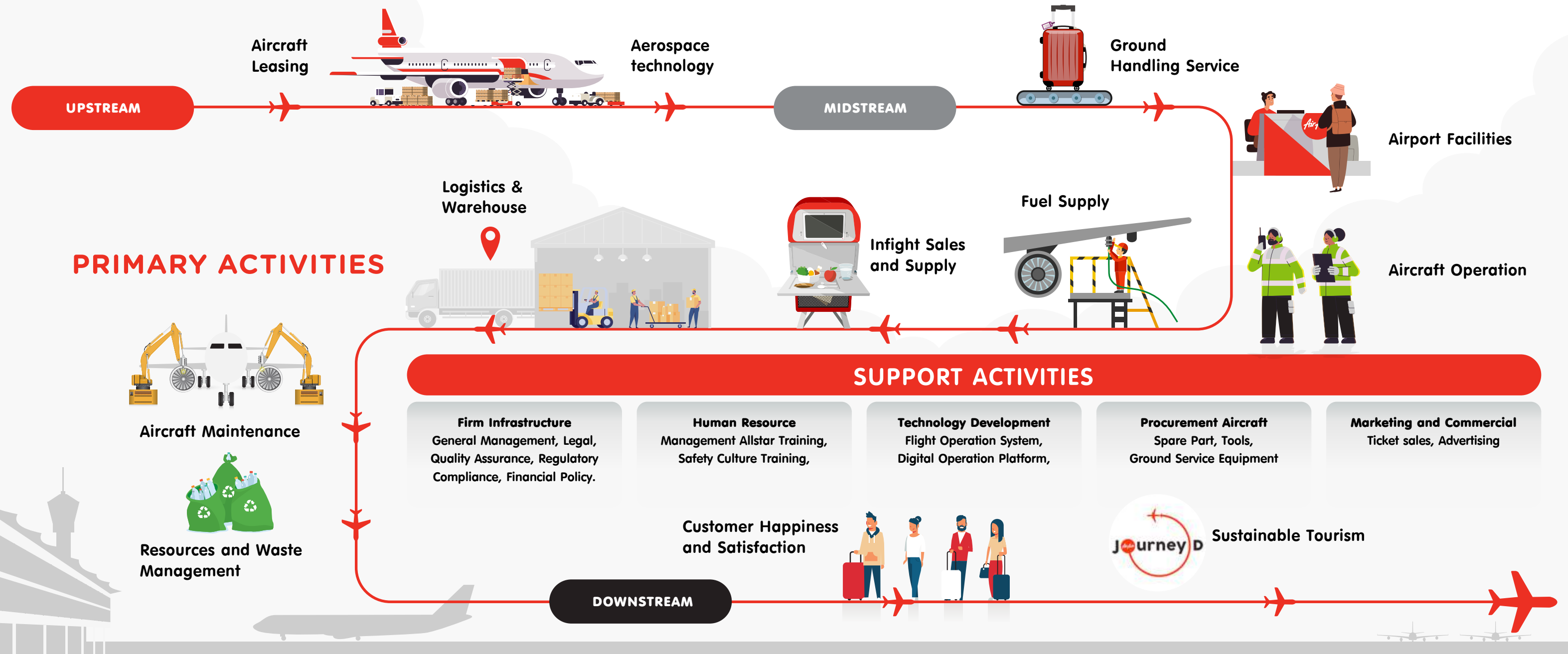
Information Security closely monitors recording of the incident and performs Security Information and Event Management (SIEM). External cyber security experts were hired to assist in inspecting and resolving the issue and a security improvement program is ongoing.

Total Cost of Innovations over Past 3 Years (THB)

	2020	2021	2022
Total (baht)	43,037,453	32,867,625	53,648,827

VALUE CHAIN

Thai Airasia Value Chain illustrates the relations of business sectors, primary activities and support activities from Upstream, Midstream and Downstream, to reflect the delivery of values across stakeholders in order to provide excellent quality service and perfectly meet passenger expectations.



SUSTAINABLE SUPPLY CHAIN

(GRI 3-3, 204-1, 308-1, 308-2, 408-1, 409-1, 414-1, 414-2)

✈ Commitment

Thai AirAsia is committed to a sustainable supply chain. The Company's sustainable supply chain management focuses on suppliers and products as well as the three pillars of sustainability; environmental, social and governance.

Supply Chain

Thai AirAsia suppliers are vetted by a procurement assessment process based on Company policies and that seek to ensure any suppliers or products related to the Company are sustainable and ethically sourced. Thai AirAsia observes the Supplier Code of Conduct (SCOC) developed by Capital A Berhad (originally AirAsia Group Berhad), which can be found at [Capital A's website](#). Suppliers are expected to comply with the relevant regulations pertaining occupational health and safety, labour practices, and the environment to prevent breaches involving human rights. The Company has a zero tolerance policy against breaching of human rights including child and forced labour. The SCOC covers the following matters:

- Business integrity, Corruption and Conflict of Interest
- Labour practices under applicable labour laws
- Confidentiality and Personal Data Protection
- Environmental, Health and Safety Management
- Social Responsibility
- Price competitiveness and Purchasing conditions

Sustainable Supply Chain Management

Efficient supply chain management is important to the Company's operation and assessing supply chain risk is integral when evaluating a supplier. Thai AirAsia's supplier evaluation policy extends from the selection process to a supplier's products.

Suppliers are required to acknowledge that they meet our SCOC. Suppliers are divided by product type and activity within the aviation industry supply chain so that their priority and impacts may be analysed.





Material Procurement Type: Engineering

Type	 Aircraft Parts	 Aircraft Fuel	 Inflight Products	 Guest Services	 General Products
Detail	Aircraft parts must include international certification from the manufacturer	Aircraft fuel is a core cost	Commodities that generate revenue	Services to passengers throughout their journey	General products that support or enhance operational efficiency

Supplier Qualification Questionnaire

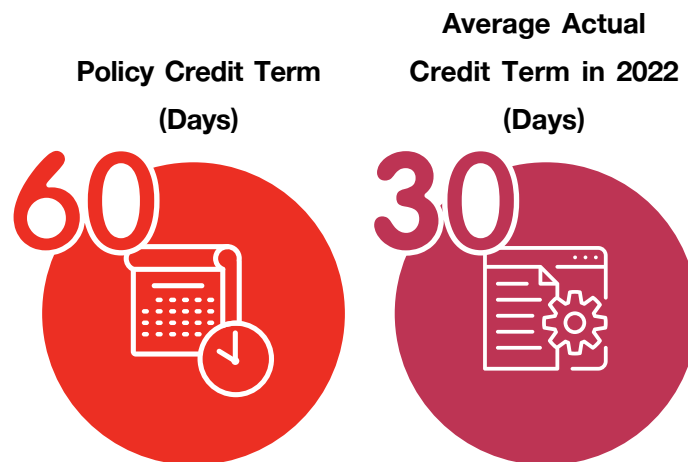
The Supplier Qualification Questionnaire is an instrument for ensuring suppliers have an understanding of the terms and conditions of the Company's procurement process, evaluation processes, operations and business ethics.

Supplier Code of Conduct

Thai AirAsia conducts regular reviews of its SCOC and actively encourages understanding and compliance with the Company's requirements. The Company places great importance to safety regulations, good governance, business ethics, and compliance with laws and regulations. Thai AirAsia's SCOC references International Labour Organisation (ILO) principles on human rights, transparency and anti-corruption, supplier and stakeholder equality and social responsibility. All Thai AirAsia suppliers acknowledge, and adhere to the SCOC.

Credit Terms

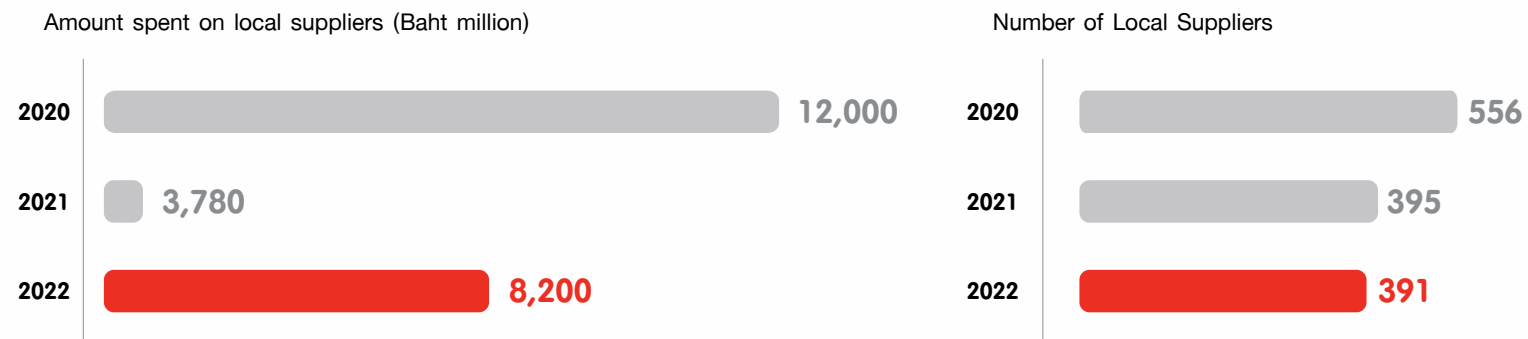
Thai AirAsia views credit terms as crucial to consistent business operation in our current phase of business recovery. AirAsia's standard credit term is 30 days but the Company determines credit terms with some suppliers depending on factors such as the duration of the business relationship, product type, sales volume, product quality and size of the supplier's business (small, medium or large). The Company's credit terms are set appropriately for the sustainable operation of its suppliers. However, due to the majority of the Company's costs being immediate in 2022, the actual credit term observed in the year was below its policy at an average 30 days.



Green Procurement

Thai AirAsia makes efforts to procure products and services from local suppliers to support and boost the country's industries as well as to reduce the carbon emissions that would result from international transport.

Domestic Procurement



With the return of travellers and flights, Thai AirAsia's spending on local suppliers increased from Baht 3,780 million in 2021 to Baht 8,200 million in 2022. The Company will continue to support local businesses to contribute to the economic recovery of the nation.

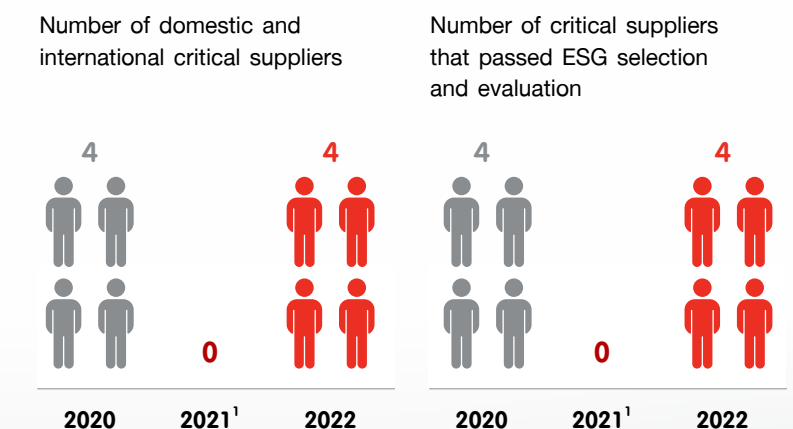
Supplier Performance Evaluation

Thai AirAsia's supplier evaluation process incorporates ESG criteria to ensure that suppliers are in line with the Company's business standards. The Company carries out annual performance evaluations of its suppliers, based on standards of each supplier. Evaluations cover:

- 1 Product Worthiness
- 2 Product Quality
- 3 On-Time Delivery
- 4 After sales service and response
- 5 Innovation Initiative
- 6 EHS and Sustainability Performance

Once an evaluation is completed, the procurement department will analyse the supplier's efficiency and use the information for future procurement decisions. All our critical suppliers passed the evaluation in 2022. Data collected from our evaluation will be used to support each supplier in uplifting their standards in the future.

The Procurement Department prioritises suppliers by procurement value and importance to the Company. Each year, the critical supplier is subjected to an evaluation of its business ethics, legal compliance, operational performance, financial risks, environmental risks and sustainability risks. Procurement communicates its evaluation to the supplier so that the supplier may draft a plan for improvement of the relevant areas.

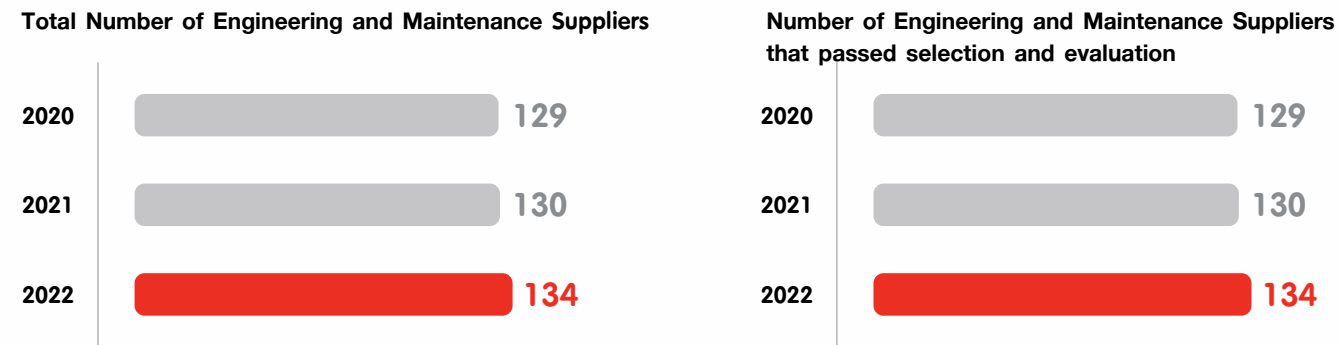


Note:

¹ Due to COVID-19, operations were suspended resulting in no critical suppliers for 2021.

Engineering and Maintenance Suppliers

In 2022, Thai AirAsia has a total 134 suppliers for aircraft parts, equipment and maintenance. All suppliers are subjected to qualifications assessment such as Aviation Grade or certification from EASA, FAA or CAAT and the Company's supplier evaluation assessment. All parts supplied to the Company must meet manufacturer specifications and have not been installed on aircrafts involved in accidents or incidents. Manufacturers, providers and distributors who supply Thai AirAsia are audited once a year using a supplier efficiency criteria.



Thai AirAsia expanded its aircraft maintenance network from 2 key suppliers in 2021 to a total 37 domestic and international suppliers in 2022. 100% of suppliers passed evaluation by the Company's maintenance unit and were authorized by the Quality Assurance of the Engineering Department. Engineering audits are carried on depending on the priority of the supplier based on the frequency of their service and their total value:

Aircraft Maintenance/Apron Service Supplier Type	Number of Suppliers Audited	Audit Frequency
Base/Heavy Maintenance	7	Annually
Major maintenance equipment (engines, etc.)	11	Annually
On Apron Refuelling	1	Annually
Line Maintenance	8	Every 2 years
Parts Maintenance	10	Annual Supplier Evaluation

Sustainability for Engineering and Maintenance Suppliers

Thai AirAsia is dedicated to building a sustainable value chain for its suppliers so that they may grow steadily alongside the Company. Value Analysis and Value Engineering principles are used to assess products, services, and processes that will lead with cost efficiency without compromising the quality and safety of the service. The Company extends its safety culture to the suppliers they work with. Since 2016, Thai AirAsia engages key suppliers in hazard identification initiatives to minimise maintenance errors using the KYT (Kiken Yoshi Training) method, which analyses or predicts dangers and seeks preventative measures. The approach is applied to different subjects, such as equipment usage, work processes and proper maintenance to uplift mutual safety.

Future Plans for Engineering and Maintenance Suppliers

Thai AirAsia strives to continuously improve its supply chain. Beyond annual supplier evaluations based on efficiency, the Company plans to add social, environmental and business ethics criteria to its appraisals to support the sustainability agenda of suppliers and promote them to incorporate environmental, social and governance practices in their operations. The Company plans to conduct annual efficiency and ESG evaluations on all new and existing suppliers within the year 2024.





Product Safety and In-Flight Catering Supplier Procurement

Thai AirAsia's policy is to acquire and distribute in-flight meals that are of the highest hygiene and food safety standards. The Company is committed to procuring food from suppliers who comply with food standards and laws issued by the Ministry of Public Health as well as international food standards.

The in-flight catering management policy is overseen by a Procurement and Acquisition Committee comprised of:

- In-flight Services
- Procurement Department

The committee meets when there is a change of food menu or a change of supplier.

Thai AirAsia targets 100% of suppliers to be in compliance with its requirements and related laws. Suppliers unable to meet requirements will be temporarily suspended until they are able to achieve complete compliance.



Supplier Screening and Selection

The Company procures suppliers who conduct their business with good ethics and practice integrating ESG in their operations. During selection, emphasis is placed on suppliers who incorporate environmental practices in their policies and have met standard protocols such as Hazard Analysis and Critical Control Points (HACCP) and Good Hygiene Practice (GHP) which set out requirements to reduce waste water and wastes from production processes and the use of chemicals. All information provided by the supplier is verified prior to procurement to ensure food presented by Thai AirAsia is of the highest quality and safe for consumption. The food supplier procurement process includes the following:



Current Suppliers

The Company carries out annual quality and safety evaluations of its food products.

New Food Suppliers



Selection

All new food suppliers must have their capabilities verified ahead of purchasing



Evaluation

All food suppliers must be certified by the food and drug agency of each relevant nation



Product Testing

New food suppliers must undergo a food safety and quality audit based on company requirements



Award of Contract

New food suppliers must provide food safety and quality reference documents to the Company

Food Supplier Risk Assessment and Categorisation

Thai AirAsia assesses the risks and categorises its suppliers annually to decide on audit frequency. Audits are carried out on suppliers having a high degree of risk.

Food Supplier Risks by Product Type

High Risk Food Item Supplier

Suppliers of food items that require heat treatment and rapid cooling in accordance with the International Flight Services Association (ITSA)/World Food Safety Guidelines (WFSG) standard due to the risk of spoilage during storage e.g. Desserts, Sandwiches

Medium Risk Food Item Supplier

Suppliers of moderate risk food items e.g. Ice Cream, Ready-to-eat meals

Low Risk Food Item Supplier

Suppliers of low risk food items and shelf stable food items e.g. Beverages, Packaged Snacks, Chocolate Bars



Supplier Food Safety Audit

For assurance that all food suppliers meet domestic and international legal requirements, product specifications, and the company's food safety and quality standards, all suppliers must be audited. Audit types are as follows:

1

Pre-audit

Carried out prior to contract signing and purchasing to verify that the food supplier's quality control system is in compliance with the Company's food safety and quality requirements.

2

Regular Audit

Accredited and approved suppliers undergo a regular scheduled audit and review once a year.

3

Urgent Audit

This type of audit is performed only in the case of a serious complaint over a product or a product is found to be non-compliant with company requirements during delivery.

Evaluation/Audit Score

65-100 : On-Standard

Accreditation approved.
Submit corrective action within 14 working days

60-64 : Minor Deviation

Accreditation approved.
Submit corrective action within 7 working days

50-59 : Below standard

Accreditation on suspend.
Urgent audit must perform within 7 working days. Submit corrective action within 48 hrs

0-49 : Not Assure

With draw suppliers

Overview of Food Suppliers to Thai AirAsia

In 2022, Thai AirAsia maintained 47 food suppliers where 100% of suppliers were evaluated and accredited.

	2020	2021	2022
Number of Food Suppliers to Thai AirAsia	48	47	47
Number of Food Suppliers Accredited by Evaluation for Supply to Thai AirAsia	40	28	47

Projects/Activities in Support of Supplier Product Development

Thai AirAsia is committed to the long-term growth of our suppliers and their products. Since 2018, the Company engages suppliers to improve their products through a product development strategy approach. The Company identified the opportunity during the evaluation process for suppliers to improve on various areas such as in production, quality guarantee and service to match flight catering. Thai AirAsia's strategy for developing suppliers focuses on:

1 Overall
quality systems
development

2 Production
process
development

3 Meeting of
international
standards

Thai AirAsia strongly believes in supporting the growth of its suppliers, hence the Company invested in upgrading the suppliers' skills, capabilities and standards to a high level, including receiving ISO 22000 certification for export to European nations.



Summary of Key Suppliers

At present, Thai AirAsia has over 525 suppliers, each of which passed through the procurement process and were evaluated in terms of capability and compliance with company policies to ensure their ability to supply products and services sustainably and ethically. Thai AirAsia organises its suppliers based on product type and placement in the aviation supply chain so that it may analyse their priority and the effects of their activity.

Key suppliers are those in the production and essential aircraft equipment groups, who provide high cost services often to Thai AirAsia and that provide difficult to replace maintenance services. These suppliers must possess qualifications such as meeting Aviation Grade standards or have received certification from EASA, FAA or CAAT. Of these suppliers, the top ten are as follows:

Name of Supplier		Supply Type
1	PTT OIL AND RETAIL BUSINESS PCL.	Fuel
2	SUSCO DEALERS CO. LTD.	Fuel
3	INDIAN OIL CORP. LTD.	Fuel
4	PETRONAS DAGANGAN BHD.	Fuel
5	AIRBUS	Aircraft Manufacture
6	ST ENGINEERING AEROSPACE SYSTEMS PTE. LTD. (f.k.a ST ENGINEERING AEROSPACE SUPPLIES PTE. LTD.)	Maintenance
7	SEPANG AIRCRAFT ENGINEERING SDN. BHD.	Maintenance
8	PT PERTAMINA (PERSERO)	Fuel
9	ARTHUR J. GALLAGHER (UK) LTD. (f.k.a JLT SPECIALTY LTD.)	Insurance
10	THE SHELL COMPANY OF THAILAND LTD.	Fuel

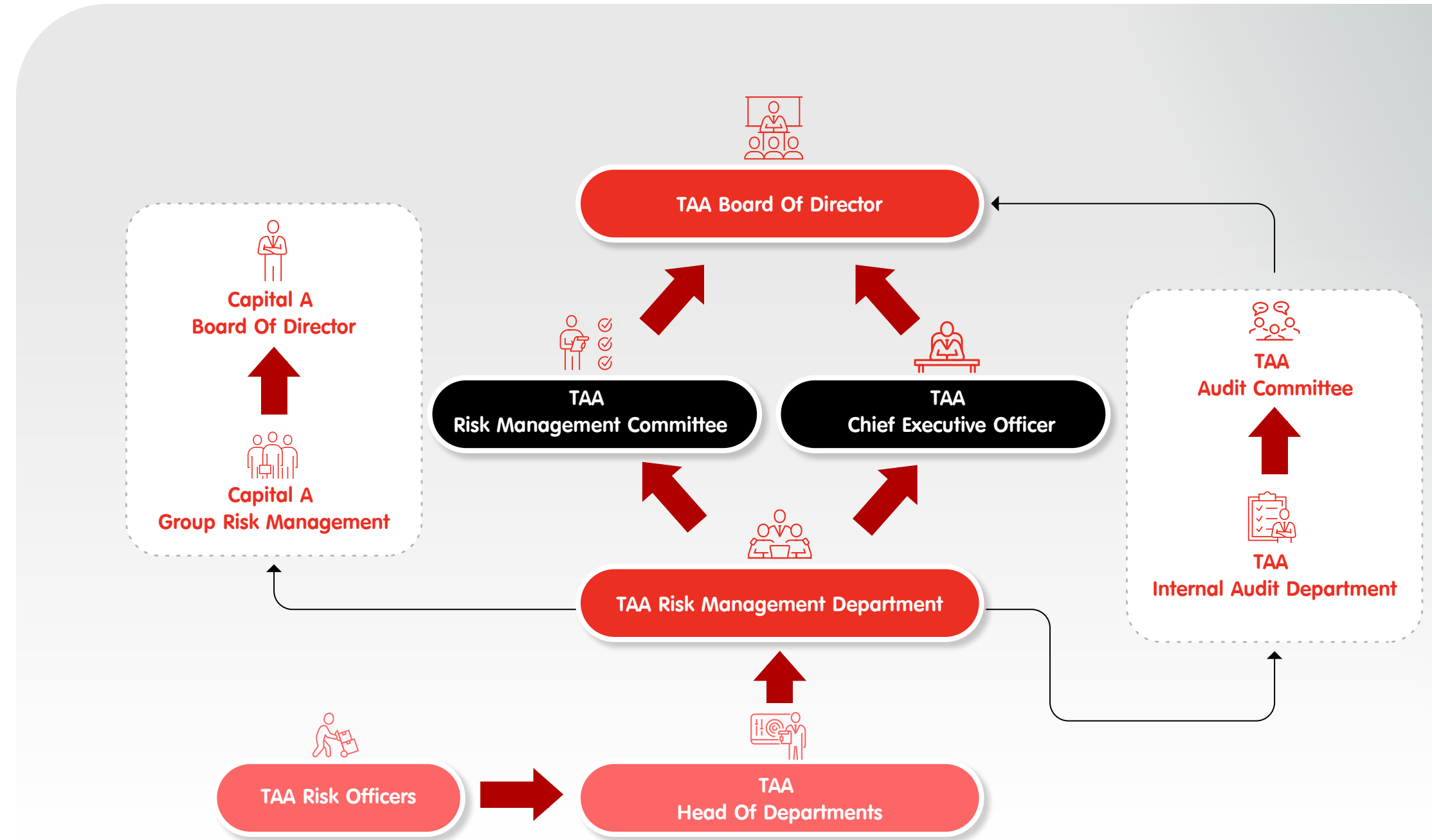
RISK AND CRISIS MANAGEMENT

(GRI 2-9, 2-11, 2-12, 2-13, 3-3)

Thai AirAsia acknowledges the importance of identifying, evaluating, analysing, monitoring and managing risks to its business and investments in the interest of the Company's commencement in accordance with its strategies. In light of this, the Company developed an organisation-wide risk management approach in accordance with the ISO 31000 Risk management standard and its risk management policy. The process involves Risk Identification, Risk Analysis and Risk Evaluation of both internal and external factors with the goal of managing risks within acceptable parameters.

Risk and Crisis Management Structure

Risk management is part of good governance and is fundamental to the Company's achievement of its sustainability objectives while also benefiting stakeholder confidence. The Company's risk and crisis management structure is as follows:



Thai AirAsia Risk Management Department Responsibilities

The Risk Management Department is responsible for carrying out the Company's risk management process both at the internal and industry levels in accordance with the ISO 31000 framework and AirAsia Group's risk management policy. The department coordinates with units and offices across the Company to complete the risk management process (identification, evaluation, mitigation, monitoring and reporting) and issues reports to top-level management and the Group.

The Company holds at least two Risk Management Committee meetings a year. The committee consists of the Chief Executive Officer, head departments and managements working together with the Risk Management Department, which is responsible for coordinating and

facilitating cooperation between operational level and management level as well as promoting accurate understanding of risk management and affirming the Company's culture throughout its structure so employees may realise their duty in risk management. The Risk Management Department compiles risk management reports and presents them to management on a quarterly basis so risks may be acknowledged, monitored and evaluated and management plans may be improved.

At the same time, the Company targets all management and employees undergo risk management training to promote awareness and methods for risk management as well as practices for optimum risk management across the Company. The Risk Management Department created the Risk Management Awareness course in an e-learning format to meet this target.

Risk Management Process

The Company's Risk Management Process comprises six steps, which encompass four risk management groups, namely; Strategic Risk, Financial Risk, Operational Risk and Compliance Risk.

The Company has begun revamping its risk management policy to account for Environmental, Social and Governance (ESG) matters and will begin implementing the new policy next year. The Group is also in its early stages of integrating ESG risks into their enterprise risk management framework, and will be in full effect in the next year.

Moreover, Thai AirAsia manages risks proactively, identifying emerging risks by surveying and analysing new risk factors extending from existing risks and tracking present trends so that it may stay in step with circumstances and manage any possible impacts to its objectives.



The Company has also developed a Business Continuity Management (BCM) process that has a main objective of ensuring Thai AirAsia will be able to continue operating even amid a major crisis. The Company established a working team with agility and the ability to handle changes in accordance with the ISO 22301 standard for business continuity. Different Business Continuity Plans (BCP) have been implemented in response to different situations, such as the pandemic and airport closures, encompassing all departments and stations. Plans are also ongoing for regular and annual training, to ensure the business will be able to resume once economic recovery begins following a major crisis.

Over the past year, the Company improved its communication of different policies to different departments and added a response plan for change to each department, so that they may address specific crises. The Company also sought to ensure its BCPs were aligned with actual crises and changes and upgraded its impact analysis process through greater testing and trial application.

Emerging Risk Management

The pandemic accelerated Thai AirAsia's transition to digitisation in its operations. The Company continues to embrace the technologies put in place during the pandemic such as online learning, remote conferencing and working from home to increase productivity and efficiency at work. These changes have increased dependency on digital tools and made Data Security an important concern for the Company. Although the world saw a temporary decline in carbon emissions during the pandemic, the climate crisis remains a key issue for industries worldwide. Thai AirAsia's risk management units highlighted both of these risks and provided management approaches to all departments and employees at all levels to enhance the Company's management capability.

For more information on climate-related risks, please refer to the TCFD disclosures in the Climate Change Crisis Management section of this report.



Sustainable Strategy: GREEN



ENVIRONMENTAL MANAGEMENT POLICY

Thai AirAsia operates under the core mission of “Now Everyone Can Fly”. We are working towards transforming into a digital airline through the integration of the airasia Super App across ASEAN where the lifestyle platform serves everyone. We believe that for the sustainable growth of our business, good governance and responsibility to the environment, people and economic growth must be embedded into how we operate. Thai AirAsia adopted the environmental policy of Capital A where we are committed to practising good governance for growth that is environmentally, socially and economically sustainable. We are constantly improving our environmental efforts and efficiency for the present and future business operations.

Our commitments:

- ✈️ Comply with relevant environmental regulations and obligations in all jurisdictions.
- ✈️ Commit to the protection of the environment and the prevention of pollution. by reducing our carbon footprint from fuel and energy consumption and promoting sustainable use of natural resources. Through actively adopting the practices of elimination, reduction, reuse and recycling, we also reduce disposal of waste to the landfill.
- ✈️ Integrate environmental management as part of our business processes to identify and mitigate environmental impact. We minimise environmental risks to manage asset and transition costs of climate change.
- ✈️ Practise responsible procurement by incorporating environmental considerations into purchasing decisions throughout our supply chain.
- ✈️ Promote responsible tourism and explore opportunities to reduce environmental and social impact from mass tourism activities, especially to promote protection of natural resources and biodiversity.
- ✈️ Communicate this policy to all stakeholders to foster responsible environmental behaviour and conduct regular engagement activities to promote environmental awareness.



ENVIRONMENTAL MANAGEMENT

Thai AirAsia established a Sustainability Committee comprising key heads of departments to ensure lines of accountability in attaining our sustainability objectives and targets. The principle of Sustainability serves as the basis for the committee.



Environmental Targets

Environmental Management	Short-term Target	Long-term Target
Waste Management	Recycle rate of over 80% of non-hazardous waste	- Zero non-hazardous waste sent to landfills within 2023 - Establish a network of partners for maximum waste management efficiency
Water Management	Minimise water usage to no more than 60 litres per flight	Reuse over 50% of drainage water
Greenhouse Gas Management	- Reduce Carbon Intensity Ratio 3gCO₂/RPK per year - CO₂ emissions do not exceed 85% of level in 2019 by 2026	Achieves Net Zero Carbon by 2050



Incidents of legal violation or environmental impact in 2022 =

0



WASTE MANAGEMENT

(GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5)

Garbage Management

Commitment

Efficient management of waste from our business and daily operations is a key focus in our environmental management. Thai AirAsia aims for zero waste to landfills and has created a network of partners for maximum waste management efficiency to achieve this target.

Waste Management Principles

Thai AirAsia strives to achieve zero waste through the circular economy concept and practises the 5R principle.

5Rs Principle	Strategic Objective	Action
Refuse		Co-working with supplier and stakeholder to develop method to reduce disposal product
Reduce	Reducing use of resources and manage waste disposing process	Optimize plan of usage of resources to reduce consumption
Reuse		Increase reuse of usable of equipment
Recycle	Increasing reuse of waste and reducing it through workflow improvement	Cooperate with partners to maximize recycle of waste and increase recycle rate
Repair		Repair the repairable equipment for reuse and minimize purchasing new unit

Network of Partners and Management of Non-Hazardous Waste

Thai AirAsia participated in “Vibhavadi Zero Waste” campaign by the Securities and Exchange Commission (SEC) and Thailand Environment Institute (TEI) for a fourth consecutive year. Thai AirAsia increased its recycling rate of non-hazardous waste from 88.1 percent in 2021 to 100 percent in 2022 at its Don Mueang station by applying the principle of converting wastes to animal feed and Refuse Derived Fuel, managed by the JDP Technology Company.

Hazardous Waste Management

Hazardous waste is generated by the Company’s aircraft maintenance and includes aluminium cans, lubricant containers and materials such as glues, sealants, gloves and light bulbs. The Company follows AOT protocols in sorting and disposing of each type of waste at designated areas within the airport. In 2022, a total of 5,155kg of hazardous waste were sorted and disposed of in accordance with airport protocols.

ถนนวิภาวดี ไม่มีขยะ (ระยะที่ 2)

งานแถลงข่าวเปิดตัวโครงการ ถนนวิภาวดี ไม่มีขยะ (ระยะที่ 2) : ร่วมขับเคลื่อนตลาดทุนไทยสู่ความยั่งยืน

“แกนกลางของความยั่งยืน สำหรับสายการบิน ก็คือ คำมั่นสัญญาในความปลอดภัย และคุณภาพ ในการให้บริการให้ผู้โดยสารเดินทางถึงที่หมาย ได้อย่างปลอดภัยและตรงเวลา ซึ่งความไว้วางใจจากผู้โดยสาร จะทำให้เราเติบโตได้อย่างยั่งยืน”

คุณจุฑพงษ์ หงษ์วิเศษ
ผู้อำนวยการฝ่ายบริการลานจอดและอุปกรณ์ภาคพื้น
บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน)

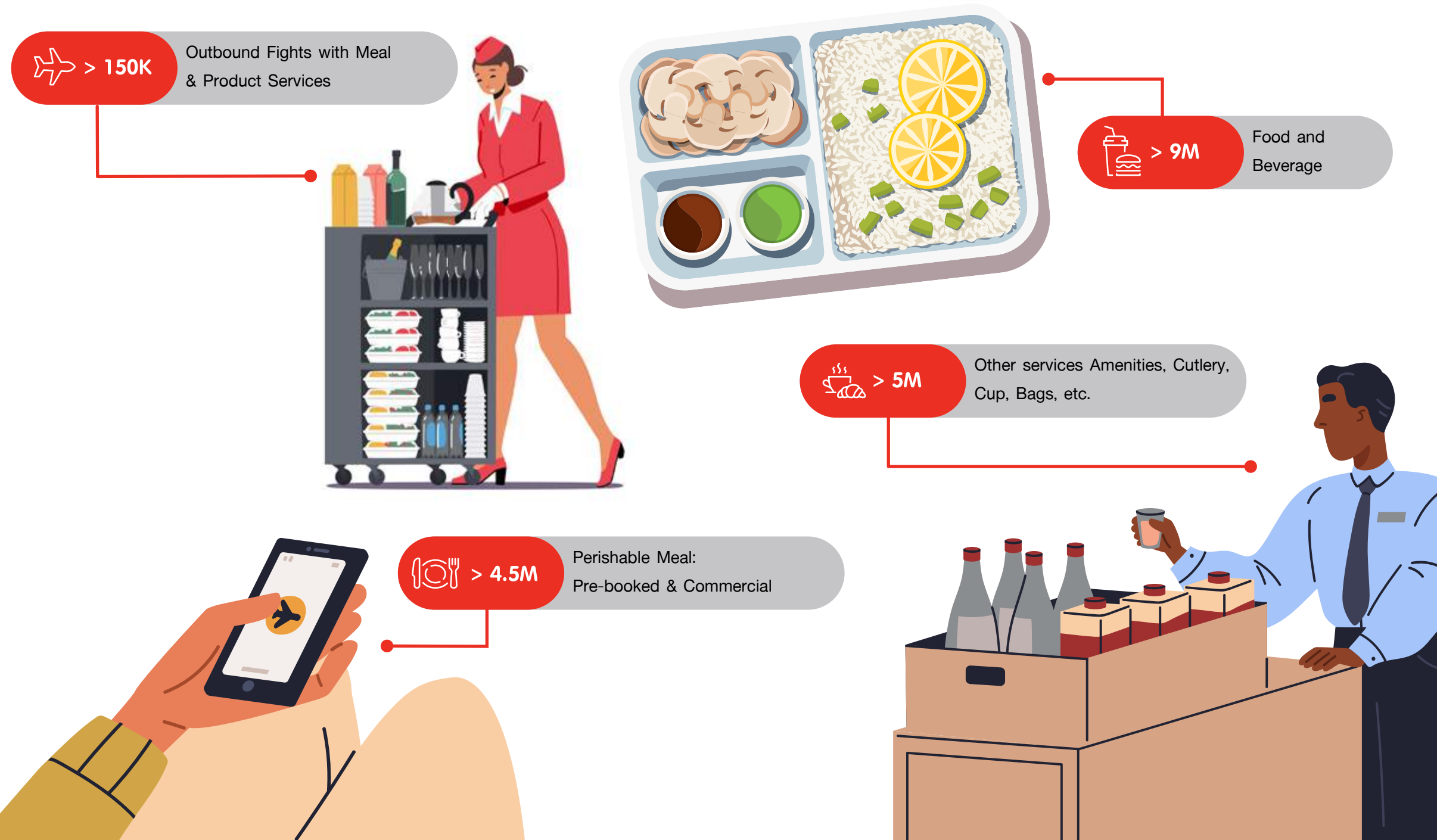
Infectious Waste Management

As we continued our measures to safeguard our passengers and employees against the spread of COVID-19, a large amount of infectious wastes were generated. In line with recommendations by the Department of Disease Control, Thai AirAsia enforced protocols where infectious wastes were separated into red-coloured bags and tightly sealed for disposal, Training and safety measures were provided to employees of JDP Technology handling waste separation to ensure proper disposal of infectious waste.

In-Flight Catering Waste Management

Most current measurements indicate that in-flight catering waste, including fresh and dried food and packaging, is equivalent to 35-40 percent of the total quantity of food and beverages available for service on flights. Approximately 4 million meals and 9 million beverages are taken aboard the Company's over 100,000 flights for service each year along with 5 million pieces of packaging and cutlery.

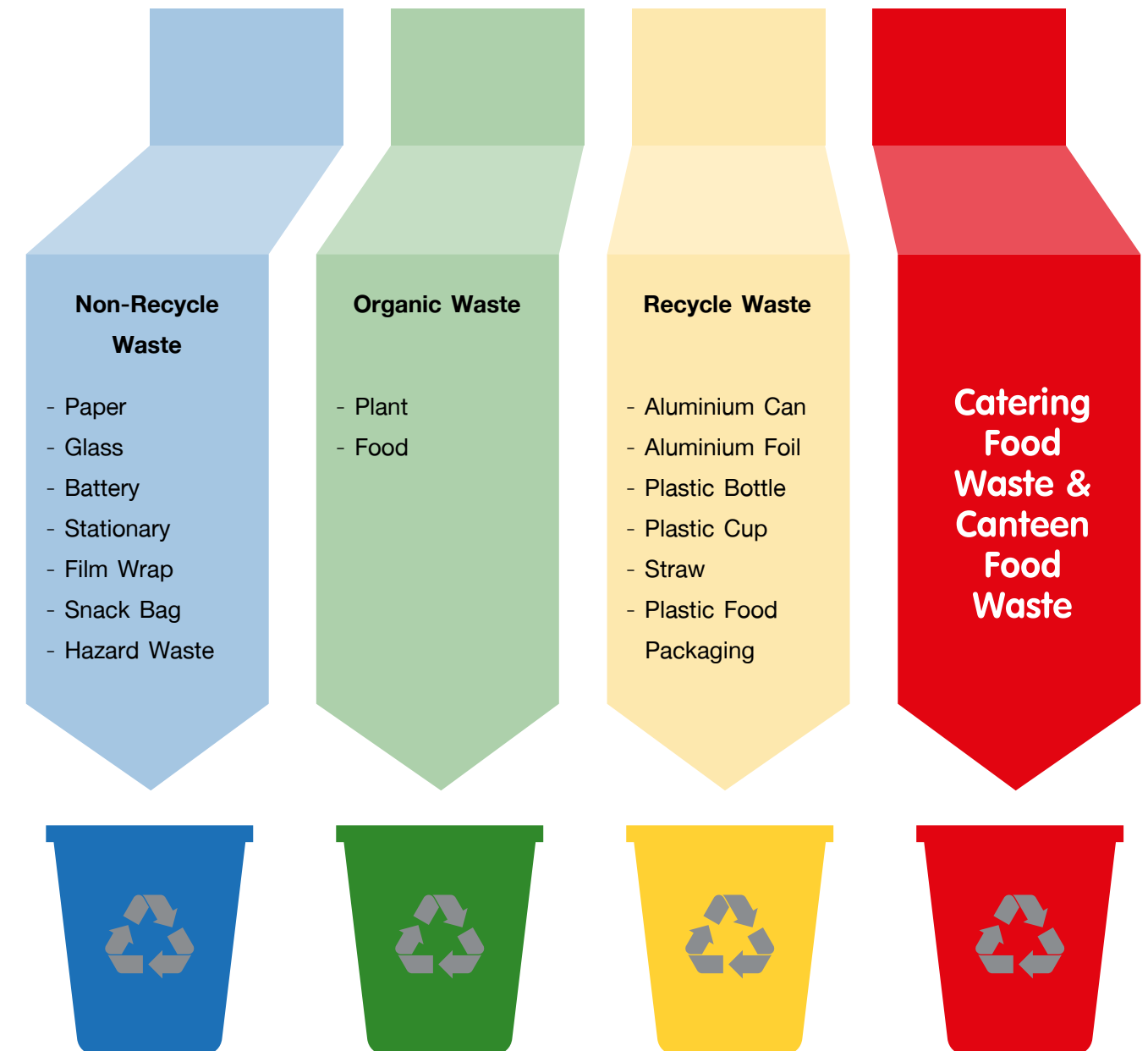
Meals and Product uplifted for servicing and selling per year



Thai AirAsia's food waste can be divided into two categories, waste generated in the production process or during the warehousing of food products and waste generated by consumption in-flight. Both categories are managed in accordance with in the same way, using International Catering Waste and WHO methods.

In accordance with International Catering Waste requirements, all fresh meals taken aboard flights, whether consumed or not, may not be cycled back into service. Exceptions are only made for dried food items. Catering waste generated by the airline returned along with refuse to warehouses is sorted into different types, such as food scraps, plastic and aluminium, and forwarded to the waste disposal unit of the RAMP Department.

WHO Waste management Cycle



Results and Targets

Management of Non-Hazardous Waste for Zero Landfill Waste by 2023

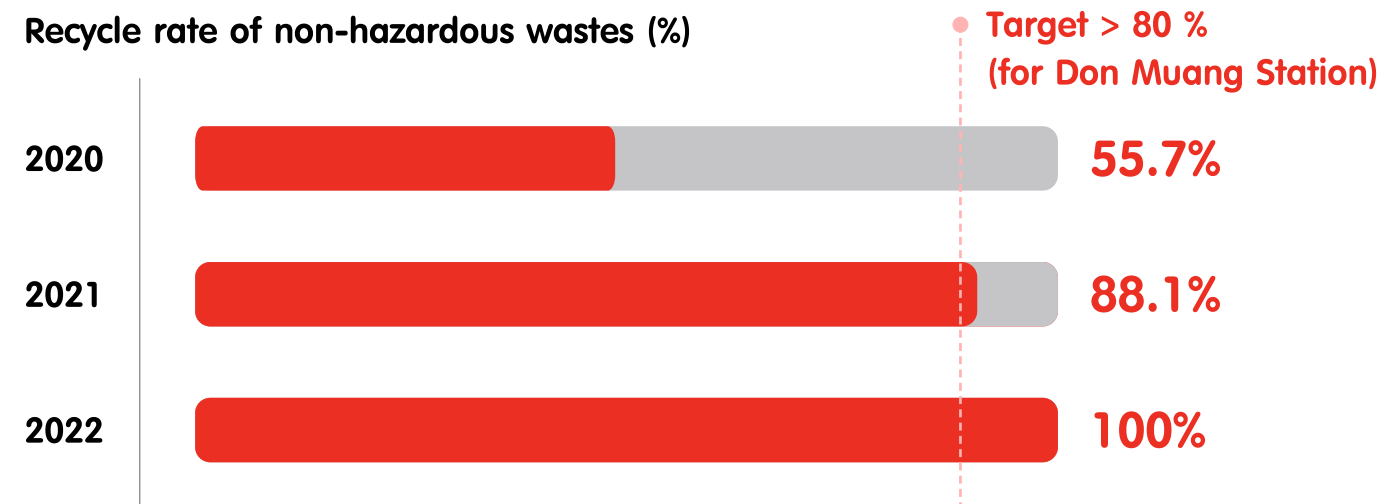
In 2022, Thai AirAsia set a target recycle rate of over 80 percent of its total non-hazardous waste and we surpassed the target with a 100 percent recycle rate for non-hazardous waste.

Hazardous and Non-Hazardous Waste Data: 2022

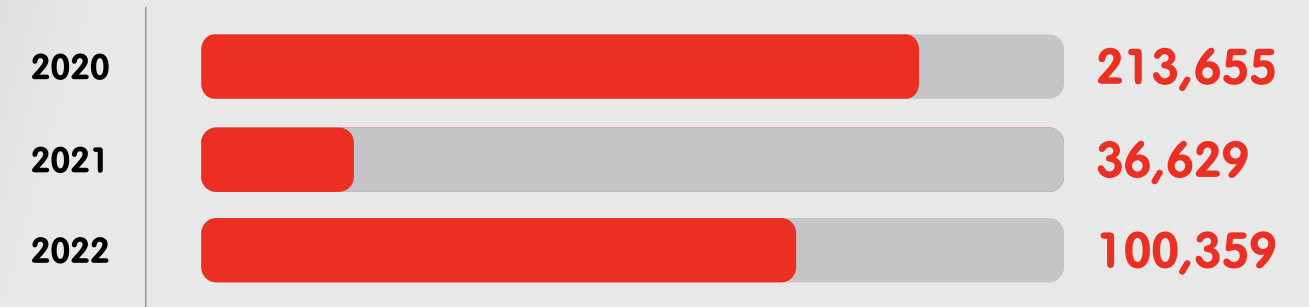
2022 (Kilogrammes)						
Location	Non-hazardous					Hazardous waste
	Plastic	Aluminium (meals package)	Paper	Food waste	Refuse-derived fuel	
Inflight Building	-	-	450	-	-	-
Aircraft Waste	26,550	8,390	10,380	3,573	51,466	-
Aircraft Maintenance Waste	-	-	-	-	-	5,155

Remark: Unable to track infectious wastes due to limited amounts

Recycle rate of non-hazardous wastes (%)



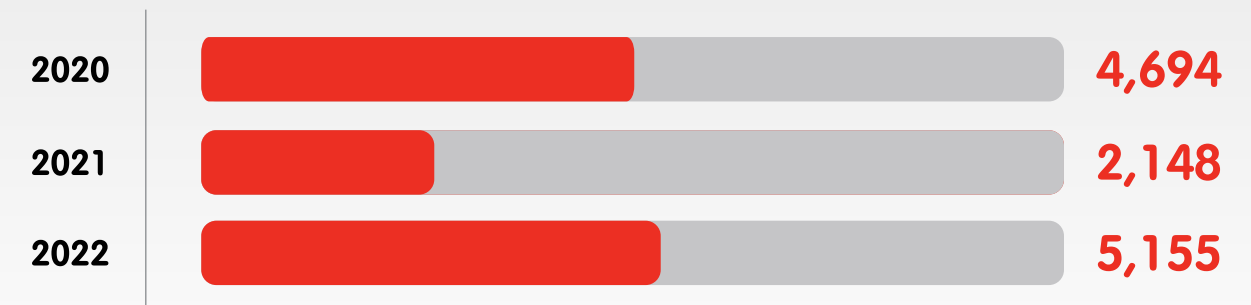
Annual Amount of Non-Hazardous Waste (kg)



Recycled Non-Hazardous Waste and Refuse (kg)

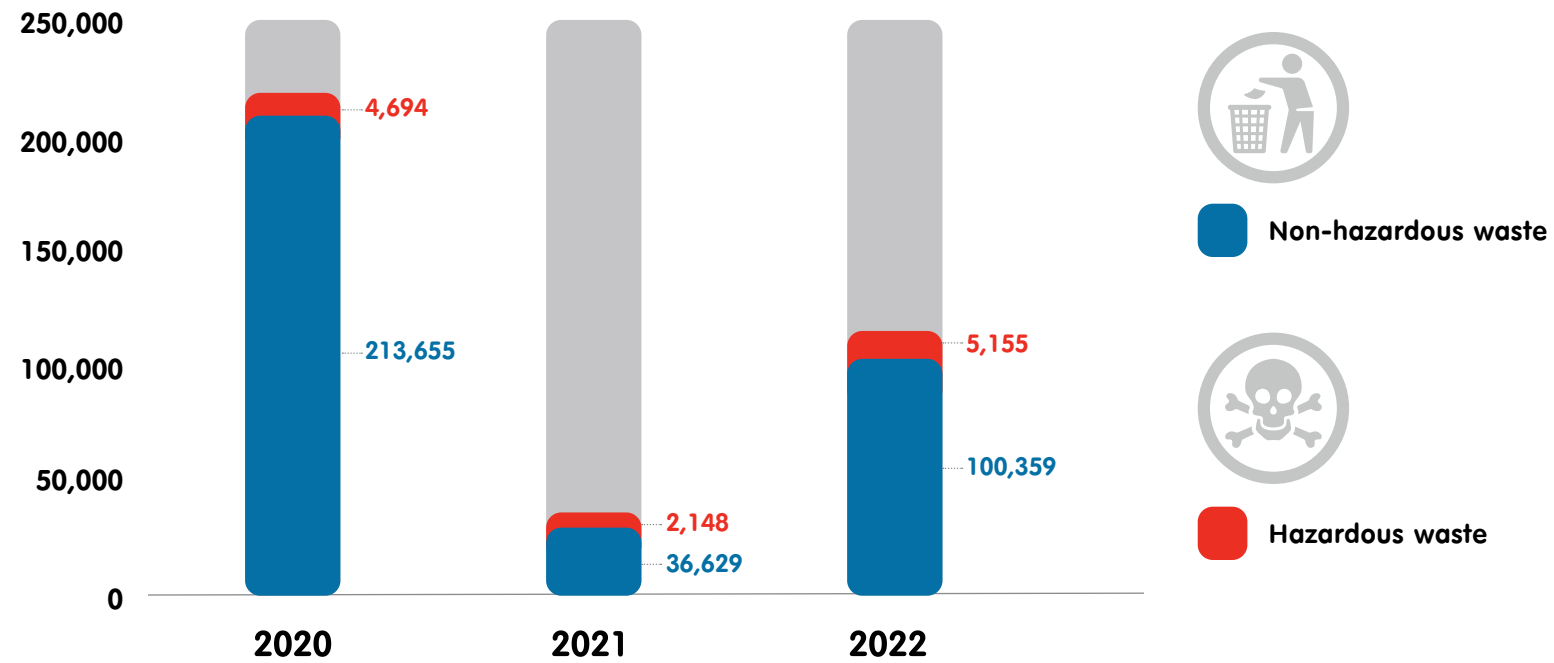


Annual Amount of Hazardous Waste (kg)



*Unable to track infectious wastes due to limited amounts

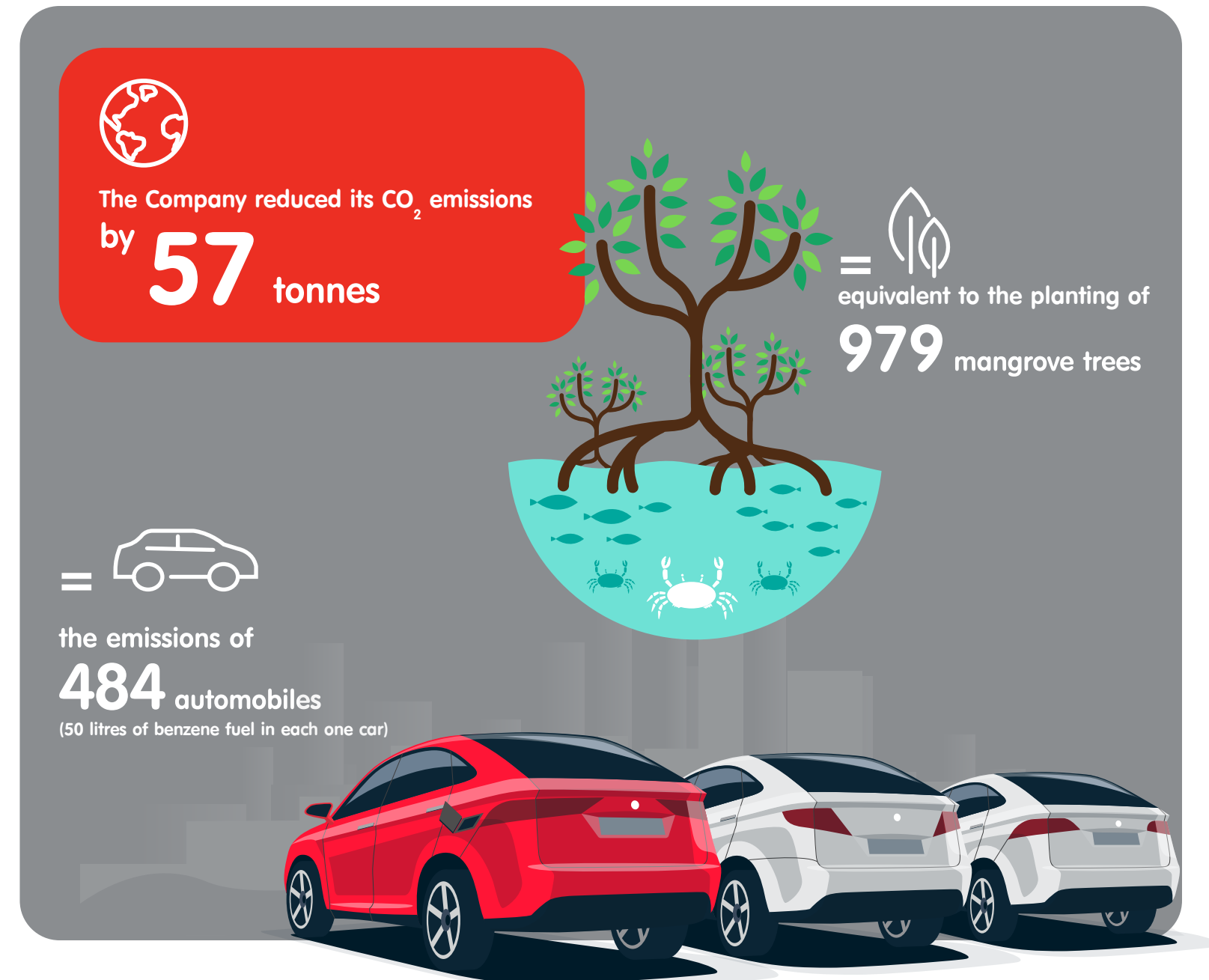
Total Waste (kg)



Through continuous waste management, the Company has been able to increase its capability to manage waste. Maintaining a target of zero landfilled non-hazardous waste within 2023, Thai AirAsia is a recurring participant in the Vibhavadi Zero Waste program, which has allowed it establish a network in support of managing its waste and achieving the zero-landfilled waste target.

Waste Management Assessment

Company waste management data from 2022 was delivered to the Thailand Greenhouse Gas Management Organization (TGO) for assessment of qualification into the Low Emission Support Scheme (LESS). The Company's certified data indicates its management was able to achieve zero landfilled non-hazardous waste. In 2022,



Water Management

(GRI 3-3, 303-1, 303-5)

✈ Commitment

Thai AirAsia manages its water resources for optimum efficiency. The Company monitors, tracks, and analyses the amount of water consumed in each of its operational areas and on flights while also working to recycle water from processes for maximum utilisation.



Ground Operation Water Resources

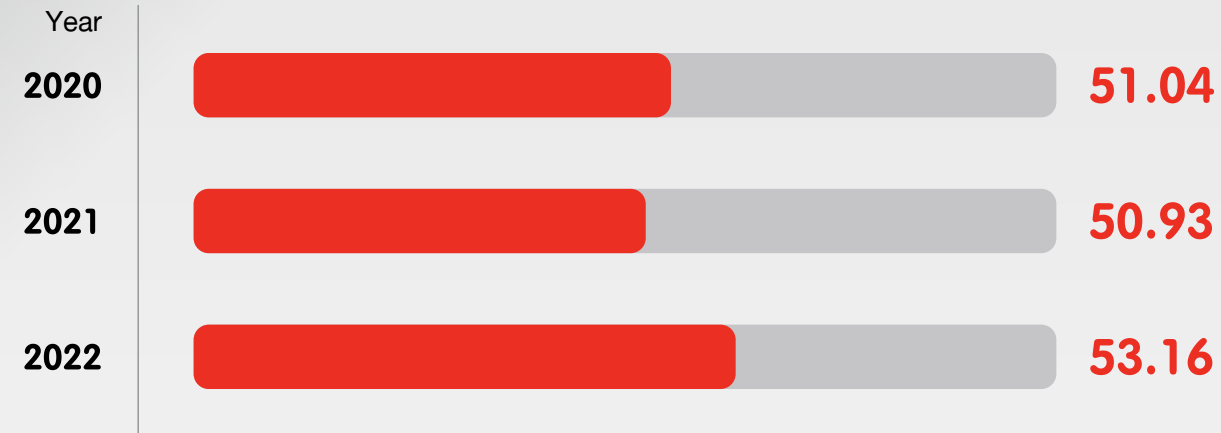
Since 2019, Thai AirAsia has maintained targets for the use of water in ground operations. The Company analysed and evaluated the consumption of water for ground operations and constructed a sustainable airport water treatment station to improve the efficiency and better regulate the quality of water resources.

Strategies to Reduce Water Consumption

In addition to the construction of a water treatment station, Thai AirAsia's Ramp Operations maintains a policy of dynamic water management for the efficient use of water. Appropriate water consumption is calculated for each flight from flight duration and destination terminal. This initiative enabled these calculations have allowed for a 50 percent decrease in water refills for domestic flights and have reduced aircraft weight for better fuel burn efficiency to further reduce carbon emissions. With a target to reduce its purchase of water from external sources, Thai AirAsia has been able to save Baht 450,000 per year after accounting for equipment and other related costs. The Company's target for water consumption on both domestic and international flights is no more than 60 litres per flight. In 2022, the Company was able to achieve its target, averaging 53.16 litres of water consumed per flight.



Water Consumption on Domestic Flights (litres per flight) Target of 60 litres per flight



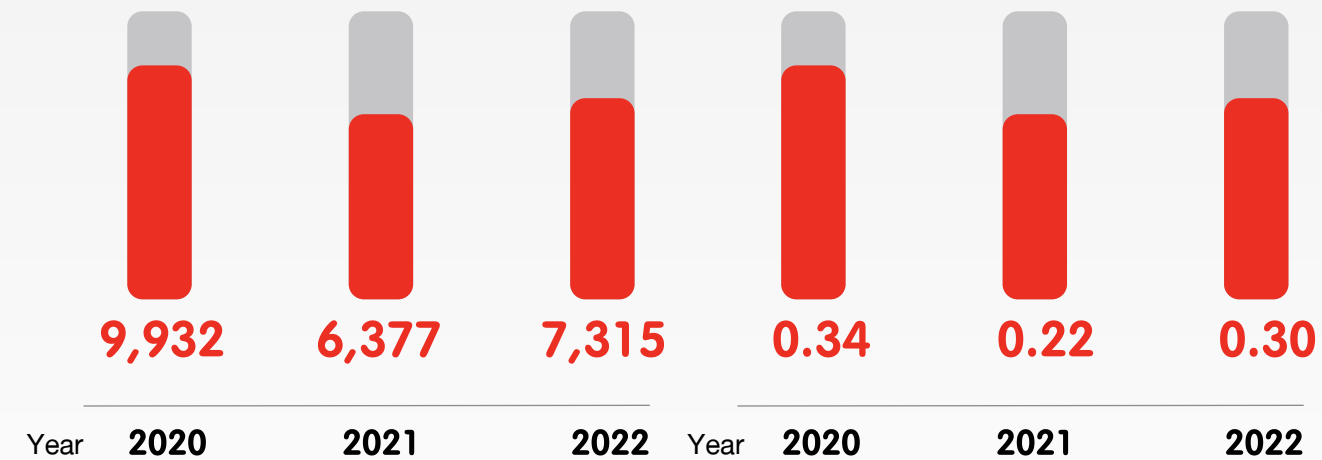
Water Consumption in Office



Water Consumption (m³)



Water Consumption in Office
(m³./sqm.) Target of 0.55



Water Reuse Strategy

Thai AirAsia maintains targets for recycling and reusing water. The Company sources wastewater to be filtered and reused. Water from this source is satisfactory in terms of quality for use in other purposes and serves the Company's goal of sustainably reducing water consumption. For water that would typically be drained from aircraft, the Company targeted at least 50 percent to be reused. In 2022, and in 2022 was able to reuse 100 percent of drainage water were reused for cleaning of aircraft and in other ramp operations.



CLIMATE CRISIS MANAGEMENT

(GRI 3-3, 302-1, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5)

The climate crisis has become an evident reality, resulting in yearly global impacts from intensifying natural disaster to the global warming now affecting daily life. These effects have made the climate crisis a material issue for businesses, including aviation which accounts for 2% of global carbon emission. In response, the International Civil Aviation Organization (ICAO) has continually intensified GHG emissions requirements by air carriers. Thai AirAsia acknowledges its responsibility to contribute to limiting warming to 1.5°C as outlined by The Paris Agreement 2015. The Company is ramping up its efforts on climate action in the context of aviation to minimise environmental impact and carbon emissions into the atmosphere.

Commitment

Thai AirAsia is committed to climate responsibility and works with the Civil Aviation Authority of Thailand (CAAT) in support of ICAO's 2050 net-zero CO2 goal for international aviation. At the same time, the airline participates in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which enacts carbon offsetting and reduction measures in accordance with ICAO policy towards a main objective of limiting carbon emissions to within the ICAO baseline (85% of CO2 emissions by the aviation industry in 2019 from 2024 onwards). Through new technologies and proper management, Thai AirAsia is managing its carbon emissions as stated while still maintaining the utmost in safety.

Governance

Working Team

CORSIA Working

Principle

Improving Operational
eco-efficiency

Compliance
Environmental
Regulation

Strategy

- Improve and monitoring eco-efficient operation performance.
- Monitoring international and domestic trends of environmental management.

- Participation and keep cooperation with regulators.
- Monitoring and update regulation

Net Zero Strategy

As air travel recovery gains momentum, the aviation industry finds itself in a more purposeful setting of managing the restoration of flight networks while adapting to a new regulatory environment that seeks to minimise the industry's impact on the climate. This was underscored by the conclusions of the 41st ICAO General Assembly in October 2022 which reiterated its call for airlines to implement climate change strategies

to achieve ICAO's Long Term Aspirational Goal of net zero emissions by 2050.

Responding to this call to action, Thai AirAsia developed its climate strategy to meet industry aspirations to decarbonise by 2050 in alignment with the net zero targets of the AirAsia Aviation Group Limited (AAAGL). In 2022, we identified our net zero pathway based on existing technologies as shown in the chart below.

Our decarbonisation strategy leverages on four main approaches, namely, the effective management of our fleet, expanding our operational eco-efficiency programme, and progressively, the utilisation of sustainable aviation fuels (SAF) and purchase of carbon offsets. Below are the activities undertaken in 2022 in the four above-mentioned areas.

Fleet Management

Thai AirAsia maintains a relatively young fleet with an average age of 9.0 years, comprising three models of the Airbus A320 family-the A320ceo, A320neo and A321neo-which are acknowledged to be among the most fuel-efficient narrow body commercial jet aircraft. In addition, our fleet of 54 aircraft are compliant with the latest ICAO CAEP/8 NOx emissions standards.

Roadmap Towards Net Zero by 2050

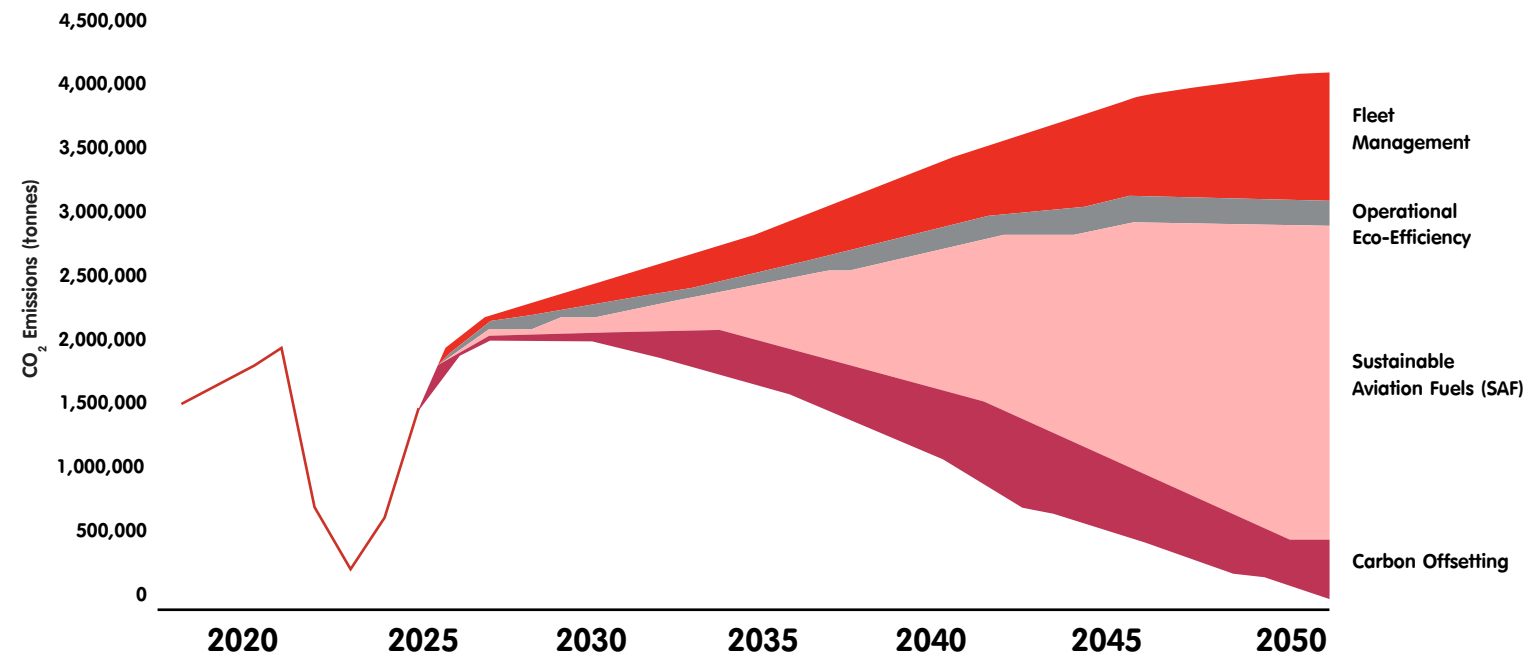


Figure: Thai AirAsia's pathway to net zero by 2050. CO₂ emissions for years 2018-2022 are based on actual data. Figures for 2023 onwards are based on AirAsia Aviation Group Limited's projections.

Thai AirAsia's Fleet by Numbers

Model	Units	Average Age	Passenger Capacity
A320-CEO	41	10.2	180
A320-NEO	11	5.2	186
A321-NEO	2	3.1	236

Fleet Age	% of Total Fleet
< 7 years	35.8
7-13 years	58.5
> 13 years	5.7

Our fleet renewal plan will see the replacement of all existing A320 aircraft with the A321neo model by 2035. In keeping with AirAsia's practice of maintaining a single-class seating layout, each A321neo will be fitted with 236 seats, thereby increasing capacity while lowering per seat costs and emissions by up to 20%, alongside reduced NOx, and noise levels. The delivery of our next A321neo will resume in 2024, to add to the current two A321neo aircraft currently in service in Thai AirAsia. This year, we also upgraded the software of 12 aircraft as part of our efforts to continuously improve the performance of the fleet.

As part of AAAGL, we are also closely monitoring developments in zero emission aircraft technology to take our decarbonisation efforts beyond 2035. In 2022, AAAGL was briefed on Airbus' plans to develop a hydrogen-powered commercial jet aircraft by 2035. AAAGL has also signed a letter of support with ZeAero, a UK-based company invested in developing zero-emission aircraft.

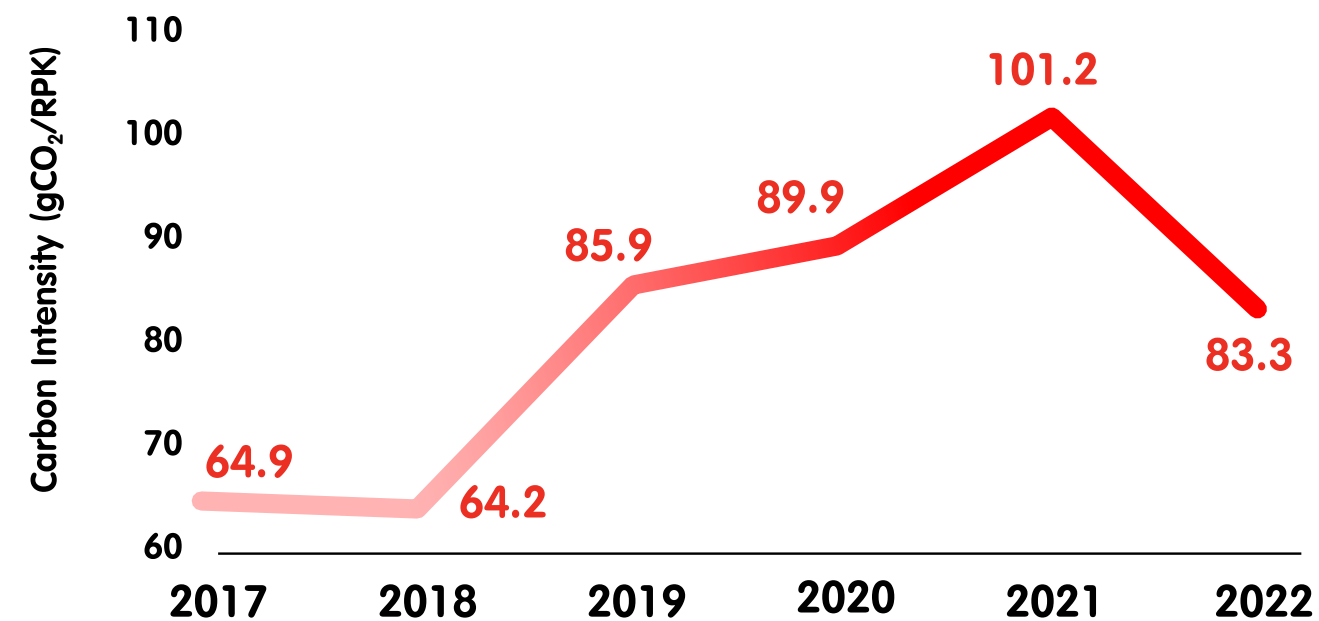
Operational Eco-Efficiency

Thai AirAsia's fuel efficiency programme underpins our emissions reduction efforts. We maintain some of the lowest carbon intensity measures in the industry through continuous efforts to reduce fuel consumption, both to lower our operational costs and carbon footprint.

In 2022, Thai AirAsia's CO₂ emissions per available seat kilometre dropped by 5.6%, both as a result of high compliance rates in applying fuel-efficiency measures and an increase in average flight length

due to the recovery of our international flight network. Our CO₂ emissions per revenue passenger kilometre (Carbon Intensity Ratio) measure also saw a sharp reversal of the upward trend of the last few years to a level approaching that of 2019 as a result of improving load factors.

CO₂ emissions per revenue passenger kilometre (Carbon Intensity Ratio)

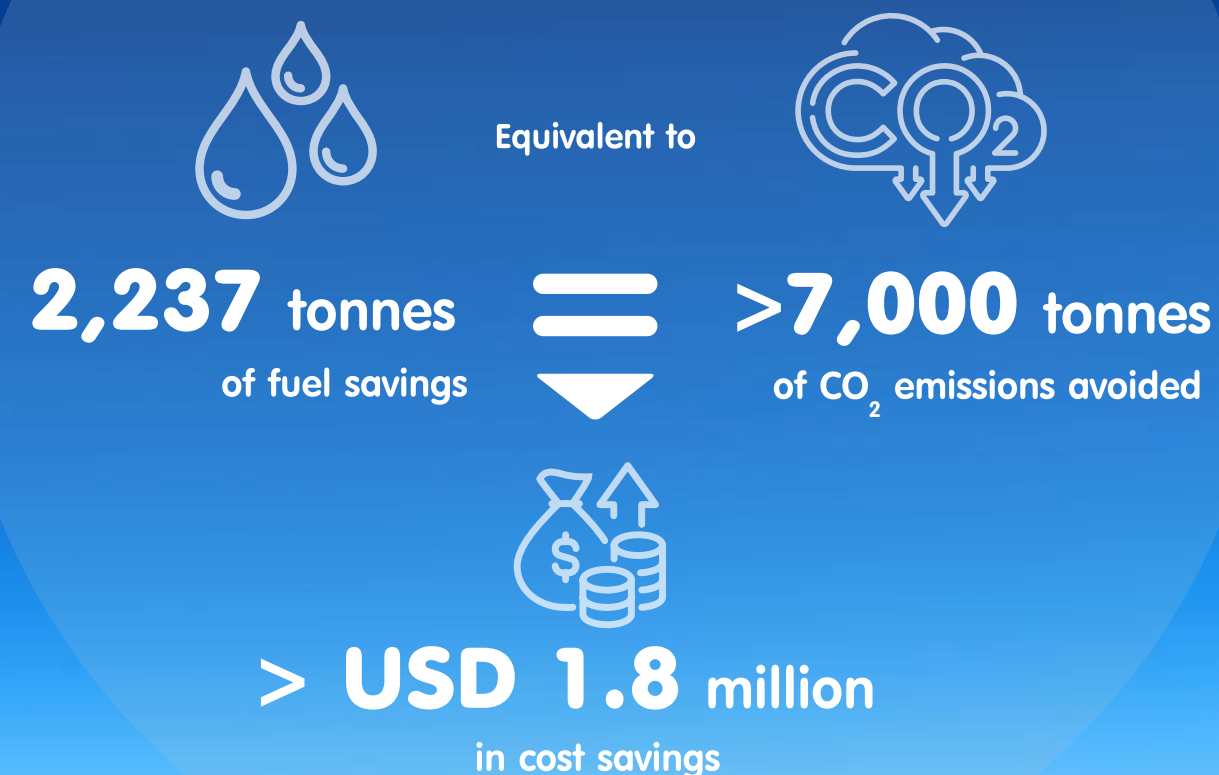


Furthermore, the main fuel and emissions savings were delivered by the following green operating procedures:



CO₂

In 2022,
Thai AirAsia's fuel efficiency programme
(Green Operation) delivered



These measures collectively are the Green Operating Procedure. Apart from reducing the amount of fuel needed for each flight, the procedure also mitigates CO₂ emissions into the atmosphere and reduces noise pollution for residents in areas surrounding airports. In 2022, the six dimensions of the Green Operating Procedure allowed Thai AirAsia to reduce its CO₂ emissions by 7,066 tons, equivalent to planting 513,890 mangrove trees (Reference from Thailand Greenhouse Gas Management Organization).

On top of the measures Thai AirAsia has been employing over the past years, in the fourth quarter of 2022, the Company adopted a new technology to further enhance its flight efficiency. Descent Profile Optimisation, or DPO reduces fuel usage by an average 32 kg per flight (101 kg of CO₂). The technology is expected to be installed in all Thai AirAsia A320 NEO aircraft by the end of 2022, reducing the carrier's CO₂ emissions by 2,070 tonnes/year.

While the number of Thai AirAsia flights in 2022 was still only one third of 2019, the year prior to the COVID-19 pandemic, resulting in fuel usage and CO₂ emissions being 65 percent less than normal circumstances, alleviation of the COVID-19 situation, relaxed government restrictions, improved confidence in air travel and higher passenger numbers since the start of the year initiated a normalisation of Thai AirAsia's Load Factor. This resulted in a significant fall in the Company's Carbon Intensity Ratio (gCO₂/RPK) from 2021 and Thai AirAsia being able to reduce its Carbon Intensity Ratio as targeted to 3gCO₂/RPK/year.



State Action Plan on Energy Conservation and the Reduction of Carbon Emissions by the Aviation Sector

In addition to its internal targets, Thai AirAsia joined in discussions with CAAT and other relevant agencies to draft the State Action Plan for Thailand to achieve Net Zero Carbon by 2050. In support of this plan, CAAT issued a variety of policy and practical measures, including supporting the adoption of Sustainable Aviation Fuels in Thailand and a domestic carbon credit system for offsetting through sale or exchange in accommodation of airlines participating in CORSIA.

Sustainable Aviation Fuels (SAF)

While ICAO supports an appropriate proportion of Jet A-1 fossil fuels being replaced by Sustainable Aviation Fuels (SAF) by 2050, as SAF reduces carbon emissions by 80 percent compared to JET A-1 fuel. At present, the main obstacles to SAF utilisation by Thai AirAsia is its high price and non-availability at Thai airports. The 2-3-fold cost of SAF compared to JET A-1 fuel at present has deterred carriers across the globe from switching to SAF for commercial usage. However, as part of AAAGL, Thai AirAsia will leverage on group economies of scale as purchase volume is one of key factors determining SAF pricing. Thai AirAsia also

participated in multiple engagements with the AAAGL regional team and civil aviation authorities to gain a broader overview of SAF production and distribution plans in ASEAN. This exercise enabled Thai AirAsia to identify airports where SAF may be purchased should our management team decide to commence SAF utilisation or should national policies be introduced to advance the use of biofuels in the aviation industry in Thailand. In addition, several Thai private organisations began investing in the production of SAF in 2022 to meet growing demand. This has made Thai AirAsia see SAF adoption for commercial use as a possibility. The carrier began preparations for adoption by reviewing information provided by the manufacturer of its fleet's main aircraft, the Airbus A320, discerning that a 50:50 SAF to jet fuel ratio would be feasible for the model.

Carbon Offsetting

In 2016, Thailand was among an initial group of States which signed up to voluntarily participate in ICAO's CORSIA thereby mandating all Thai-registered airlines to comply with CORSIA timelines and targets. Since the scheme came into force in 2019, Thai AirAsia is required to meet two key targets.

The first is to measure our CO₂ emissions from international flights and submit verified annual reports to the CAAT for onward submission to the ICAO Central Registry. From 2021 onwards, Thai AirAsia, like all Thai-registered carriers, are required to offset any carbon emissions generated above a baseline set at the 2019 level of emissions.

Since 2019, Thai AirAsia has fully complied with CORSIA requirements to submit verified reports of our annual carbon emissions from international flights to the CAAT. As global emissions level from international aviation is not expected to recover to 2019 levels before 2024, we are not likely to face mandatory offsetting obligations before the 2024-2027 period.

Another important development that took place in 2022 was the decision of 41st ICAO General Assembly to lower the CORSIA offsetting baseline to 85% of 2019 emissions for the reporting period starting 2024. In our impact assessment, we established that while these

regulatory developments do not have an immediate impact on Thai AirAsia, the lowering of the CORSIA baseline is likely to result in higher offsetting requirements starting 2024. We identified at least one CORSIA-eligible carbon offsetting programme in Thailand.

As a next step to our preparation for a future of carbon offsetting, Thai AirAsia, as part of AAAGL, is developing a programme to enable voluntary offsetting by guests when booking AirAsia flights. This programme is scheduled to be launched in 2023. The implementation of the voluntary offsetting programme will provide us with the resources to build internal capacity to navigate carbon markets and purchase CORSIA-eligible credits.

A final point to note is that although the industry is encouraged to apply in-sector approaches that aim at emissions avoidance, until SAF becomes commercially viable at lower prices and larger volumes, Thai AirAsia's decarbonisation efforts will strongly feature purchase of carbon offsets. Carbon offsetting is expected to deliver a higher proportion of our emissions reduction at the early stages of our net zero journey before tapering down as in-sector solutions become more readily available.

For more detailed information on the AirAsia Aviation Group's net zero approaches, please refer to Capital A's Berhad's Sustainability Statement in its Annual Report 2022.



GHG Emission Data

Scope	Emission Type	Indicator	Source
Scope 1	Direct emission	Fuel usage	Flight operations
Scope 2	Indirect emission	Electricity usage (Offices)	Electricity purchases
Scope 3	Other indirect emission that does not cover scope 1 and 2	Fuel usage	Fuel and energy not included in Scope 1 and 2 Business travel

Scope 1 Emissions

Scope 1 from Flight Operations	2020	2021	2022
Fuel usage (tons)	220,125	64,205	209,741
GHG emissions (Tons of CO ₂)	695,595	202,889	662,780

Thai AirAsia's disclosure of Scope 1 emissions does not include ground operations. Fuel usage for flight operations is calculated using the CORSIA Block-On, Block-Off methodology. The Company evaluates GHG emissions in accordance with Thailand Greenhouse Gas Management Organization standards and calculates emissions by referencing the ICAO standard Emission Factor. In the future, Thai AirAsia plans to upgrade its transport vehicles and parking devices to electrical operation to further reduce carbon emissions. The Company is studying the feasibility of this aspiration and consulting with future stakeholders.

Scope 2 Emissions

Thai AirAsia's Scope 2 disclosures cover emissions associated with energy consumption of main base facilities (Don Mueang) (Other hubs and stations are not included.) Thai AirAsia evaluates and estimates greenhouse gas emission in accordance with Thailand Greenhouse Gas Management Organisation (TGO) standards.

Scope 2	2020	2021	2022
Electricity usage (Kilowatt Hours)	2,042,789	1,858,859	1,558,989
GHG emissions (Tonnes of CO ₂)	1,519.84	929.20	671.92

Scope 3 Emissions

Thai AirAsia's Scope 3 partially disclosures Scope 3 emissions for the following categories:

Scope 3 - Category 3 Fuel and energy not included in Scope 1 and 2

Scope 3 - Category 6 Category 6 Indirect carbon emissions from business travel and the business travel of employees and executives in relation to company affairs

Thai AirAsia has started monitoring and tracking its Scope 3 emissions. At present, Scope 3 emissions comprise of our upstream jet fuel production from fuel suppliers and employee business travel. In 2022, Scope 3 emissions was 143,190.8 tonnes of CO₂. The Company expects to include additional categories as highlighted in the GHG Protocol in the future.

Future Plans

Looking to the future, Thai AirAsia plans to continue seeking out new innovations and operational methods to reduce fuel consumption and maintain its carbon

emissions under the baseline of 85 percent of 2019 rates in accordance with CORSIA requirements while also pursuing a Carbon Intensity Ratio of 3 gCO₂/RPK/year.

Alignment with the Task Force on Climate-related Financial Disclosures (TCFD)



Thai AirAsia continues to strengthen our climate strategy as we recognise the exponential intensification of climate change and its impacts on the environment and society. In 2022, the Group became an official supporter of the TCFD. This milestone marks the Group's and Thai AirAsia's commitment in identifying and managing our climate-related risks in line with the recommendations from the TCFD. Through this alignment, we can determine the potential financial impacts of climate change to our business and identify the strategies to mitigate the impacts.

Please refer to the Capital A's Sustainability Report 2022 for more information.

Summary of Risk and Opportunity analysis based on Task Force on Climate-related Financial Disclosures (TCFD)

Transition					Physical				
Risk Type	Risk Timeframe	Climate-Related Risk Description	Potential Financial Impact	Mitigation Strategy	Risk Type	Risk Timeframe	Climate-Related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition	Policy and Legal	Imposition of new climate change regulation such as carbon taxes, emissions quotas or biofuels mandates.	Increase in operating costs and fares which could lead to a dampening effect on travel demand	- Invest in newer aircraft and fuel efficiency measures that deliver emissions reductions - Negotiate SAF and carbon credit pricing as part of AAAGL group to benefit from scale economies	Physical	Acute	Aircraft becoming inoperable at extreme high or low temperatures	Increase in cost of flight delays and cancellations	- Operate seasonable schedules and expand coverage of weather forecasting services - Undertake pre-emptive cancellations to avoid passengers and aircraft being stranded
		New sustainability reporting requirements	Increase in reporting costs, including manpower expenses, measuring tools and audit fees.	- Leverage existing tech tools and programmes to meet new data reporting requirements - Use available internal resources to undertake internal assurance before progressing to external assurance			Increased frequency and severity of climate events such as typhoons and floods	Cost of asset damage, increase in insurance premiums and revenue loss due to travel disruption	Maintain robust business continuity plans and dynamic schedule planning at affected hubs
	Technology	New technology that are developed to deliver low-carbon solutions such as zero emission aircraft may result in asset value loss of existing aircraft and equipment becoming obsolete	New investments needed to upgrade fleet and equipment	- Negotiate aircraft order contracts that allow for upgrades of unfulfilled deliveries - Enhance fleet management strategy to build in flexibilities in lease contracts		Chronic	Longer-term changes in weather patterns that result in rising sea levels that render some airports inoperable	Higher airport charges at new facilities built to replace at-risk airports. Travel demand will also be impacted if new airports are located far away from city centres.	- Select hub airports that are shielded from extreme weather events - Ensure business continue plans are effective and up to date - Operate to airports that are adequately served by public transport to minimise potential increase to guests' travel costs
	Market	Travellers and businesses respond to climate change by reducing travel demand	Lower demand for air travel will impact revenue	Implement a carbon offset programme that provides travellers with the option of offsetting their carbon emissions					
	Reputation	Negative brand impact of being seen as not responding sufficiently to climate crisis	Guests may choose a competitor that they perceive as more sustainable and investors may divest. Financial institutions may also impose a premium on lending	Invest in carbon reduction initiatives and communicate decarbonisation efforts actively as part of the Company's communications strategy					

S Short (S) term

M Medium (M) term

L Long (L) term

Opportunity Type	Potential Financial Impact	Realisation Strategy	Opportunity Type	Potential Financial Impact	Realisation Strategy
Administrative efficiency 	Digitalisation strategy reduces manual paperwork and cost of paper, printing and storage of documents.	Our on-going digitalisation programme has minimised all paper documentation on board and in our office processes. Of the remaining ones, we continue to work with regulators to move towards e-documentation for regulatory records-keeping and submissions such as e-Voyage Reports.	Products & Services 	Attract travellers keen to minimise their carbon footprint and experience sustainable travel activities. We potentially gain from increased market share among responsible travellers and earn ancillary income from sale of sustainable travel activities.	In 2023, we plan to implement a voluntary offset programme to enable travellers to contribute to their carbon offsetting.
Resource efficiency 	Reduction of fuel utilisation via improvements in air traffic management and A321neo fleet conversion will further reduce operating costs and ensure that we maintain its commercial advantage as the airline with the lowest Cost/ASK and CO ₂ /ASK in the industry.	We engage in regular consultations with civil aviation authorities to implement new fuel efficiency and emissions reduction measures. This includes proposing measures to be included for monitoring and tracking in State Action Plans on Emissions Reductions.	Market 	Recognise that climate impact prone destinations may also be strong revenue generators in the recovery and rehabilitation phase.	Resume commercial flights to affected destinations as soon as it is safe to do so to support rebuilding programmes.
Resource diversification 	Shift to SAF utilisation diversifies fuel supply and reduces exposure to rising energy costs and growing carbon regulation.	The Group has commenced discussions with fuel suppliers on making sustainable aviation fuel (SAF) available in our hubs.	Resilience 	Continue to strengthen our network connectivity in hubs with reduced climate risk.	Invest in climate forecasting tools and services to inform fleet planning and route planning strategies.

Sustainable Strategy: GROWTH



OCCUPATIONAL HEALTH AND SAFETY SUSTAINABILITY STRATEGIES

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

Health and Safety

Commitment

At Thai AirAsia, the safety of our people and passengers lie at the heart of our operations and processes. It is our utmost priority to be a reliable and trustworthy airline that operates every flight with uncompromising safety and protects our passengers through their journey. As part of the AirAsia Aviation Group, the Group's safety policy defines our responsibility and commitment to continuously improve on our processes for a secure work environment and robust aviation services. The policy is reviewed on a regular basis and is in compliance with the Safety, Occupational Health, and Environment at Work Act B.E. 2554 (2011) to ensure proactive adherence to national and global regulations and international standards. The Company also introduced New Normal practices with its implementation of "Safety, Occupational Health, and Environment at Work" measures to safeguard employees from COVID-19 infection.

Safety Management System: SMS

Given that safety is the paramount priority for us, we have set up robust management systems and procedures to ensure the health and safety of our passengers, crews and employees. We are committed to operate our services with the highest level of safety and strive to ensure zero accidents for our services.

Thai AirAsia's SMS strengthens safety rules and company culture on a continuous basis. This assures the safety and reliability of each flight. The SMS is in compliance with requirements set by the International Civil Aviation Organization (ICAO) and aligns with the State Safety Policy (SSP).

Thai AirAsia's Chief Executive Officer is the designated accountable executive for Thai AirAsia's SMS, and our Board of Directors receives quarterly updates on key safety performance. Our SMS involves a full

commitment from the most senior levels of TAA through to each employee to integrate safety into all parts of how we do our jobs.

Safety Policy and Objectives

Safety is at the core of Thai AirAsia's operation and the Company is committed to developing and implementing strategies and procedures to ensure that resources are appropriately allocated for the highest levels of safety and compliance with domestic and international standards. We are also

constantly adapting strategies and procedures to improve operational safety. At the same time, we seek to provide air services at affordable fares, with trustworthiness and convenience. Information on the Company's safety policies and objectives in the "Safety and Security" section of the One Report is provided to allow participation by employees in the Company's safety policy. At the moment, channels to Thai AirAsia Safety Policy include emails, communication from supervisors, department website, public relation board, company website.





Safety Governance

Thai AirAsia determines Safety Performance Indicators (SPIs) and monitors them through Safety Action Group meetings and Safety Review meetings, which take place at least once a month, Safety Review Board Meetings that take place every three months, as well as maintains equipment protection measures. Strategies include:

- Safety risk management to maintain risks at an acceptable level
- Dividing the Safety Working Group into four sub-groups according to operation line for highest efficiency, namely, Flight SAG, Cabin SAG, Ground SAG Safety, Health and Working Environment (SHE) meetings according to applicable labour laws and Engineering SAG. The groups meet according to a set schedule to follow up on SPIs and report collected data to the safety meetings for reviewing safety strategies with the CEO chairing the meetings to receive briefings and issue orders.

Safety Accountabilites Functional Chart

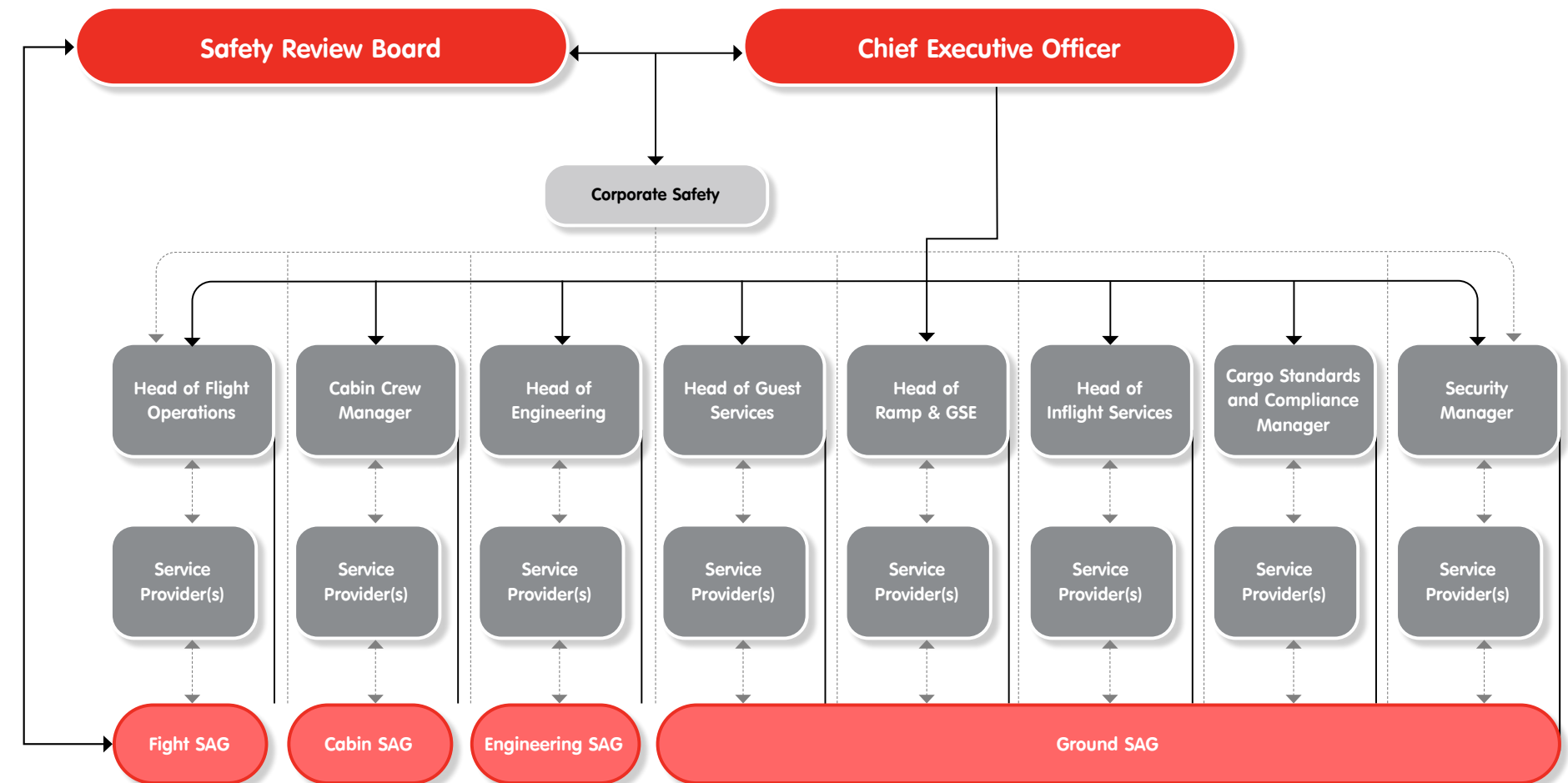


Chart legend:

— Operational responsibilities

--- Safety related responsibilities

↔ Safety related measures implementation & monitoring

Safety Responsibilities

Allstars

Safety is the duty of all Thai AirAsia employees, who must be aware of their own safety as well as the safety of others at all times and participate in all relevant activities and training assigned to them or that is mandated by law. All employees have the right to decline work that they deem unsafe, may result in property damage, is beyond what they have been

trained to do or if appropriate tools are not provided. Employees are required to report any perceived dangers to their superiors.

Corporate Safety

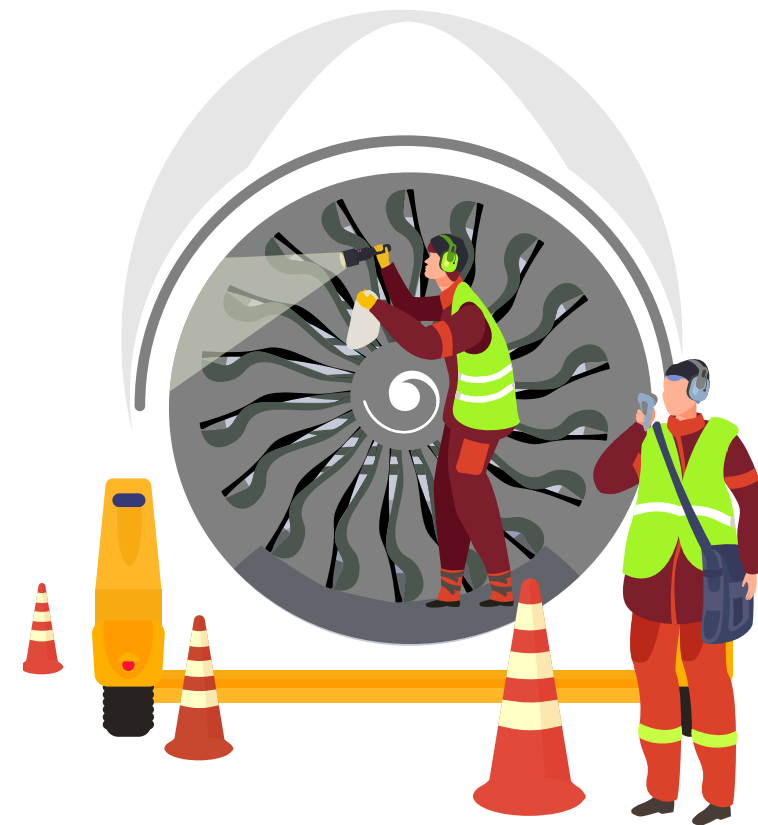
The Corporate Safety unit plans workplace risk mitigation operations and oversees implementation of such plans, the provision of safety training, provides recommendations on preventing accidents and incidents, manages workplace risks and verifies the Company's compliance with safety laws.

Top Management (Safety Accountability and Responsibility)

With the highest authority over the Safety Management System, top management may make final decisions concerning human capital management, the operation of each department and finances and are the most responsible for safety and most directly responsible for management of the Company.

Head of Corporate Safety and Responsibility

Responsible for implementing the SMS in accordance with policies from top management, the head of corporate safety and responsibility identifies and assesses risks, audits operations and risk mitigation measures, reports safety performance, creates safety documentation and plans safety training.



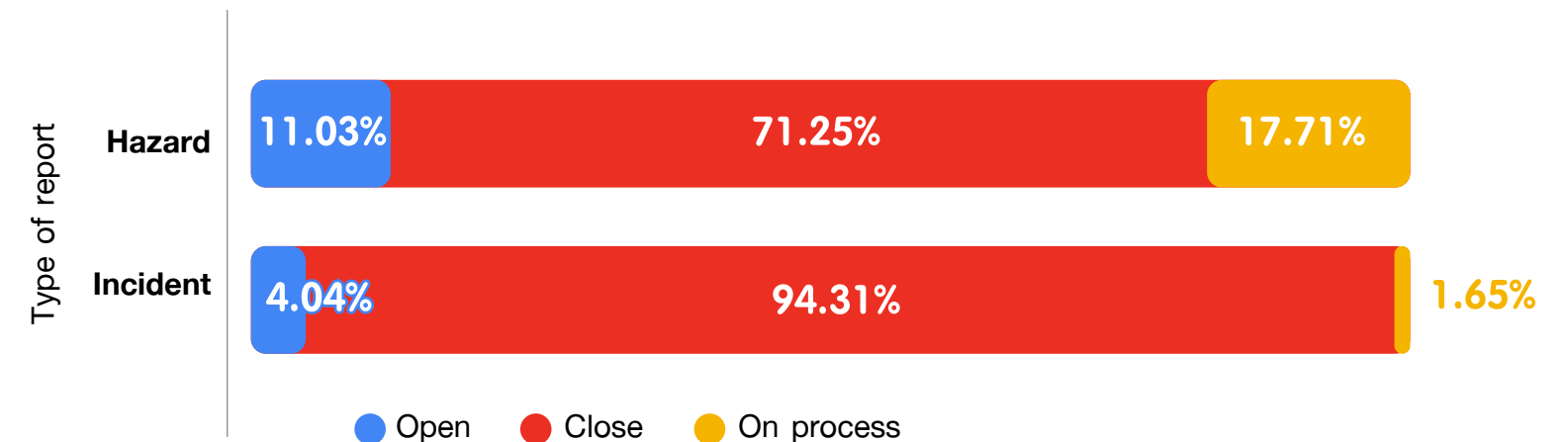
Safety Risk Management

Management and control of safety risks are carried out through a two-step process, consisting of;

1. Hazard Identification, in which risks and dangers are sought and classified by type, process, cause and conditions and information is collected, analysed and systematically broadcast. The Company has combined flight safety systems with Occupational Health and Safety (OSHA) systems to reduce workplace risks.
2. Safety Risk Assessment and Mitigation, in which safety risk assessment outcomes are deemed acceptable or unacceptable, with unacceptable risks subjected to further analysis with the aim of setting prevention and mitigation measures.

A high level of attention is devoted to safety risk assessment at the Company from the executive and senior officers level to the operations level as mitigation of risks is seen as an effective method for reducing impact to the health of employees. Proactive safety monitoring provides immediate tangible benefits.

For its Safety Reporting System (SRS), the Company employs RedEye, which is accessible by all employees via online channels. In 2022, a total of 7,032 reports were filed.



Incident reports are analysed and preventative action is taken. A significant example is the tying down of ground equipment as a response to incidents involving high winds and storm conditions. After implementation of the tie-down measure, no reports of incidents involving ground equipment being blown by strong winds were reported.

Safety Assurance

Safety assurance is the creation of a system for risk management that provides assurance of safety from emerging risks. This consists of:



1 Safety Performance Monitoring and Measurement

Safety Performance Monitoring and Measurement is carried out by setting Safety Objectives and Safety Performance Indicators (SPIs) as well as Safety Performance Targets (SPTs). The fulfilment of these criteria indicates safe practices in the Company and the effectiveness of the SMS, informing executives of current circumstances and supporting their decision-making as to whether further action to reduce safety risks is needed.

2 Management of Change

Despite periodic suspensions of operations in 2022, the Company continued to assign personnel to Safety Risk Management. Management of Change (MOC) was carried out through an assessment of possible risks related to the resumption of flights amidst the COVID-19 situation. Factors for consideration included whether we had the people resources to resume operations, the health of return-to-work employees, equipment needed, procedures and regulations. In 2022, a total of 145 MOC assessments were carried out by 12 departments.

3 Continuous Improvement and Audit

In the interest of maintaining and improving the overall efficacy of the SMS, safety assurance activities are regularly inspected, evaluated and audited.

Topic	Details	Frequency	No. of audits conduct in 2022
Safety Audits	Conducting internal and external audits including the Civil Aviation Authority of Thailand (CAAT) Audit and Occupational Health and Safety (OSHA) Audit	Based on numbers of identified high-risk operation	36
Safety Management System (SMS) Audit	Audits carried out by the OQA Department, the IATA Operational Safety Audit (IOSA), etc.	At least once a year	1
Safety Surveys	Internal safety surveys. In 2022, an opinion survey on employee engagement for setting policies was carried out with results analysed for the improvement of the SMS.	At least once a year	1

Safety Promotion

Safety promotion encompasses necessary training and communication on safety, and fostering a culture of safety among employees at every level, including contractors engaged in operations with the Company.

Safety Training 2022

Safety training and education are fundamental to continuous development and the enrichment of a safety culture. As the pandemic extended into 2022, the Company utilised e-learning and online training to ensure that all employees are sufficiently updated on safety procedures and processes. Results of safety training in 2022 based on training needs and training plans were as follows:



Subject	Target Target: 100% of Employees listed for Annual Training (Initial and Recurrent)	Attendance	Percentage
Crew Resource Management (CRM)	1,270	1,270	100%
Safety Emergency Procedure (SEP)	1,269	1,269	100%
Safety Management System (SMS)	1,447	1,447	100%
Emergency Response Plan (ERP)	1,074	1,074	100%
Human Factors (HF)	1,415	1,415	100%
First Aid	1,858	1,858	100%
Dangerous Goods Regulations	1,762	1,762	100%
Occupational Health and Safety (OHS)	1,071	1,071	100%

Safety Promotion Activities in 2022

Thai AirAsia promotes safety through activities aimed at fostering a safety culture and effective, genuine communication. Examples include:

- Our annual Safety Day exhibition aimed at promoting awareness among employees of the importance of safety systems and encouraging participation. In 2022, “Safer Together, Stronger Together” was the theme for our third event that was held both online and on-site under necessary COVID-19 measures. Employees sought prizes by engaging in booths with themes including Ground safety, ERP, Health, Flight safety, Risk Management, Human factor, Cabin safety and Dangerous Goods (DG).)



- The Foreign Object Debris (FOD) Campaign promoted how the proper collection of FOD reduces the risk of flight accidents, critical ground accidents in flight zones and dangers to life and property. The campaign was held in cooperation with Airports of Thailand (AOT).
- Allstars Drive Safe promoted safe driving both during and beyond work hours. Employees were encouraged to strictly follow driving regulations in the interest of reducing traffic accident statistics and to safeguard their own lives and property.

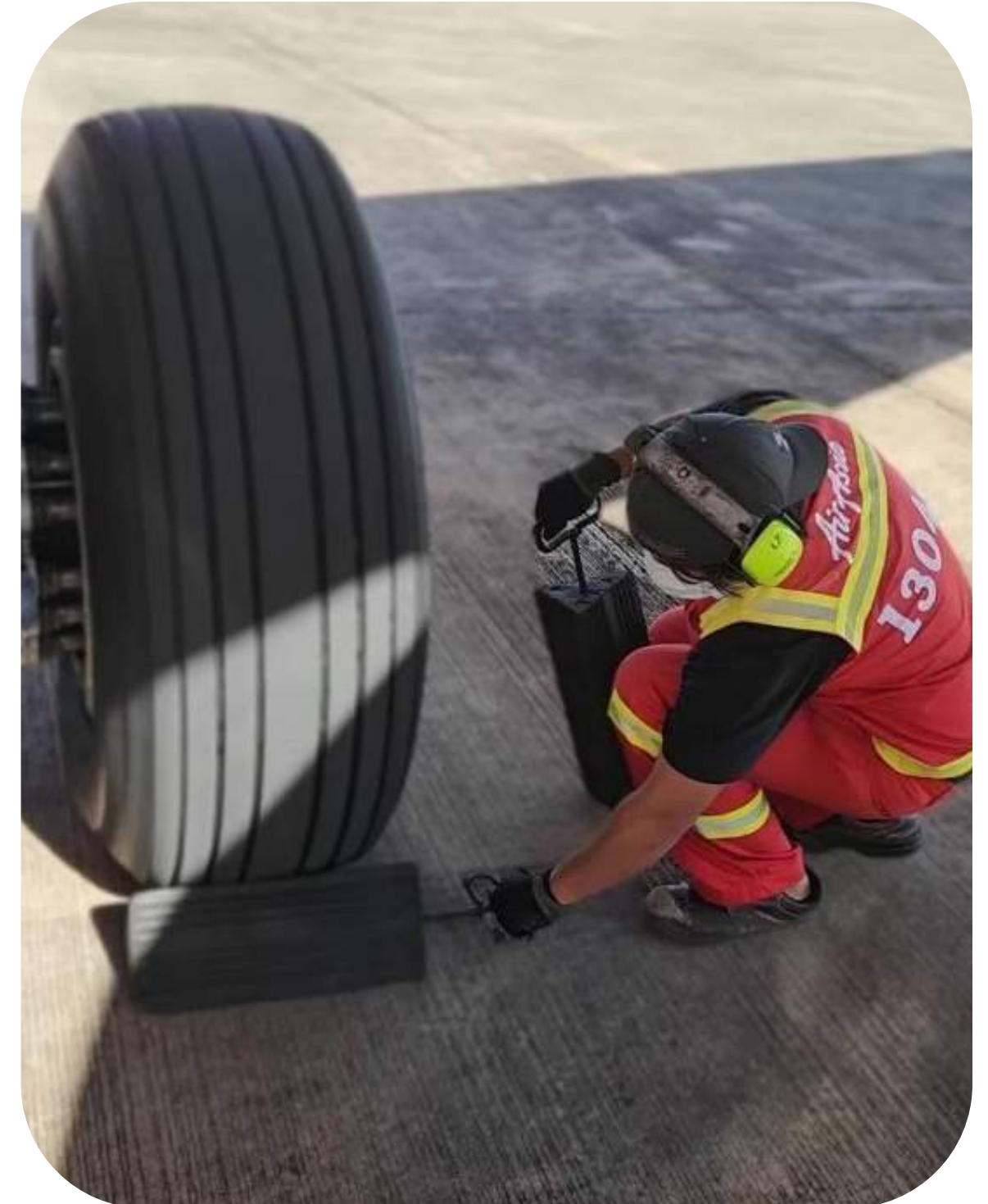
- The Safety Journal communicated safety knowledge in relation to current situations. Questions were posed and prizes were offered to attract participation from both Thai AirAsia employees and contractors. Carried out once a month, the activity was publicised via email.
- Safety Alert reiterated the need for employees to be proactive in the face of incidents within the company or health and environmental dangers that could impact them. The intent of the activity was for employees to understand the procedures for safely remedying situations.



- The Zero Accident Campaign promoted workplaces to commit to preventing accidents with the concept “work-related accidents are preventable”, counting accumulated hours without lost time accidents. Led by the Thailand Institute of Occupational Safety and Health (T-OSH) and Ministry of Labour, Thai AirAsia’s Phuket station (HKT) received a “Bronze” certificate for a second year in 2022 (1,812,702 hours).
- Internal health promotion activities were carried out to raise awareness on employee wellness. Activities include weekly yoga sessions to counter Office Syndrome, t, knowledge sessions on Office Syndrome, and “Got Time to Healthy 2022” organised by the People and Culture and Corporate Safety departments.

Thai AirAsia systematically manages safety with the cooperation of all of its 4,677 employees across all of its departments. The coordinated effort allows the Company to meet all of its safety targets and has placed safety incidents on a downtrend as follows:

Safety Performance Indicators (SPIs) - Thai AirAsia employees	2020		2021		2022	
	Target	Result	Target	Result	Target	Result
Working Hours	6,796,720		2,681,784 (Reduction in hours of work due to COVID-19 pandemic flight suspensions)		7,119,580	
Number of work-related accidents	N/A	97	N/A	10	N/A	29
Accident rate	4.96	4.71	4.96	4.17	5.51	4.49
Fatality No.	0	0	0	0	0	0
Fatality rate (Thai AirAsia employees)	0	0	0	0	0	0
No. of Work-Related Disease	0	0	0	0	0	0
Work-Related Disease Rate	0	0	0	0	0	0
No. of Lost Time Injury	N/A	17	N/A	5	N/A	8
Lost Time Injury Frequency Rate (LTIFR)	2.15	1.03	1.94	2.08	1.65	1.12



Updated Safety Performance Indicators

The Lost Time Injury Frequency Rate (LTIFR) decreased from < 1.94 incidents per 1 million work hours in 2021 to < 1.65 incidents per 1 million work hours in 2022 while the Injury Severity Rate (ISR) decreased from < 13.27 lost days per 1 million work hours in 2021 to <12.70 lost days per 1 million work hours in 2022. Safety performance indicator target numbers are adjusted as needed on the basis of statistical and historical data analysis. Assessments are proposed to the Company's safety committee, which approves appropriate target numbers for each year.

Controls on the operations of contractors and partners are imposed to prevent work-related dangers for all involved. Indicators are as follows:

Safety Performance Indicators (SPIs)-Contractors	2021		2022	
	Target	Result	Target	Result
Working Hours	1,255,639		1,255,639	
Number of work-related accidents	N/A	1	N/A	6
Accident rate	0.80	0.42	0.28	0.93
Fatality No.	0	0	0	0
Fatality rate (Thai AirAsia employees)	0	0	0	0
No. of Work-Related Disease	0	0	0	0
Work-Related Disease Rate	0	0	0	0
No. of Lost Time injury	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0	0	0

Remark: Data collection began in 2021, making 2020 data unavailable

Safety culture

Looking beyond safety policies, Thai AirAsia believes safety requires more than just a management system and that employee values are essential to sustainable safety. For this reason, the Company fosters a Safety Culture and includes safety among the Company's Allstar Values as "Safety Always" along with the message "Safety is Everyone's Responsibility and Starts with You". In 2022, as we welcome our Allstars back to work following the relaxing of government imposed COVID-19 restrictions, the Company organised a Safety Day themed "Safer Together, Stronger Together". For reinforcement of the Safety Culture, safety awareness is promoted to employees and the following practices are carried out:

- Voluntary Report
- Just & Fair Culture - employees are not reprimanded or punished for errors, it is accepted that errors are a constant possibility, violations of rules that bring the risk of danger are not accepted or encouraged

- Safety Briefings
- Safety Communication
- Kiken Yochi Training (KYT) for the analysis and prediction of work-related dangers and setting of itemised preventative measures
- Safety Surveys of all employee FODs and inspections for fuel residue indicating leaks before, during and after operations on parked aircraft. Ramp & GSE maintains a team for monitoring passenger stairs in the apron to avoid dangers to aircraft
- Participation in safety promotion activities by top managements to set a positive example for employees
- Safety supervision, implemented by setting duties and responsibilities for all top management. Supervisors are responsible for ensuring their subordinates strictly comply with safety standards at all times.

Safety Reinforcement

Thai AirAsia devotes importance to reinforcing safety throughout all of its departments for the confidence of its employees and passengers. Aircraft maintenance is carried out by specialised aeronautical engineers using equipment and parts that meet international European Union Aviation Safety Agency (EASA) and Federal Aviation Administration (FAA) standards to ensure that Thai AirAsia repairs meet the standard of safety needed to serve customers. Departments of the Company reinforce safety in a variety of ways to limit risks within acceptable parameters, basic measures include:

- 1. Technology e.g.** installation of sensors and cockpit cameras
- 2. Training e.g.** safety training before and during operation or when switching tasks, KYT to enhance safety and minimise errors in the apron
- 3. Regulations e.g.** standards of practice for each department, compliance with flight laws and regulations

The operation regulations and standards for each department are as follows:

Department	Corp. Safety	Engineering	Ramp & GSE	Guest service	Cabin crew	Flight ops.	Cargo
Operation Regulations and Standards	Safety						
	Risk	Engineering	Ramp	Ground	Cabin crew manual	Flight	Cargo
	Management	Procedure	Operation	Operation		Operations	Operation
	System	Manual	Manual	Manual		Process	Manual
	Manual					Manual	

Safety reinforcement is carried out in each department as follows:

Engineering	Ramp & GSE	Guest service	In-flight service	Cabin crew	Flight ops.
- Safety briefings and KYT. Each team makes its KYT available in both image and video formats online, instructing viewers on practices recommended by manufacturers, spare parts and equipment to reinforce necessary awareness both before and during maintenance operations. - Pre-flight inspections - Complete wearing of PPE, etc.	- Safety briefings and KYT based on tasks e.g. vehicle driving, luggage handling, ramp equipment movement, etc. - Inspection of foreign objects in apron - Ramp and parking operations - Complete wearing of PPE - Ramp and GSE Operations Circular	- Daily safety briefings (GS Daily Briefing) - Pre-board security interviews - Complete wearing of PPE - Guest Services Circular, etc.	- Safety briefings and KYT - Hygiene practices in warehouses for compliance with Food safety - Near terminal parking - Complete wearing of PPE, etc.	- Pre-flight safety preparedness meetings - Inspection of equipment and safety in cabin - Cabin Safety Circular - Complete wearing of PPE, etc.	- Pre-flight safety preparedness - Cockpit preparations and safety reports - Aircraft hull safety inspections - Post-flight briefing - Flight Operations Circular - Complete wearing of PPE, etc.

Passenger Safety is a priority of the Company. Operations for safety in this regard are as follows:

- Crew Competency Training is divided between Pre-flight Safety Briefings and In-flight Safety Briefings. Cabin crew are all trained in safety and emergency procedures in accordance with CAAT requirements at Asia Aviation Academy, which was established in 2021 to serve as training and testing. The academy is capable of simulating situations in cabins and even emergency exit for evacuation from both the A320 and A330 aircrafts. Expert trainers verified by the Civil Aviation Authority carry out lessons, including emergency scenarios.
- Pre-flight briefings include inspections of documentation, safety queries and weather condition reports by pilots to their crews.
- Cabin crew carry out Passenger Safety briefings before every flight. Safety briefing demonstrations are presented to general passengers and individual safety briefings are conducted for passengers with special assistance needs, such as passengers travelling with infants or who have disabilities. Emergency exit briefings are also carried out for passengers in emergency exit aisles.



Occupational Safety and Health Operations

Thai AirAsia maintains a policy and the objective of all compliance with Occupational Safety and Health laws. In 2022, the Company continues its progress towards activities to ensure complete compliance such as chemical handling training, occupational health and safety training, in which we aim to complete within 2023.

The Company consistently and efficiently operates in adherence to Occupational Safety and Health laws by carrying out the following:

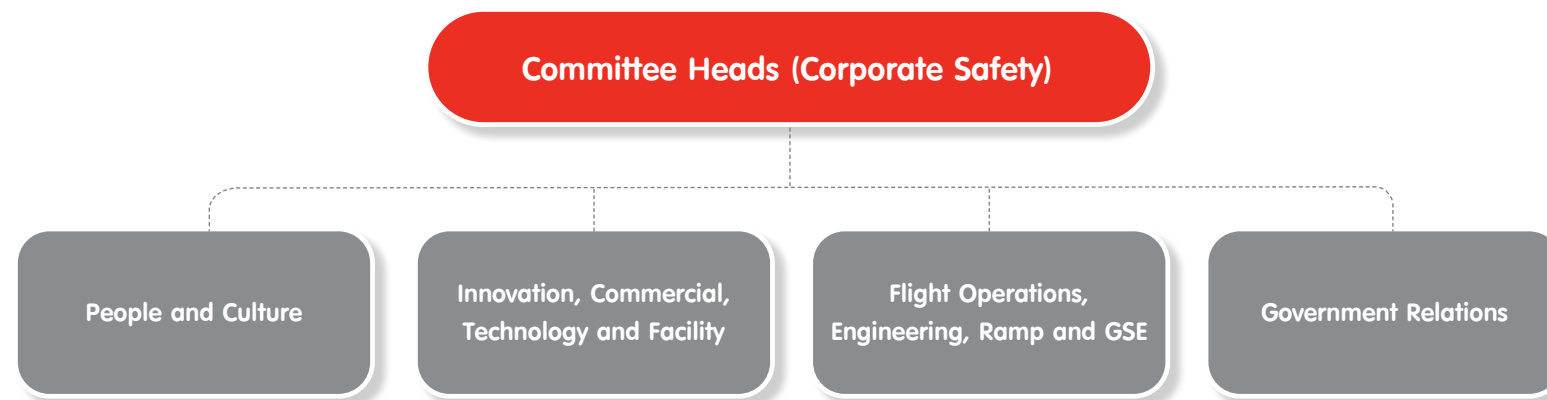
- Implementation of policies and systems for Occupational Safety and Health.
- Appointment of key personnel safety personnel including a Chief of Safety Department, safety committees and supervisors.
- Training, communicating, conducting drills drills, inspecting incidents, evaluating safety, assessing workplace safety, annual health checks, workplace environment improvement and provision of safety manuals.



Sustainability during the COVID-19 Pandemic

COVID-19 Measures

Thai AirAsia continued its plans and measures set during the beginning of the pandemic to respond to all scenarios in the interest of the safety of its employees, customers and the stakeholders throughout its supply chain. The Company established a special committee for the MOC, issued a Business Continuity plan for the pandemic, and compiled a COVID-19 Operational Guidance Handbook for flight operations and cabin crews.



Prevention of Employee Infection

In accordance with the Emergency Decree for occupational health and well-being of employees and for business continuity during the pandemic, the People and Culture Department issued a policy requiring staff adhere to all applicable government and company regulations and announced regular updates on practices and measures based on the latest national situation.



Full Vaccination



Wear Masks



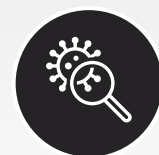
Social Distance



Maintain
Hygiene



Check
Temperature



Viral Tests

Guidelines for Employees

The Corporate Safety Department provided guidelines to employees on hygiene and communal well-being while the People and Culture Department issued policy for employees to stringently adhere to government and company measures, regularly updating employees based on the latest national situation.

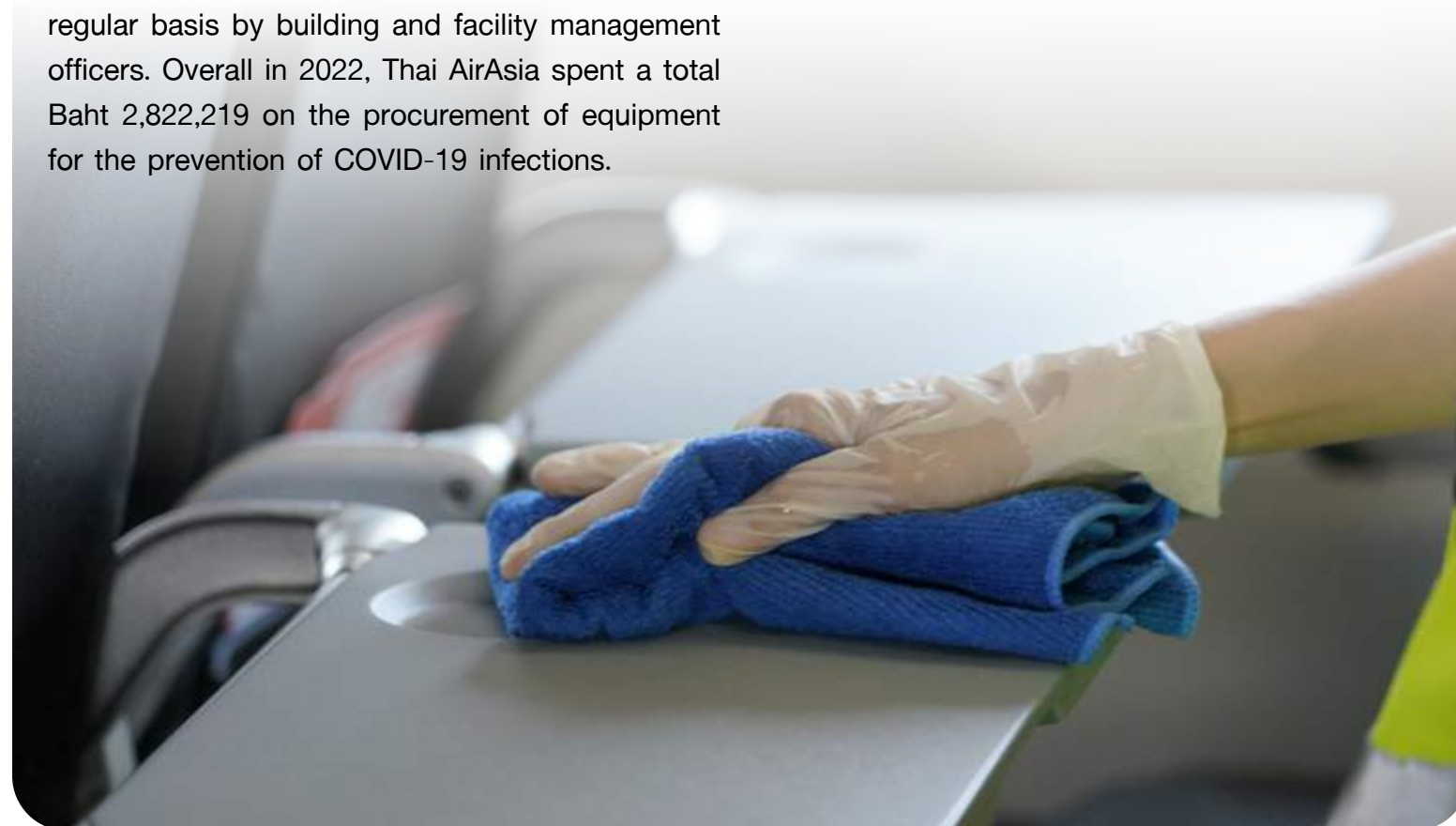
Resuming operation, the Company supplied ATK tests to employees for the uncovering of infections before any return to offices. Employees were required to submit reports on their tests via an online system to safeguard against outbreaks in workplaces. Throughout 2022, 100% of employees received ATK tests and no infections were discovered among employees in the workplace during the year.

Moreover, the Company asked employees to exercise personal responsibility by following all government prescribed prevention measures, maintaining their health while working to their fullest capability and self-assessing their health status both on work days and days off as to provide accurate reports.



Provision of Infection Prevention Equipment

Thai AirAsia procured and installed necessary equipment for the prevention of infections and outbreaks of COVID-19. Hand sanitizer was provided in department offices and conference rooms, temperature checks were set up at entrances and personal protection equipment, such as face masks and medical gloves, was provided as appropriate to employees operating in at-risk stations. Disinfection of offices and ramp zones was carried out on a regular basis by building and facility management officers. Overall in 2022, Thai AirAsia spent a total Baht 2,822,219 on the procurement of equipment for the prevention of COVID-19 infections.



Provision of COVID-19 Vaccinations

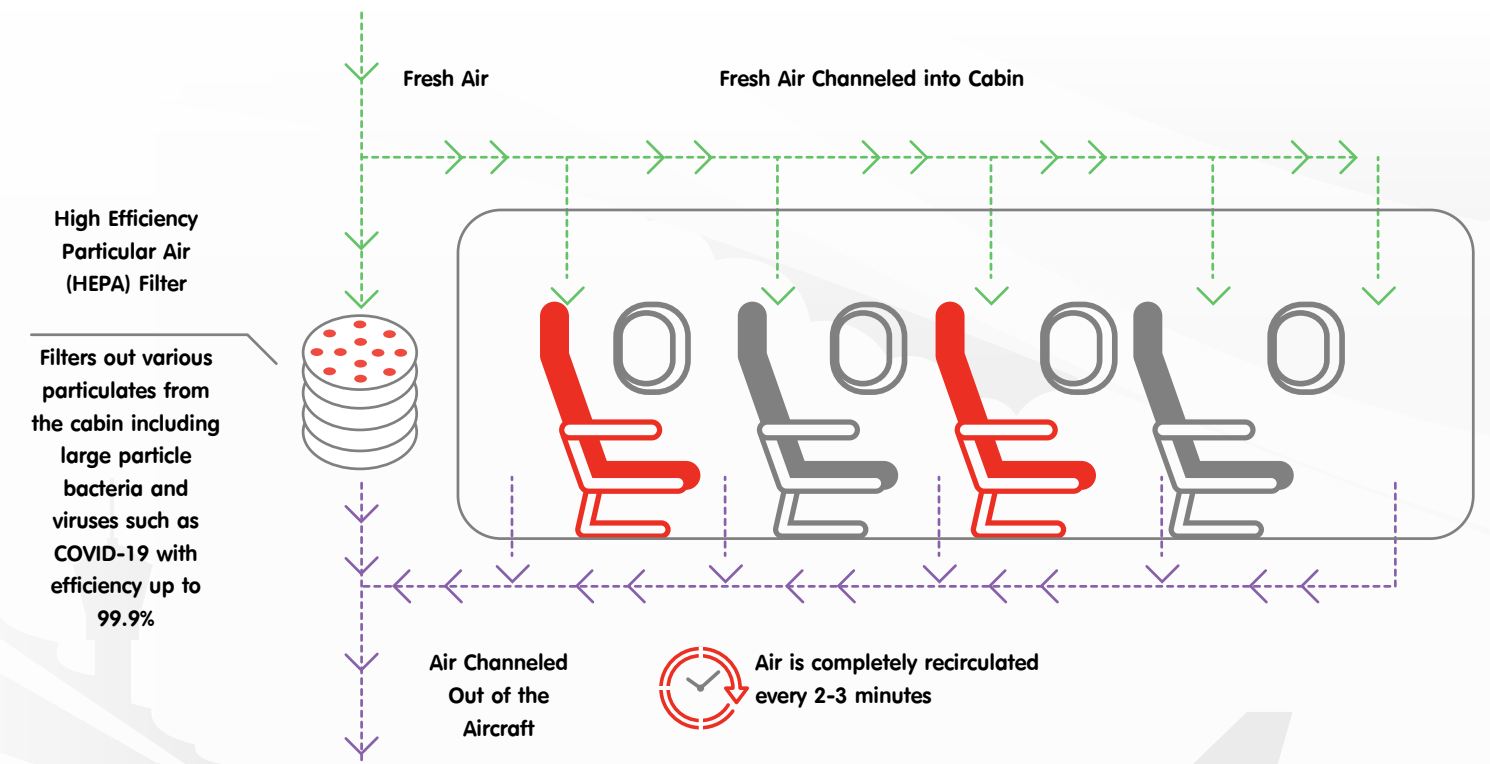
In line with the provision of COVID-19 vaccinations to frontline workers, Thai AirAsia carried out a vaccination program for employees and business partners with the desire to receive the inoculation. The People and Culture Department carried out post-vaccination monitoring of employees.

Prevention of Infection for Passengers and Partners Passenger Safeguards

Passenger Screening

For 2022, Thai AirAsia implemented measures to respond to pandemic emergencies across its operations and customer services, imposing a standard for passenger screening based on Centre for COVID-19 Situation Administration (CCSA) and CAAT requirements. Passengers were required to undergo temperature checks and wear masks at all times in required spaces during their journey.

HEPA filter



All Thai AirAsia aircraft are installed with High Efficiency Particulate Air (HEPA) filters that can capture up to 99.99 percent of airborne particulates, viruses and bacteria.

Cabin Disinfection

Disinfection is carried out to safeguard against contamination of both people and animals. Chemical disinfectants are sprayed onto all contact services within the cabin, luggage, cargo, packaging, vehicles, products and other relevant spaces.

Measures for Passengers In-Flight

Despite several discoveries of infected passengers during these flights, there were no reports of infection among cabin crew, a testament to the efficacy of the airline's operations and measures. Charter flight cabin crew were provided guidance by the Bamrasnaradura Infectious Diseases Institute, the Department of Disease Control under the Ministry of Public Health and the Civil Aviation Authority of Thailand (CAAT) to ensure smooth operation on a basis of safety and disease control.



• Guidelines for Medical Emergencies and Infectious Disease Handling:

- ◆ Passenger Under Investigation: PUI
- ◆ Reserve last three rows for infected passengers
- ◆ Cabin crew isolates infected passengers from healthy passengers
- ◆ Cabin crew wears PPE Kits comprising N-95 masks, goggles, surgical gloves, surgical gowns and aprons
- ◆ Infectious garbage must be separated into bio-hazard bag
- ◆ Infected passenger uses separate lavatory from healthy passengers
- ◆ Aircrafts equipped with equipment for disposal of infected passenger bodily waste



• Social Distancing SOP

- ◆ Cabin crew use chemical disinfectants to sterilise cabins pre-boarding
- ◆ Cabin crew announce social distancing measures and strictly enforce mask wearing



• In-flight

- ◆ Alcohol gels provided to passengers
- ◆ Minimisation of contact with menu, in-flight magazines
- ◆ Suspension of meal and beverage service
- ◆ Prioritise lavatory usage



• Post-flight

- ◆ Systematic disembarkation of passengers according to CAAT regulations. Passengers were allowed to disembark three rows at a time, five rows at a time and then 10 rows at a time as situation resolved
- ◆ Cabin crew wipe down all passenger safety equipment e.g. infant seat belts

Business Partner Safeguards

In the event of a necessary visit or on-site work by any business partner, COVID-19 monitoring and prevention measures were observed. Business partners were required to file the result of an ATK or RT-PCR test taken within 72 hours prior to their arrival via an online reporting system.

Delivery and Short-Term Contact (No More than 1 Hour) Screening

Short-term contacts (no more than one hour) and deliveries were required to schedule their arrival with an employee. Partners were required to follow all COVID-19 avoidance, prevention and control measures, including wearing a mask, washing hands and submitting to a temperature screening prior to entry.



Food Safety

In-Flight Products and Services and Food Safety

Food safety concerns the management, storage and preparation of meals to safeguard against dangerous contamination as well as assurance that meals contain adequate nutrition.

Thai AirAsia operates its own food warehouse to ensure the safety of its meals. The facility meets International Flight Services Association (IFSA) standards, the food regulations of destinations such as China and Europe and the requirements of Thailand's Food and Drug Administration.

Standards & Compliance

Airline-Aviation Regulation

CAAT

ICAO

IATA

AOT & Civil Aviation regulation
by country

In-flight
Services

Food & Products Regulation

Global & Local Food Safety Standard WHO,
FDA, FAO, USFDA, FSANZ, EU, IFSA

TQM: ISO Standard

Other Food & Product Regulation by Country

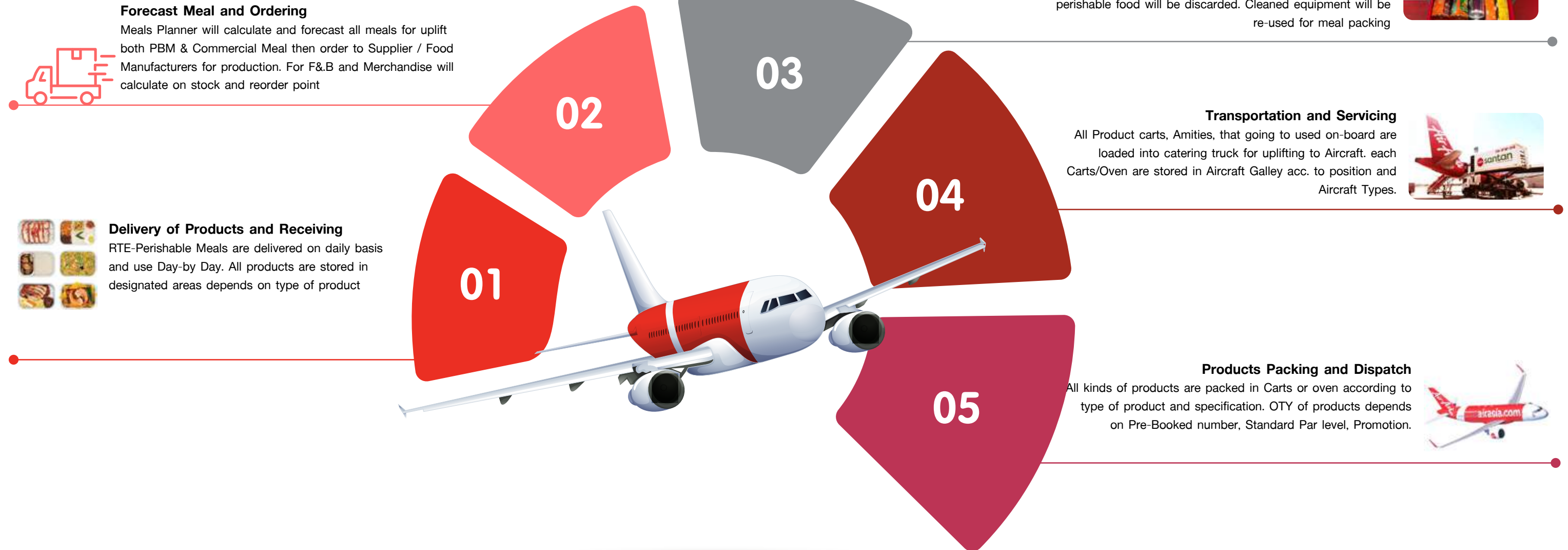
Customs

Food Safety Regulation

Over 1 million in-flight meals are served to passengers by Thai AirAsia each year, making it a priority that each meal meet all four dimensions of safety; physical, biological, chemical and allergenic, in accordance with the Good Hygiene Practice (GHP) requirements of the CODEX standard. Thai AirAsia's In-Flight Service unit was verified by the British Standards Institution as meeting its latest requirements in 2021.

Overall In-Flight Services Process

Airline Catering Operation Chain



Quality Policy

Commitment

Thai AirAsia, led by its Chief Executive Officer and through all employees, is committed to operating in complete compliance with the requirements of the Civil Aviation Authority of Thailand (CAAT), the International Civil Aviation Organization (ICAO), the IATA Operational Safety Audit (IOSA) and ISO 9001:2015. The Company undergoes annual audits by CAAT and its internal Group Operational Quality Assurance (GOQA), which references IOSA standards. This is to ensure that each department is operating with quality and up to customer satisfaction. Audits based on the ISO 9001:2015 standard have also continued to be carried out. Moreover, Thai AirAsia plans to request an IOSA Certificate in 2023 to maintain its international standard.

A reduction in COVID-19 infections worldwide in 2022 led to a relaxation in domestic and international flight measures and a positive trend for the aviation industry. In response, the Quality Assurance Department added quality checks in the form of pre-assessments. Station managers were required to submit reports on their assessments to the Quality Assurance Department for its evaluation that safety regulations and ramp procedures were being upheld in accordance with the requirements of each route.

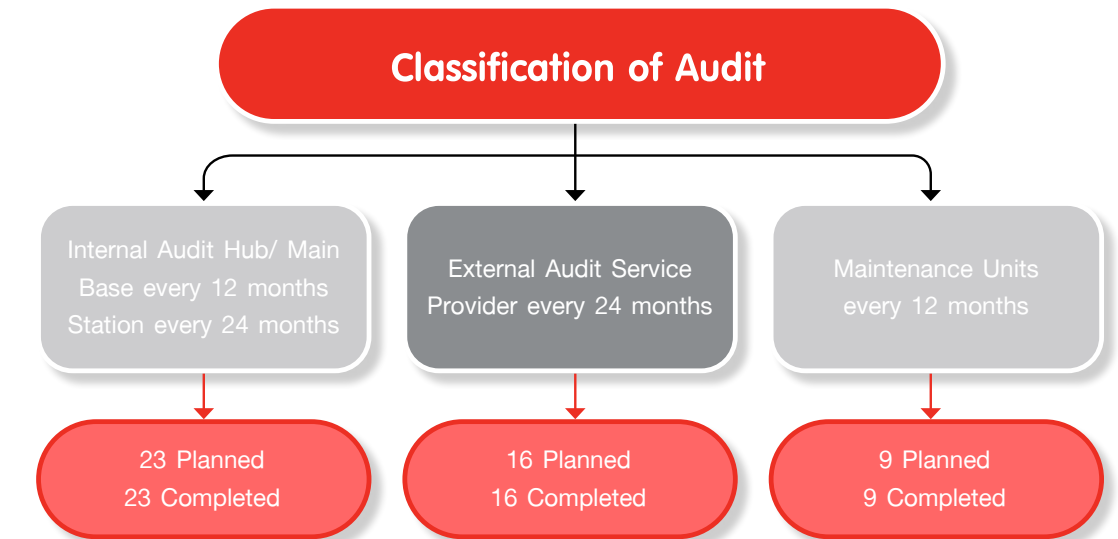
Quality Policy Chart



Quality Audit

Thai AirAsia has resumed on-site audits but has maintained the use of remote audits for some locations with limitations on travel to ensure consistent and efficient audits of quality and safety.

In 2022, the Quality Department divided quality audits and successfully carried out 100 percent of its objectives and targets. Details were as follows:

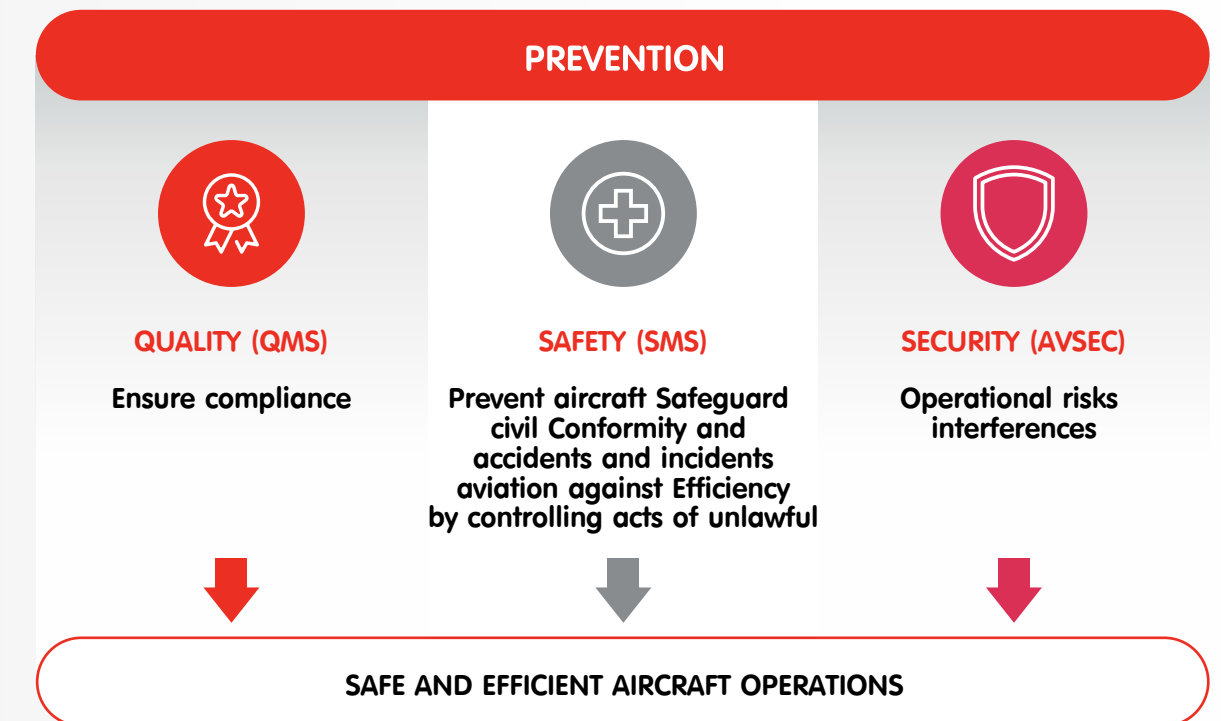


Work Collaboration Pillars (Quality, Safety, Security)

“Safety” is at the heart of Thai AirAsia’s operation. Collaboration within Thai AirAsia is built upon three pillars designed to increase efficiency as well as the safety of operations. The three are Quality, Safety and Security. The Chief Executive Officer chairs a quarterly meeting assessing internal accident and incident reports and sets guidelines for improvement of both operation and assessment with the goal being to keep the rate of accidents and incidents within an acceptable range or at zero. The pillars devote great importance to the following Safety Risk Assessment matters;

- Level 1 and 2 flaws uncovered by internal inspections of the Quality Assurance Department
- Risk reports from operational personnel
- Changes to operational procedures, equipment and tools pending usage
- Safety Performance Indicators for flight operations and the operations of each department

After the Safety Department assesses risks, the Quality Control Department performs an on-site audit, checking through each area of assessment to ensure proper implementation.



Dangerous Goods Safety Management

In 2022, Thai AirAsia was certified to transport dangerous goods in accordance with the requirements of the CAAT.

In order to guarantee safety, the Company established a Dangerous Goods Committee composed of representatives from relevant departments, which engages in monthly meetings. The body is important to the regulation of dangerous goods shipment by the airline. Meetings topics include:

- Changes in regulations or procedures
- Reports and analysis of incidents related to dangerous goods safety
- Results of inspections into dangerous goods shipment

Dangerous Goods Report Process

For the audit of dangerous goods shipment operations, the Cargo Standards and Compliance Department is responsible for reviewing procedures and processes, including reporting information and investigation results to the CAAT.



Quality Assurance in Action



HUMAN CAPITAL MANAGEMENT

(GRI 2-7, 2-21, 2-25, 2-26, 3-3, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2)

✈️ Commitment

Employees are our most valuable assets and the heart of Thai AirAsia. We are committed to recruiting and retaining competitive and dynamic talent to grow the business. We implement strategies for employee skill development and learning to support adjustment to economic changes. We strive to inculcate a positive culture, as mentioned in our sustainability strategy, through investments in human capital development to hone the technical and professional skills of our Allstars for productivity and growth.

Human Capital Management Process

Thai AirAsia's human capital management process begins with the recruitment of employees who meet the standards specified in each area and ensures that salary and benefits commensurate with the responsibilities. This extends to provision of training to develop knowledge and competency of each employee. The Company respects the privacy of its employees and does not divulge personal information such as salary, medical history or family relations to outside or unrelated entities except when legally necessary.

Employment Structure

In 2022, the total number of Thai AirAsia employees was
4,478 persons.

Total remuneration of all employees in 2022 =
2,446 Baht million

Average of monthly salary per employee =
38,990 Baht

Remuneration ratio (male:female) =
1:0.52

Employees by age, gender and position

Row Labels	Executive		Managerial		Senior Management	
	Female	Male	Female	Male	Female	Male
< 30	308	450	8	5		
31 - 50	1,211	1,789	88	386	2	5
51 >	2	33	5	180	1	5
GrandTotal	1,521	2,272	101	571	3	10

Employees by nationality and base location

Country	Employees	Gender Pay Gap (Hourly)	
Thailand	4,393	Excluding STEM & Aviation Staff	-8.15%
China	29		-6.14%
Vietnam	18	All Staffs	-12.54%
Myanmar	13		-25.00%
India	10	Mean	43.40%
Cambodia	8		0.00%
Macao	3	Median	25.00%
Laos	2		50.00%
Nepal	1		
Japan	1		
Grand Total	4,478		

Diversity, Inclusion and Equal Opportunity

Thai AirAsia provides a diverse, inclusive and equal work environment to nurture the best in our employees. Company fosters a positive culture in which employees are treated with dignity and respect towards their individuality. Employment, promotions and transfers are based on merit and performance to ensure equal treatment and no discrimination against gender, age, ethnicity, origin or disability.



Thai AirAsia focused on gender equality and diversity. In 2022, female employees comprised

36.3 percent of overall employment and

15.18 percent of management positions (Manager Level and Head of Department Level).

The Company complies with the Empowerment of Persons with Disabilities Act and has provided employment opportunities to 51 disabled persons. Thai AirAsia was even awarded the 2022 Disabled Persons Employment Promotion by Friendly Design for All foundation. Thai AirAsia works with experts from three agencies, namely; the Asia-Pacific Development Centre on Disability, the Universal Design Centre of the Faculty of Architecture, Chulalongkorn University and the Sports Association for the Disabled of Thailand under Royal Patronage to train employees in serving passengers with disabilities and accommodating customers with special needs, such as those in need of wheelchair assistance.

Seniors over the age of 60 years are considered for employment only in cases in which the individuals possess specialised and necessary traits or skills, such as aeronautical engineers or flight instructors. The employment of individuals over 60 years of age is as follows:



Disabled persons employed (Persons)

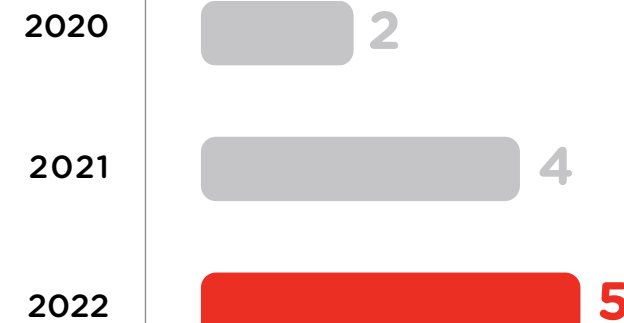


Performance Evaluation

Performance evaluations are used to measure the capability of each employee and are conducted once a year. Furthermore, supervisors and subordinates are encouraged to evaluate and provide recommendations to one another on a quarterly basis. Evaluations cover the following categories:



Seniors over 60 employed (Persons)



1. Employee OKR (Objective and Key Results) - Measures agreed upon between employees and supervisors at the start of each year for the measuring of employee accomplishment.

2. Employee self-development - Areas for self-improvement, whether through training or other means, and the sharing of experiences between employees.

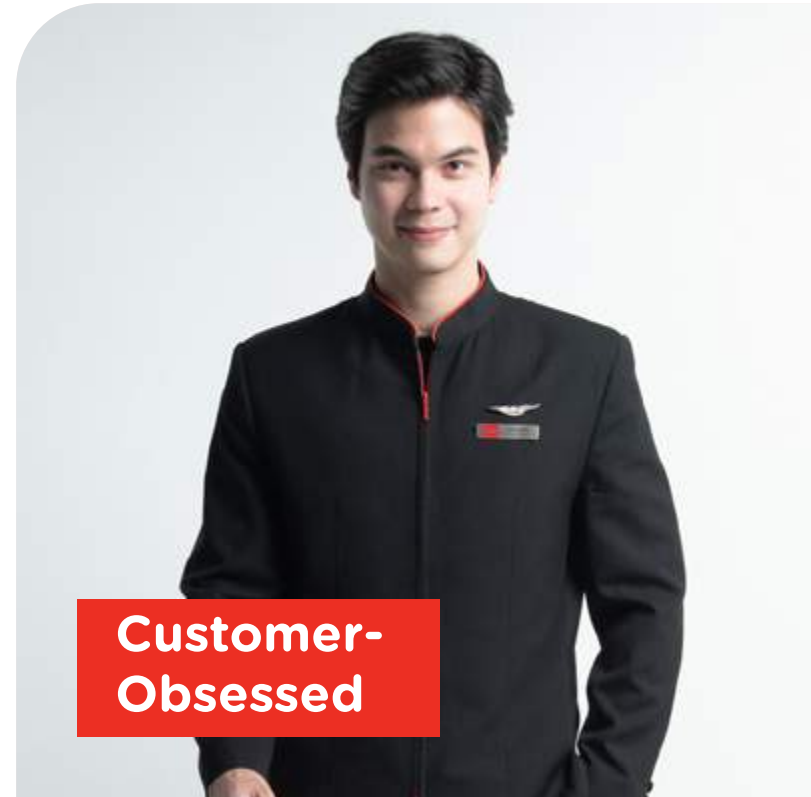
3. Company Values and Culture - Shared company values including empathy, teamwork, responsibility to society and the environment, good health, support for progress and respect for individuality.

The Company evaluates performance using Objectives and Key Results (OKR) and the recommendations shared between supervisors and subordinates recorded into the Workday system.



OUR CULTURE

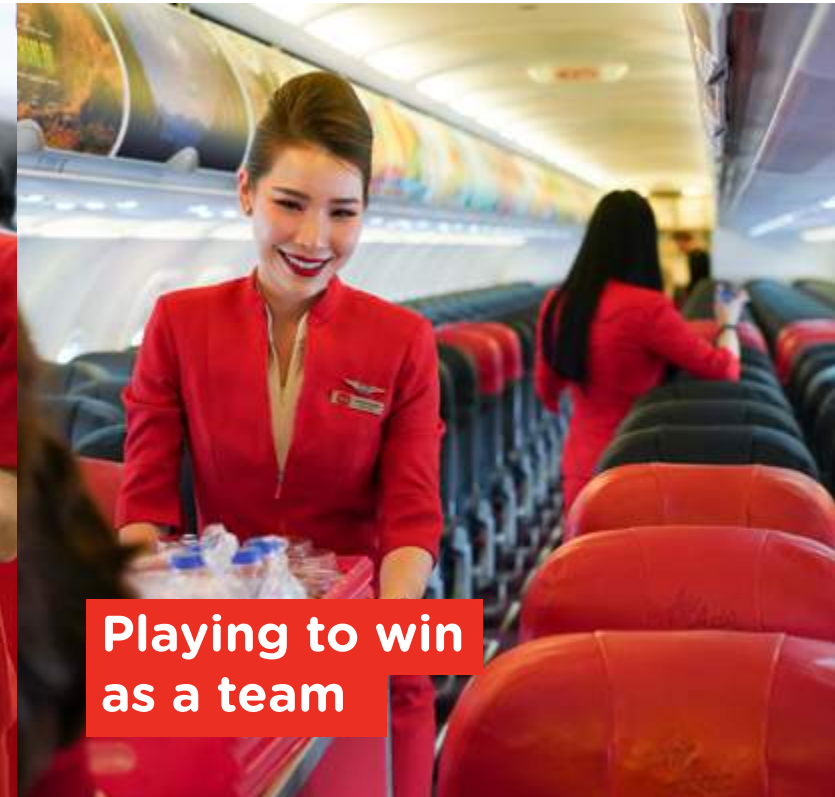
ONE NATION OF ALLSTARS



Customer-
Obsessed



A place for
personal growth



Playing to win
as a team



Wellbeing
at work



A connected
community



Respect
for all

OUR VALUES



Dare to Dream

Dream the impossible.
Believe the unbelievable.



Make a Difference

Get stuff done.
Be passionate.



Change the Game
Keep moving. Do Better.



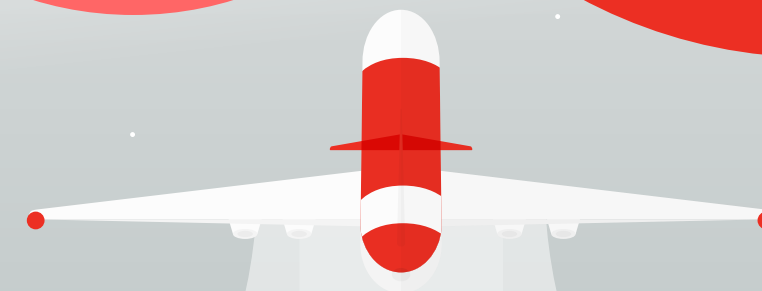
Win as One

We are always better
together.



Celebrate All Individuals

People and their
talents are the heart of it all.



Allstar Values

On top of evaluating employees, Thai AirAsia believes values are essential to driving sustainable success. The Company encourages employees to “Make the Difference” and welcomes Allstars to share their ideas on work productivity, cost efficiency, sustainability and other areas that will help the individual and Company grow.



Human Resource Management Goals and Objectives



VISION
To be the Top 10 Airlines Globally and continue to be the best and largest airline group in ASEAN



MISSION
To connect over 1 billion people throughout ASEAN by 2026

STRATEGIC DRIVERS

To grow our low cost franchise internationally via our consulting arm

- Maintaining a competitive edge by always having the best aircraft
- Having the most extensive network with highest frequencies
- Having the best customer experience through the best technology
- Maintaining a lowest cost advantage
- Delivering high utilisation of aircraft of 13 hours
- Operational readiness and enhancement of efficiency on people, process & technology
- Always safety first
- Being sustainable
- Supporting the great potential for growth of cargo business

BUILDING BLOCKS

Dominate domestic markets

- Leading international market share in Asean
- Achieve the best cost structure
- Maximise aircraft belly utilization for cargo
- Having wifi with high usage onboard on all planes
- Innovating a fully contactless customer journey through technology

1

Improving Organisation Effectiveness & Efficiency

- #Increasing data competencies in people, processes and systems
- #Workforce planning with optimal manpower and rightsizing

2

Create Healthy Succession Pool (size & readiness) and Hi-Potential Pool with the right skill sets

- #Building Talent from within focusing on internal mobility & Re-skilling (Allstars specific career path)
- #Internal Talent Marketplace
- #Redesigning Learning & Development to align with Allstars needs and interests

3

Building and Sustaining a High-Performing and Productive Workforce

- #Performance-based compensation
- #Prioritising Allstars well-being mental health
- #Flexi & Hybrid Work Arrangements
- #Leading Performance with Short Term Goals and Regular Real-Time Feedback

4

Strengthening Engagement, Leadership & Culture

- #Defining EVP
- #Empathic leadership will sustain a positive workplace
- #Purpose Driven Culture
- #Inclusive & Respectful Work Environment - Diversity
- #Building as one

CULTURE



Customer Obsessed . Playing to Win . A connected community
. A place for personal growth . Well-being at work . Respe•ct for all

VALUES



Dare to Dream . Change the Game . Celebrate all Individuals
. Make a Difference . Win as One

The Company policy of managing human capital and developing employee engagement and retention consists of the following:

1 Improving organisation effectiveness and efficiency

The Company assesses and evaluates its structure and positions to identify possible promotions or position fulfilments through internal transfers. The People and Culture Department considers the capability and experience of each employee while supporting talent and skill development.

2 Create healthy succession pools (size & readiness) and high-potential pools with the right skill sets

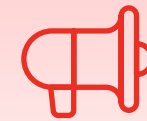
The Company identifies critical positions to its operation by a committee considering qualified employees with the appropriate potential and skill sets.

3 Building and sustaining a high-performing and productive workforce

The Company sets targets and evaluation methods for straight forward assessment and guidance of employees as well as provides training for the improvement of skills. The People and Culture Department intakes feedback from employees on benefits and work circumstances to better policies concerning matters such as work hour flexibility.

4 Strengthening engagement, leadership & culture

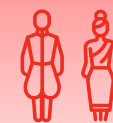
The Company regularly organises activities and carries out internal communications with employees at all stations. These activities can be divided into the following:



Internal communications activities



Health promotion activities



Others

CEO and High Level Executive Town hall	Quarterly
Operations Briefing	Quarterly
Managements Visit to Station Employees	Once per year at each station
Yoga and Exercise	Once per month
Healthy cooking class	
Mental Health Guidance by Psychology Expert	
ASEAN Cultural Promotion	On special occasions
Work Experience Sharing	Regularly

Employee Satisfaction (eNPS: employee Net Promoter Score)

In 2022, the Company's eNPS score was 45 instead of the desired target of 50. The People Development department created following strategies to encourage employee commitment to the company and its future growth:

Focus on comprehending and managing diversity and inclusion while taking into account the importance of employee diversity in order to treat every employee fairly and enable them to work effectively

Engagement of senior management with workers of various ages, particularly those from younger generations

Increased communication and employee recognition; suitable compliments, encouragement, and compensation; and promote staff who exhibit efficient diligence and foster performance behaviour culture that aligned with company values.



Satisfaction/
Employee
Engagement
Target (eNPS)

2022

50



Satisfaction/
Employee
Engagement Actual
Rating

45

Upon the analysis of the survey responses, the Company set a satisfaction development plan that led to the initiation of an employee retention program. On top of the two-year period of the COVID-19 pandemic, employees' daily lives, income and mental health were also impacted by the global economic recession. The People and Culture Department made further plans to provide aid to support our Allstars during this challenging period as much as we can.

	2020	2021	2022
Significant Labour Dispute Target	0	0	0
Significant Labour Disputes	0	0	3

Allstars Peer Support

The COVID-19 pandemic impacted the economy and people both directly and indirectly. Thai AirAsia employees were also affected emotionally and required time for personal management with the risk being long-term emotional distress. The Allstars Peer Support program was established to hear out and provide emotional assistance. Employees were able to contact Peer Supporters via internal company communications systems and activities were organised for personnel to exchange experiences, learn how to boost work and life happiness, self-observe and self-motivate and self-appreciate, with guidance provided by psychology specialists.



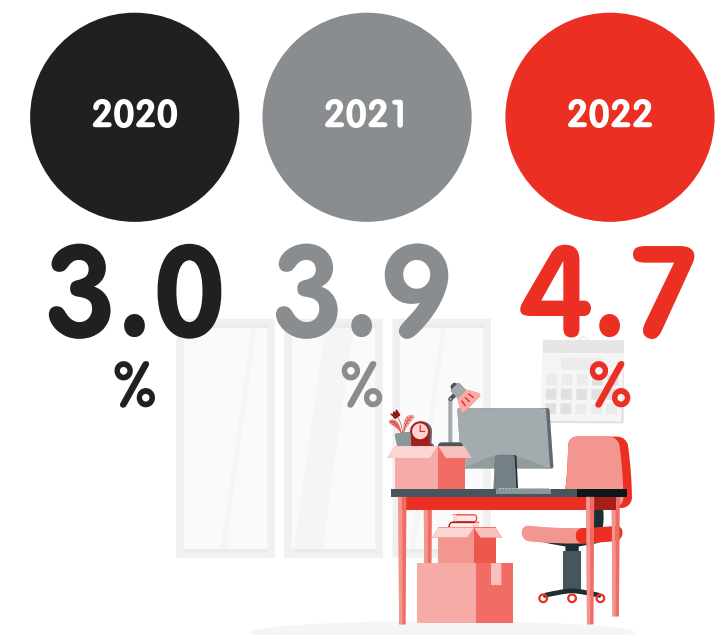
Employee Turnover

Thai AirAsia aims to constantly improve employee engagement and retention, targeting a turnover rate of no more than 5 percent per year and the retention of employees in key positions to ensure its business continuity.

The employee turnover rate in 2022 was 4.7 percent, a 0.8 percent increase from the previous year primarily due to the slow recovery of the aviation industry. The Company hopes to expand its talent pool to help the Company grow by attracting and retaining talent through competitive benefits and effective technical and functional training.



Voluntary Employee Turnover Rate
(Target: <5%)



Salary and Benefits

We strongly believe that our employees are a valuable asset and that it is our duty to protect their rights and interests by managing their salary and benefits. The Company's recruitment process accepts diversity and focuses on candidate competencies and compatibility with duties in the interest of company objectives and successful business operations.

The Company established a Workplace Welfare Committee, comprising representatives from different departments and provincial offices. The Workplace Welfare Committee meets two times a year to share ideas for the improvement of employee welfare. With our open culture, employees are able to express their opinions, expectations and engage with their supervisors and with senior management.



Essential Benefits:

-  • **Health and Life Insurance**
-  • **First Child and Funeral Proceedings Support**
-  • **Critical Illness Support**
-  • **Travel Support e.g. ID90 and E-coupons for family members**
-  • **Social Security and Provident Fund**
-  • **Company Savings Cooperative**
-  • **Annual Company Performance-based Bonus**
-  • **Annual leave and Maternal/Paternal Leave**

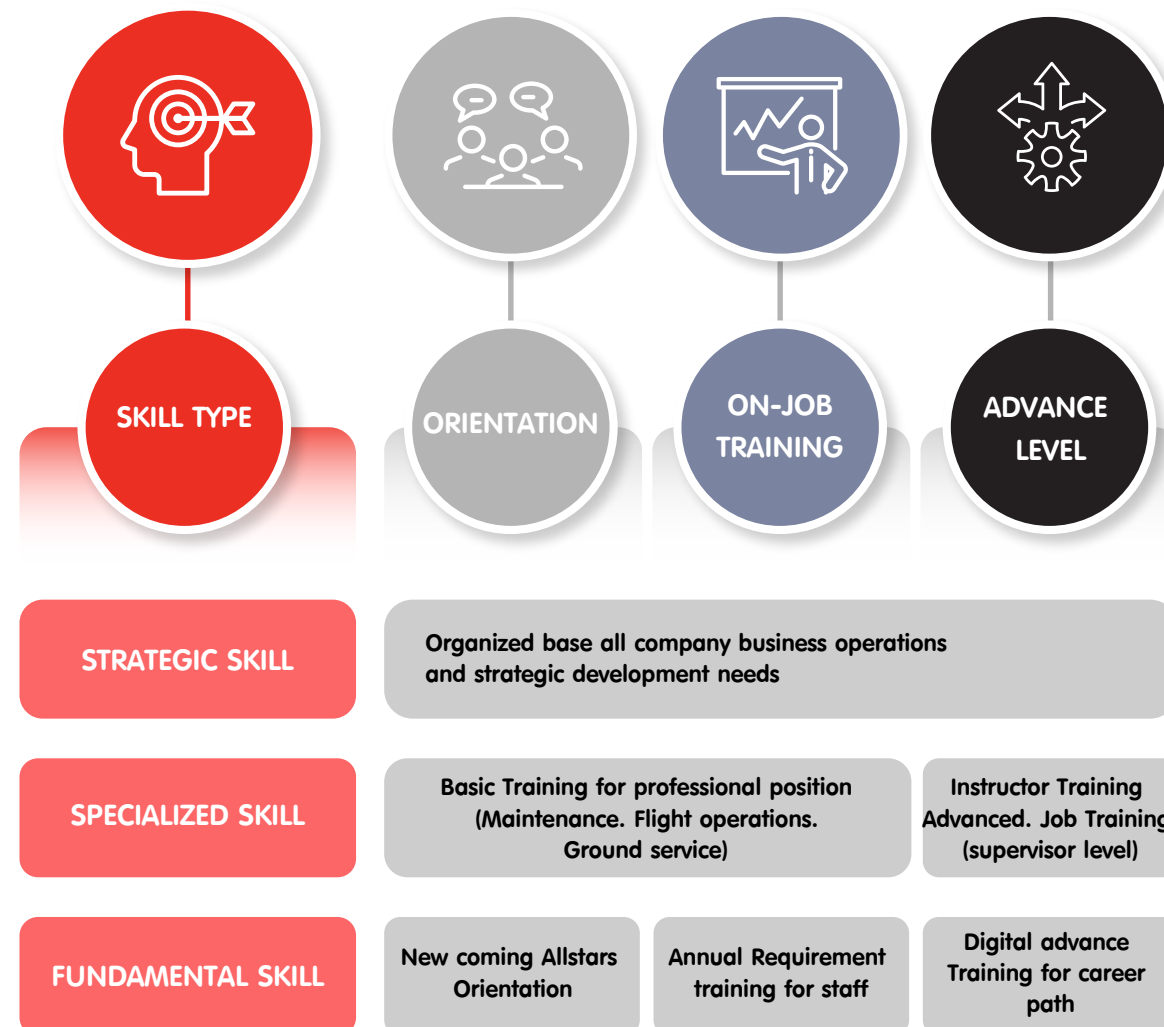
	2020	2021	2022
Total Employee Remuneration (Baht thousand) per year	3,545,528	1,666,432	2,445,616
Percentage of Employees registered in Provident Fund	72.64%	59.35%	59.83%
Remuneration ratio (male : female)	1:0.55	1:0.52	1:0.52
Remuneration ratio (male : female)	47,033	41,201	42,296
 male	50,194	45,504	44,338
 female	42,360	34,605	39,260
Average monthly salary for Management level	233,814	206,024	191,825
 male	257,270	218,583	203,793
 female	128,780	130,894	117,487
Average monthly salary for Senior Management level	559,872	609,344	600,173
 male	605,814	637,248	653,007
 female	403,399	302,400	336,000

Training Management

Commitment

Thai AirAsia is determined to produce employees with knowledge and skills as well as a good quality of life and maintains a policy for developing the capacities of its human resources and preparing them for competition, so that they may be a driving force and source of sustainability for the Company.

TRAINING FRAMEWORK



Employee Development

Thai AirAsia completed its Training Management System, which facilitates the training of employees in work skills and competencies required by law, for the efficient staging of classes, recording of results and test scores and even to notify learners to review their lessons for the maintaining of operational licences.

All employees are provided basic operational training in accordance with their department. Targets for training are as follows:

Skill Type	Target training hours per staff	Result in 2022
 Specialised	approx. 24 hours per year	approx. 24 hours per year
 Fundamental	approx. 5 hours per year	approx. 2 hours per year (Unable to achieve the target due to Covid Situation and budget constraint)

In 2022, all employees returning to operation were provided general and duty specialised training. Employees underwent an average 24 hours of specialised training over the course of the year to ensure their full readiness to operate. For fundamental skills, employees spent an average 2 hours per person for training.

Analysis was carried out on employee development in preparation for the resumption of operations. Both operational and support personnel were analysed with consideration made to Performance and Potential using the 7 Leadership Quotients. Resulting from the analysis was the Allsize Allstars Training Roadmap, designed to serve as a basis for development of employees at all levels within the Company moving forward.



ALLSTARS DEVELOPMENT ROADMAP

		COGNITIVE QUOTIENT	EMOTIONAL QUOTIENT	SOCIAL QUOTIENT	MANAGERIAL QUOTIENT	COMMERCIAL QUOTIENT	RESILIENCE QUOTIENT	DATA DIGITAL QUOTIENT
EXPONENTIAL LEADERSHIP XL	LEADING ORGANISATION	BUILDING WINNOVATIVE TEAM	INSPIRATIONAL LEADERSHIP	CROSS CULTURAL MANAGEMENT	4DX WORKSHOP	THE COST LEADERSHIP	BUILDING RESILIENT CULTURE	LEADING THRU DIGITAL TRANSFORMATION
		GLOBAL LEADERSH MINDSET	ORGANIZATIONAL AWARENESS	LEADERSHIP COMMUNICATION	PERFORMANCE MAX			
LEADERSHIP ESSENTIAL L	LEADING FUNCTION	STRATEGIC THINKING DEVELOPMENT	BASIC COUNSELLING PSYCHOLOGY	STAKEHOLDER MANAGEMENT	SITUATIONAL LEADERSHIP	LEGAL AND CONTRACTUAL MANAGEMENT	CRISIS MANAGEMENT	DIGITAL LEADERSHIP BOOTCAMP
		DESIGN THINKING	NLP FOR TEAM'S SUCCESS	CRUCIAL CONVERSATION	LEADER AS COACH	FINANCIAL FOUNDATION		
MANAGEMENT FOUNDATION M	LEADING TEAM	ANALYTICAL THINKING DEVELOPMENT	CONVINCING& INFLUENCING SKILL	CONFLICT MANAGEMENT	ART OF DELIGATION	BASIC COST MANAGEMENT	RISK MANAGEMENT	DIGITAL & DATA BOOTCAMP
		PROBLEM SOLVING & DECISION MAKING	HOW TO BOOST UP TEAM'S MORALE	MANAGING TEAM DIVERSITY	COACHING FOR GREAT PERFORMANCE	AVIATION BUSINESS ACUMEN	AGILE MINDSET AT WORK	
SUPERVISORY SKILLS S	LEADING OTHER	BUILDING GROWTH MINDSET	ALLSTAR DO GOOD PROGRAM	ACTIVE & EMPHATIC LISTENING	PROACTIVE LEADER	FINANCE FOR NON-FINANCE	CHANGE MANAGEMENT	DATA MANAGEMENT
		SYSTEMATIC THINKING DEVELOPMENT	ANGER MANAGEMENT	EFFECTIVE BUDDY SKILL	SETTING GREAT OKR			
ROLE READINESS F	LEADING SELF	SELF MASTERY	D-TOR-JAI (CRAFTING YOUR EQ AT WORK)	GREAT ALLSTAR	THINK ON YOUR FEET	FIN-WELL	RED BOOSTER	LIVING THE DIGITAL LIFE (INTRO PDPA& CYBER SECURITY AWARENESS)

At the same time, the Red Booster (5 hour course) was organised for ground and cabin crew employees. A total of 60 courses were carried out, with 721 employees attending. The program was designed by the Training Management Center in collaboration with management and focused on preparing personnel to resume passenger service using the R-E-D concept of Resilience - mental fortitude, Energy - physical readiness, and Determination - motivation to return to service.



Training Evaluation and Benefits to the Company

The Company tracks the results of its training and employee progress by measuring Operation Effectiveness metrics such as NPS scores, On Time Performance, and reductions in accidents which resulted from theoretical and practical safety training. Progress in these areas have made the Company's employees more effective at their work.



2022

Total Number of Employees
that received training

4,389



Total cost of Employee
Development (Baht thousand)

55,658

Human Rights Commitment

Thai AirAsia is committed to respecting human rights and does not practise discrimination in processes such as recruitment, does not use forced labour, does not

engage in human trafficking and restricts employment of individuals under the age of 18 years. Human rights are further upheld through the Company's resource management, employee training, work evaluation, fair payment practices, promotions and benefits, welfare arrangement, all of which are stated in the Company's Code of Conduct. Thai AirAsia has a committee that surveys, inspects and recommends improvements against risks of human rights violation and has a plan to implement a human rights violation risk policy among its employees, contractors and employed labourers starting next year.

Employee communication

The Company believes that effective communication is fundamental and will lead to efficient and sustained growth. Channels are provided for communication between employees and management or human resources. Employees may also communicate directly with the company's Chief Executive Officer through Santisuk's Post Box, the Audit Committee or Google Chat, a service within Google Workspace that allows for chats with the CEO.

In addition, if significant changes are made to the Company's operations and policies, "Town hall" meetings are organised so employees may be briefed directly by the CEO. They may also provide feedback through channels including our internal query channel ASK PAC, which fields questions and requests for assistance.

COMMUNITY INVESTMENT

(GRI 3-3, 413-1)

✈️ Commitment

Thai AirAsia is committed to sustainable development across its value chain and fostering responsible tourism. The Company strives to have its stakeholders understand the economic, social and environmental impacts of operating an airline as to elevate its value chain and is determined to increase the number of its passengers interested in flying sustainably.

Journey D

As tourism recovers, the Company's main mission was returning aircraft and employees to full service and operation within the aviation sector. This resulted in a change to social responsibility activities and on-site visits to meet with stakeholders. Nonetheless, the Company continued to work alongside over 4 communities across the country, analysing their issues and expectations to set a target of fostering responsibility through three strategies as follows:

Issues/Needs of Communities

- Impact on communities, society and the environment that may arise from the Company's operation e.g. Greenhouse gas emissions
- For the Company to be a leader in responsible tourism
- Tourism activities that generate income to communities

Expected outcomes for Community/ Society/Company

- Reduction in impact to the environment resulting from the Company's operations
- Communities increase their income from sustainable tourism activities
- Create awareness in responsible tourism and sustainable tourism promoted
- Support for activities that create shared value with communities

Strategies for Sustainable Society

- Join partners in delivering activities that enhance sustainable tourism for targeted communities
- Build networks of partners for the supporting of sustainable community tourism
- Promote awareness and experiences in community tourism with partners

Thai AirAsia remains committed to maintaining relations with tourism communities under the Journey D program while enhancing its value chain in every dimension.

Results of Journey D in 2022

Thai AirAsia continued to engage with four communities currently active in Journey D, namely; Doi Pha Mhee in Chiang Rai, Ban Kok Muang in Buriram, Koh Klang in Krabi and Phrom Lok in Nakhon Si Thammarat.

The Company is dedicated to community development following strategies combined with its ability for digital transformation:

- developing community marketing knowledge alongside the Community Development Department
- building confidence and trust to welcome tourists again through advertisements created in collaboration with the Tourism Authority of Thailand

Through Journey D, the programmes support local economic growth through the creation of employment opportunities and income generation for workers returning to their hometowns.



Journey D Plan for 2023

For the year 2023, Thai AirAsia plans to continue to drive growth for communities and the tourism industry by volunteering to serve as intermediary to business partners. The Company continues to be a long-term social investor through the following guiding principles:

- Promote sustainability through a range of activities that go beyond products and services, such as supporting communities to have a wider selection of careers
- Connect partners to deliver experiences, lead communities to different sales channels for their tourism products and services
- Communicate with the public through AirAsia channels for maximum awareness

Effectiveness and Business Results

Journey D is a social investment initiated to create value to Thai AirAsia's value chain and expand its business avenues and customer base. Thai AirAsia strives to go beyond being an airline to become a complete tourism and lifestyle service provider. Journey D is a platform for creating a new customer base interested in responsible travel and has led to revenue as well as brand loyalty. Measuring the effectiveness of Journey D's communications

must take into account the knowledge and understanding of "sustainability" by stakeholders, which include the employees of partner businesses, investors and community members, as well as the productivity of Journey D communities in other aspects.

On top of developing communities towards a sustainable society, the Company also benefits in the form of ticket sales to tourism communities and from the development of its own personnel.

Friendly Design Ambassador

Thai AirAsia joined the Friendly Design Ambassador program and took on the role of surveying and campaigning for friendly design and amenities for all people in society, protecting the rights of disabled people and assisting disabled and underprivileged persons to access their basic rights according to the law. The goal of the program is to upgrade buildings, sites and environments for universal access, to accommodate an aging society, to provide inclusive accessibilities for disabled persons and to promote tourism for all. To encourage inclusivity and empower the disabled, the Company invested in making disabled amenities more accessible and common throughout the nation for their guests and employees. The Company currently employs 51 employees in 29 provinces.

Promoting Sustainable Development through AirAsia Academy and Partnerships

AirAsia Academy cooperated with the Faculty of Economics, Chiang Mai University to host an academic event, "Sustain Me Talk", on participating in sustainable economic and social development. The objective of this knowledge sharing is to promote our sustainable policy, business, knowledge and lifestyle. The forum facilitated exchanges and featured key speakers on these topics.

AirAsia Academy Open House

The AirAsia Academy mission is to develop personnel and stakeholders, both within and beyond the aviation industry, who have an understanding of how to drive sustainability in the value chain. Not limited to the airline, AirAsia Academy is open to all individuals who want training in leadership, team relations building and flight management. All activities organised by the Academy include concepts to do with the sustainable development of Thai AirAsia and its partners.



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Disputes with Communities/
Society 2022



72

Hours invested in Sustain Me Talk
and workshops for exterior
organisations in 2022



~1 million Baht

Revenue from Sustain Me Talk
and workshops for external
organisations



บัตรเครดิตแอร์เอเชีย ธนาคารกรุงเทพ

บัตรเดียวสำหรับคนชอบบิน แคลิใช้งานในชีวิตประจำวัน ทุก 20 บาท ได้รับ 1 airasia point แบบซีลๆ และเมื่อใช้บัตรและเดินทางที่แอร์เอเชีย รับ airasia point สูงสุด 10 เท่า จากเป็นสมาชิกระดับ Platinum ของ airasia rewards



airasia points

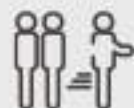
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เมื่อใช้จ่ายที่แอร์เอเชีย

สิทธิพิเศษ



เช็คอินก่อนใคร



ขึ้นเครื่องก่อนใคร



รับกระเป๋าก่อนใคร

ฟรี! ในปีแรก



ที่นั่ง Hot Seat



เครื่องดื่มบนเครื่อง



โหลดกระเป๋า

ใช้ airasia points
จ่ายแทนเงิน
หรือแลกฟรี



โรงแรม



เที่ยวบิน



ดิลิฟัสไดส์

ซื้อตั๋ว
รับคะแนน X10
รับ 10,250*
airasia points



ซื้ออาหาร
รับ 10*
airasia points

ช้อปออนไลน์
รับ 995*
airasia points



*จำนวนคะแนนที่ปรากฏในสื่อโฆษณานี้เป็นเพียงตัวอย่าง
คะแนนที่คำนวณจะได้รับจริงจะคำนวณจากการใช้จ่ายทุก 20 บาท
รับ 1 airasia point และ สูงสุด x10 เมื่อใช้จ่ายที่แอร์เอเชีย



ระยะเวลา: 1 ม.ค. 66 - 31 ธ.ค. 66

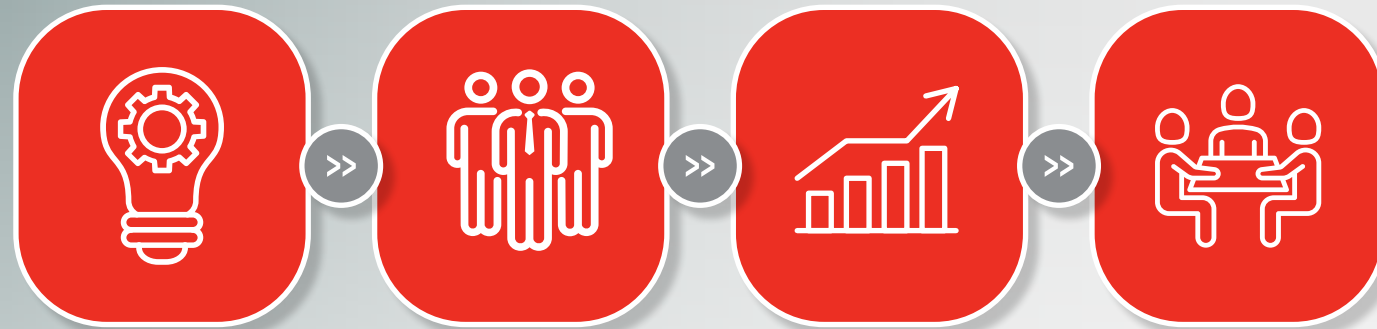
เงื่อนไขเป็นไปตามที่ธนาคารและบริษัทฯ กำหนด ทั้งนี้ อาจมีการเปลี่ยนแปลง โดยจะแจ้งให้ทราบล่วงหน้า
โปรดตรวจสอบรายละเอียดเพิ่มเติมที่ www.bangkokbank.com/creditcard
สมัครบัตรได้ที่ธนาคารกรุงเทพทุกสาขา หรือ www.bangkokbank.com/creditcard

airasia
Super App

CORPORATE GOVERNANCE

(GRI 2-10, 2-13, 2-15, 2-16, 2-18, 2-19, 2-20, 2-25, 2-26)

CORPORATE GOVERNANCE POLICY



Asia Aviation has complied and continue followed the principles of corporate governance in business operations through Directors, Management and employees. The Company believes that effective, transparent, and measurable administration will create confidence for shareholders, investors, and stakeholders, which in turns, will be the key factors to generate return and maximise value as well as enhance competitiveness of the Company to sustainable growth. Therefore, the Board of Directors of Asia Aviation has established the policy to follow the Code of Best Practices for Directors of Listed Company and adopted the policy in accordance to the Principles of Good Corporate Governance for Listed Companies, 2013, and Corporate Governance Code for Listed Companies 2017 (CG Code) as prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand. Policy is reviewed annually and communicated to Directors, Management, and employees to adhere.

The Company disclosed “Corporate Governance Policy” on the Company’s website at www.aavplc.com under the “Corporate Governance”.

The Overall Policies and Practices of Corporate Governance

Policies and Practices regarding the Company’s Board of Directors

The Company’s Board of Directors has duties and responsibilities for establishing the framework of good corporate governance, strategies and significant policies, supervising the Company to build up mechanism for corporate governance with efficiency and effectiveness as well as governing the operation of the Company to be fair and transparent. In addition, the Board of Directors is responsible for the stakeholders under the principles of good corporate governance and business ethics by building confidentiality and value of the Company sustainably together with providing the auditing, following up, evaluating and revising in order that everybody in the organisation holds and complies with the Corporate Governance Policy completely and sustainably. To support and encourage the Board of Directors to be able to perform their duties with efficiency and effectiveness, therefore the Company has set up policies and practices regarding the Company’s Board of Directors covering the following issues:

Composition of the Company’s Directors

1. The Board of Directors of Asia Aviation shall consist of at least five Directors to conduct the business of Asia Aviation. Not less than one half of all Directors shall have domiciles in Thailand.
2. The Independent Directors must constitute at least one-third of the numbers of Directors in the Board

but not less than three persons. In addition, there shall be appropriate numbers of Independent Directors to conduct the corporate governance and they shall also meet all the qualifications according to the Notification of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand.

3. No limitation for gender, nationality, race, skin color, ethnic group or religion.
4. The Chairman of the Board of Directors shall not be the same person as Executive Chairman, Chief Executive Officer nor the Executive Director in order to balance and clarity of responsibilities between the supervisory and management functions including to examine the operation of the Management independently.
5. The structure of the Board of Directors shall have a diversity whereas the Board of Directors shall be composed of experts with a wide range of knowledge, competence, and experience in various fields as well as expertise in various professions to be in line with strategy and type of business of the Company. The number of Directors shall be sufficient to oversee the business of the Company, with at least one Director who has direct experience in aviation business and at least one Director who has experiences in accounting and finance.

Qualifications of Directors

1. The Directors shall understand their duties and responsibilities as well as description of the business operation of the Company. In addition, the Directors shall be the persons having knowledge, competency, honesty and business ethics, and having sufficient time to dedicate their knowledge and competency for their performance in the Company.
2. The Directors shall possess full qualifications and do not have any prohibited characters in compliance with applicable laws related to public companies and other relevant laws, nor any characters that result in the inappropriateness to be trusted with the administration of a public company as required by The Securities and Exchange Commission Thailand.
3. The Directors shall not enter into a partnership or be a shareholder or hold the position of Director of any business which has the same nature as and is in competition with the business of Asia Aviation for their own or others' interests, except the Shareholders' Meeting has been informed prior to the appointment.
4. The Directors shall not hold the position of Director in more than five other listed companies. In case of any Director holding the position of Director in more than five listed companies, the Board of Directors shall consider the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other companies, the matter needs to pass the approval from the Company's Board of Directors.

5. The Independent Directors shall possess all the qualifications required by the Stock Exchange of Thailand and The Securities and Exchange Commission Thailand and can oversee the interest of all Shareholders equally without any conflicts of interests. The Independent Directors shall be able to attend the Board of Directors' Meetings and provide opinions independently. The qualifications are as follows:

Qualifications of Independent Directors

1. Holding not exceeding 1% of the total shares with voting rights of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation. (inclusive of the shares held by any related person of such Independent Director);
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 control person of Asia Aviation, its parent company, subsidiary company, its associated company, its subsidiary at the same level, major shareholder or control person of Asia Aviation, unless the holding of the aforementioned positions has been discontinued for at least two years. 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 control person of Asia Aviation;

3. Not being person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its Directors, its Executives, its major shareholder, its control person or the person who will be nominated to take up the position of Director or Executive or control person of Asia Aviation or its subsidiary;
4. Not having, or not having had, any business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation in a manner which may obstruct its independent judgment. Additionally, not being or not having been a substantial shareholder or control person of a person who has a business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, unless such business relationship has been discontinued for at least two years. (the aforementioned business relationship and transaction size shall have the same definition as in the Notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares);
5. Not being, or not having been, an auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder, control person of Asia Aviation, and not being substantial shareholder or control person or the partner of the audit company for which the auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control

person of Asia Aviation has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years;

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 Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, and not being substantial shareholder or control person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years;
7. Not being a Director nominated to be a representative of a Director of Asia Aviation, major shareholder or shareholders who are related persons to major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of Asia Aviation 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 Asia Aviation or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of Asia Aviation's business operation.

The qualifications of the Independent Directors shall be as required by the Thai Capital Market Supervisory Board.

Whereas the Company has disclosed the profiles and information of holding the position of Directors as the attachment of this report on the website of the Company at www.aavplc.com under the title “About AAV” and sub-title “AAV Board of Directors” as well as the notification to the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand when the Company changes its Directors.

Nomination and Appointment of Directors (GRI 2-10)

The appointment of a Director shall be in compliance with the Company’s Articles of Association and applicable laws, in a transparent and clear manner. The nomination shall go through the process by the Nomination and Remuneration Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons and to provide opportunity for minority shareholders to nominate candidates for the Company’s Directors. Thus, the Nomination and Remuneration Committee shall propose the list of the persons nominated with profile and details of such persons sufficiently to advantage in decision making for the Board of Directors to consider before passing it to the Shareholders Meeting for approval of the appointment or for the Board of Directors to appoint him in case that the Director position is vacant because of other reason than the retirement by rotation.

Policy on qualifications and nomination of Directors

The Company’s Board of Directors consists of qualified directors according to Section 68 of the Public Limited Companies Act B.E. 2535 (1992) (and its amendments) and the Securities and Exchange Commission’s Notifications and does not have prohibited characteristics under the Securities and Exchange Act B.E. 2535 (1992) (and its amendments) and other related laws and regulations and Company’s Articles of Association. And the Company’s Board of Directors should be diverse in terms of skills, experience, knowledge and expertise that are beneficial to the Company as well as not limiting or discriminating in terms of gender, age, race, nationality, religion, culture and customs for the Company to achieve its objectives and business goals. And the Board of Directors should promote and support the Company to operate in accordance with good corporate governance principles, which lead to fairness and transparency that can create returns and increase long-term value for shareholders and build confidence among all stakeholders.

Desired characteristics of each Director

The Nomination and Remuneration Committee will consider and determine the individual characteristics of those selected for nomination as Directors in various areas such as

- Leadership and vision,
- Morality, ethics and responsibility,
- Making informed and rational decisions,

- Maturity, knowledge, understanding and ability to communicate, able to express opinions independently,
- Adhering to the principles and standards of working professionally,
- Other characteristics that the Nomination and Remuneration Committee deems important.

Knowledge and expertise that should be on the Board

The Nomination Committee will consider the knowledge, ability, work experience and overall structure of the Board to determine which skills of Directors are lacking by creating a Board Skill Matrix, which will help the nomination of Directors consistent with the Company’s business direction in order to determine persons who have experience, knowledge and ability that will be beneficial to the Company to become Directors in accordance with the Company’s business strategies such as

- Accounting and finance knowledge,
- Knowledge of aviation business,
- Risk management and crisis management,
- Management and business administration,
- Marketing and marketing communications,
- Laws and regulations related to business,
- Economics,
- Corporate governance and sustainable development,
- Other specialised expertise that the Nomination and Remuneration Committee deems necessary for the Company over the next 3-5 years, such as technology and cybersecurity skills, information management, supply chain management and research and development, etc.

Recruitment and nomination

To identify the names of candidates to be elected as Directors, the Nomination and Remuneration Committee may use recruitment sources such as persons recommended by Directors, nomination of new Directors by shareholders, third-party consulting firms and listings from credible sources, etc.

Election of the Directors

1. Election of Directors to replace those who are due to retire by rotation or in the case of Directors who resigned during the remaining term of office for less than 2 months, in this case the Directors shall be appointed by the shareholders’ meeting by a majority vote in accordance with the following rules and procedures:
 - 1) Each shareholder has one (1) share for one (1) vote.
 - 2) Each shareholder may use all the votes available in Item 1) to elect one or more persons to be Directors. In the event that several persons are elected as Directors, the votes cannot be divided for any individual.
 - 3) Persons receiving the highest number of votes in descending order will be elected as Directors equal to the number of Directors to be elected at that time. In the event that the number of votes cast for candidates in descending order is equal, which would otherwise cause the number of Directors to be exceeded, the chairman of the meeting shall have a decisive vote.

2. To appoint Directors to replace those resigned during the tenure, the Board of Directors shall appoint persons to become Directors, without having to propose to the shareholders' meeting for consideration and election.

Term of Positions for Directors

1. The Director's term of positions is according to the Articles of Association of Asia Aviation that at every Annual General Meeting, one-third (1/3) of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third (1/3) must retire from the office. The retiring Directors are eligible for re-election. The Director who has been in office for the longest term shall retire.
2. Any Director wishing to resign from the Director's position shall submit a resignation letter to Asia Aviation. The resignation shall take effect upon the date on which the resignation letter reaches Asia Aviation.
3. 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.
4. In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall appoint any candidate who does not possess any of the

prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations to fill the position for the next Board of Directors' Meeting unless the remaining term is less than two months. The replacement Director shall hold the office only for the remaining term of the Director whom he/she replaces.

For those who have held the position of Independent Directors for 9 years or 3 consecutive terms, the Nomination and Remuneration Committee will review the true independence of those Independent Directors annually. In the past year, the Company did not have any Independent Directors who had held office for more than 9 years.

Duties and Responsibilities of the Directors

Asia Aviation's Board of Directors shall oversee and administer the business and mission of Asia Aviation to be in line with the approval by shareholders and applicable laws, objectives, articles of association, Shareholders' Meeting resolutions, and Board of Directors' resolutions. Directors shall use their judgment and vigilance in making business decisions and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

Moreover, the Board of Directors shall attach importance to the business operation with social responsibilities and environment, not violating the rights of the stakeholders as well as promoting and supporting the

Company and its subsidiary to operate with anti-corruption in every form for the progress and sustainable growth.

Asia Aviation's Board of Directors has the duties to consider and approve significant matter related to the Company's administration such as policies, visions, strategies, goals, missions, business plans and budgets of Asia Aviation, as well as to supervise the Management team to effectively and efficiently manage the business of Asia Aviation under the legal framework, objectives, Articles of Association of Asia Aviation and the resolutions of the Board of Directors' Meeting and the Shareholders' Meeting. Such duties must be performed with accountability, loyalty and care under the principles of good corporate governance in order to achieve the best economic value for the business and stability for its Shareholders.

The Division of Duties and Responsibilities between Board of Directors and Management

Asia Aviation has clearly divided duties and responsibilities between Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by Board of Directors and recorded as resolution passed in the Minutes of Board of Director Meeting. Consequently, the Chairman of the Board of Directors cannot be the same person as the Chief Executive Officer nor the Executive Director in order to balance and examine the Management.

The Chairman of the Board of Directors has an important role as follows.

- 1) The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. The Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.
- 2) To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages Directors to participate in the Meetings, express their opinions equally and provide comments independently. In case of the votes come to a draw between two sides, the Chairman of the Board of Directors makes the casting vote. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceeding will be done clearly.
- 3) To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company.

In addition, the Chairman shall allocate sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.

- 4) To support and be a good role model in compliance with corporate governance and business ethics.

The Company has clearly set scopes of duties and responsibilities for Board of Directors, Executive Chairman and the Chief Executive Officer, which can be found under "Scope of Duties and Responsibilities of the Board of Directors", "Duties and Responsibilities of the Executive Chairman" and "Duties and Responsibilities of the Chief Executive Officer".

The Performance Assessment of the Board of Directors (GRI 2-18)

Asia Aviation and its subsidiary have the Performance Assessment of the Board of Directors and sub-committee once a year by dividing into the Performance Assessment of the Board of Directors as a whole and the Self-Assessment of the Board of Directors on an individual basis, to be used as the framework in examining the performance of the Board of Directors and sub-committee including consideration reviewing performances, problems and obstructions incurred in the passed last year and it is the opportunity to consider contributing the time to perform the duties and also to improve the relationship between the Company's Board of Directors and the Management while the annual

assessment of the performance results of the Board of Directors and sub-committee shall be presented to the Board of Directors Meeting to give suggestions the benefit of the efficiency improvement and development of the performances of the Board of Directors to conform to the policy procedures set forth and to set up benchmark for comparing it with the performances with criteria and revealed in the annual report.

As such, the Nomination and Remuneration Committee is responsible for reviewing performance assessment to be accurate, complete and comply with good corporate governance. Also the Committee have considered the results of the Director self-assessment in the past year as a reasonable criteria for the consideration of the remuneration of Directors. The Company Secretary summarises the results of the assessment and reports to the Nomination and Remuneration Committee in order to propose to the Board of Directors to further improve operational efficiency in more effective way.

Development on Directors and Management

The Board of Directors of Asia Aviation and subsidiary have a policy to enhance and accommodate the provision of training and knowledge for Directors and Management to administer the business of the Company effectively with the continuous improvement on operation. Directors and Management are encouraged to participate in valuable trainings that are beneficial to their performance, including training by state agencies or independent organisations, for example, Director

Training by the Thai Institute of Directors that the SEC requires Directors of listed companies to participate at least in one programme, including the Directors Certification Program (DCP), Directors Accreditation Program (DAP) and the Audit Committee Program (ACP).

In the case of a change in Directorship, the Company Secretary is assigned to assist in the preparation for the Director's duties by coordinating in the following areas:

- 1) Collecting required information related to Directorship to ensure the compliance with applicable laws related to Directorship.
- 2) Preparing useful information for the new Director to perform his/her duties, for example, Articles of Association of the Company, Director's Manual for Listed Companies, Operating Results, and Nature and Direction of Business.
- 3) Organising meetings or discussions between Chairman and Directors, and Management to acknowledge and inquire about the business operation of the Company and its subsidiary.

Remuneration Policy and Criteria for Directors (GRI 2-19, GRI 2-20)

Asia Aviation and subsidiary's Board of Directors approves the criteria in consideration for Directors' remuneration as follows:

To determine remuneration for Directors, the Nomination and Remuneration Committee shall consider the following guideline:

Remuneration Policy for Directors

The Nomination and Remuneration Committee considers appropriate types, forms, and amount of the remuneration for Directors and sub-committee members, then the remuneration will be presented to the Board of Directors for consideration and proposed to the Annual General Meeting of Shareholders for approval every year.

The determination of remuneration of Directors will be considered in comparison with the remuneration of Directors of leading companies in the stock exchange and other companies in the same industry or similar to the Company, along with their experience, duties, scope of roles, responsibilities, success in the performance, the performance assessment results of the Board of Directors and Company's performance as well as other relevant environmental factors. Such remuneration must be at an appropriate level and sufficient to motivate and retain the Company's qualified Directors.

Remuneration of Directors and sub-committee members of Asia Aviation

At the Annual General Meeting of Shareholders 2022, held on April 21, 2022, approved the resolution of the remuneration year 2022 for Directors and sub-committee members as follows ;

Monetary Remuneration

- Each Director shall receive the monthly remuneration of Baht 80,000 and Baht 80,000 allowance for each meeting attendance. If there is more than one meeting, each Director shall receive only Baht 80,000 allowance in the month. The Chairman of the Board of Directors shall receive the monthly remuneration of Baht 100,000 and Baht 100,000 allowance for each meeting attendance. If there is more than one meeting, the Chairman shall receive only Baht 100,000 allowance in the month.
- The monthly remuneration for the Audit Committee (in addition to the remuneration as the Directors) shall be Baht 80,000. The Chairman of the Audit Committee shall receive the monthly remuneration of Baht 100,000.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a committee, a sub-committee or a working group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.
- The Board of Directors shall receive the bonus for 0.5% of the dividend and the allocation shall be as specified by the Board of Directors.

Other Remunerations

Ticket Benefits

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is

entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year with terms and conditions of the Company's Policy. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation.

Nonetheless, Executive Directors shall not receive any remuneration as members of the Board or sub-committee.

Remuneration of Directors and sub-committee members for Thai AirAsia

At the Annual General Meeting of Shareholders 2022, held on April 21, 2022 the resolution was to approve the remuneration for Directors and sub-committee members as follows:

Monetary Remuneration

- Each Director shall receive Baht 80,000 allowance for each meeting attendance. The Chairman of the Board of Directors shall receive Baht 100,000 allowance for each meeting attendance.
- Members of the Audit Committee receive a meeting allowance equivalent to that of meeting allowance of Board members.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a committee, a sub-committee or a working group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.

Nonetheless, Executive Directors shall not receive any remuneration as members of the Board or sub-committee.

The Remuneration Policy of the Senior Management

Determining the remuneration for the Senior Management has been set up at Thai AirAsia, a subsidiary which operates the Company's major business for which the structure of remuneration of the Senior Management comprises the fixed remuneration such as salary, fuel cost, telephone cost, car expense and cost of variations such as bonus depending on the performance of the subsidiary whereas the subsidiary will perform the annual assessment of the performance of the Senior Management annually while the Company's Board of Directors together with the Nomination and Remuneration Committee shall consider the result of assessment to support consideration for approval of the annual remuneration based on the performance of the business operation, the operation under the policies assigned according to the overall economical and social situation as well as managing the remuneration to be able to compete and maintain the Senior Management equipped with knowledge and abilities to continue working with the Company and perform the duties for the Company.

Determination of remuneration and consideration of remuneration rates for the Senior Management

Thai AirAsia considers remuneration for the Senior Management based on fairness and appropriateness in accordance with the Company's performance and performance of each Management, comparing with remuneration rates in other companies in the same industry or similar business with the Company. Survey results and industry and professional comparisons are taken into account annually to review salary pay scale and annual salary adjustment principles.

Key performance indicators (KPI)

To reflect responsibilities, performance success linked to business operation results and other relevant environmental factors, the Company has set the following indicators:

- CASK, RASK, Ancillary Sales
- Safety & Regularity, On-Time-Performance, Load Factor, Aircraft Utilisation
- Net Promoter Score Survey
- Social and environmental performance.

Succession Plan

The Board of Directors of Thai AirAsia has established succession plans for positions of Chief Executive Officer and Senior Management by evaluating and analysing the potential and performance of qualified candidates to set the individual plan for development training and management learning in order to prepare the replacement of important positions in case of resignation or retirement

or other reasons and also maintain confidence from stakeholders that the operation of the Company can continue without any disruption.

The Board of Directors has assigned the Nomination and Remuneration Committee to consider and specify the criteria and succession plan when the position of Chief Executive Officer and Senior Management is vacant. Revision of the succession plan shall be carried out and the Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

Nomination criteria and process

The People Department prepares a succession plan, endorsed the Nomination and Remuneration Committee and approved by the Company's Board of Directors.

Nomination process and succession plan for the Chief Executive Officer and the Senior Management

When the Senior Management position becomes vacant or a person in position is unable to perform his or her duties in the position, the Company has a system for executives at a similar level or a deputy to act in the position until recruitment and selection of a person who meets the criteria set by the Company and he or she shall be visionary, knowledgeable, experienced and suitable for the organisational culture. The People Department will consider and present to the Nomination Committee for their endorsement before proposing to the Board of Directors for approval. The Chief Executive Officer will report results of the succession plan to the

Board of Directors for their acknowledgement periodically at least once a year.

The succession process is as follows:

- Analyse the Company's business situation in terms of strategies, investment plans and policies, expansion plans, and assess the readiness of manpower to be in line with the Company's strategies in both short and long terms.
- Establish a plan to build readiness of personnel by developing staff or recruiting staff to prepare to replace those who resign.
- Create a recruitment plan and develop employee training within one year before the employee retires or leaves the position early.
- Determine competence, which means the knowledge, skills, personality and desirable attitudes of employees in that position and made individual development plans.
- Select, evaluate the performance and assess the potential of employees to determine their suitability.
- Use personnel testing and assessment tools to analyse employee potential.
- Identify successors from the evaluation and analysis of the performance potential of the employees. Employees must be notified in advance to prepare for the handover.
- Develop and evaluate employees who are expected to be successors to see whether they can develop and create results according to the succession plan.

Determine qualifications of Chief Executive Officer

To establish criteria for nomination, evaluation and preparation individual development plans for the position of Chief Executive Officer, the Company has therefore defined qualifications as follows:

1. Formulate strategies to develop missions, policies and clear strategic plans that can meet the needs of shareholders, customers, employees and other stakeholders in a balanced and sustainable manner.
2. Clearly manage operations to achieve strategic success of the organisation, able to identify and analyse problems and issues that the organisation needs to address accurately and clearly, and able to forecast trends, business opportunities and business priorities that benefits prosperity, and able to adjust strategies in a timely manner and operate the Company correctly.
3. Define processes that enable performance monitoring and turnover control, able to enable the Company to achieve financial goals and market share that have been set financially, able to accurately define and assess key success factors, have good understanding of financial and market metrics relevant to the business and financial conditions of the Company, able to make good decisions in managing the financial activities and budgets of the organisation, able to determine appropriate methods and practices that are accurate, transparent, verifiable as well as compliant with the laws, rules and regulations of various organisations.
4. Have knowledge of the aviation business including the products and services that are the main factors in running the business, understand the business-industry environment, foresighted and creative and

have the initiative to create new products and services.

5. Be able to accurately communicate the concept, vision, mission, strategy, goals and direction of the organisation to stakeholders, create and maintain atmosphere and culture, create environment and a sense of belonging, have regular good communication within the organisation and fair treatment of personnel, not discriminating, and provide standardised and transparent communication channels for disclosure of information.
6. Manage relationships with personnel both inside and outside the organisation, maintain high standards of ethics, honesty and respect for others to maintain a positive image for the Company and create an attitude that makes the stakeholders trust and support.
7. Manage work and assign work properly, carry out duties within the scope of responsibility and delegate duties to others in a professional manner, take appropriate measures to distribute and balance power, regularly promote and support learning and skill development in various areas that are necessary for oneself and others.

The Supervision of the Subsidiary, Associated Company and Jointly-Controlled Entities

Asia Aviation is the Company operating major business by holding shares in other companies (Holding Company) in which the Company has mechanism to be able to supervise the administration and to be responsible for the operation of the subsidiary, associated company or jointly-controlled entities in order to maintain the benefits of the investment of the Company as follows:

1. To nominate a person as a representative of the Company approved by the Board of Directors to be a Director and Management in the subsidiary, associated company or jointly-controlled entities in proportion to the shares held while such person shall have appropriate qualifications and experiences suitable for such business and shall not have the business conflict of interest.
2. To supervise through the representative Directors and the Management and manage the business of the subsidiary, associated company or jointly-controlled entities to comply with the policies approved by the Company and according to the rules and regulations specified in the Article of Association of the Company and the law of subsidiary, associated company or jointly-controlled entities.
3. To consider the important matters such as strategies, business plan, increasing or decreasing of the capital as well as important policies etc.
4. To follow up the performances and such business operation closely and present the analysis as well as expressing the opinion or suggestion to the Board of Directors of the subsidiary, associated company or jointly-controlled entities to be used as supporting information to consider setting up policies or improve, promote the business of the subsidiary, associated company or jointly-controlled entities for further development and continual growth.
5. To encourage the subsidiary, associated company or jointly-controlled entities to bring the principles of Corporate Governance into practice.

6. To govern the subsidiary, associated company or jointly-controlled entities to comply with the rules and regulations concerning the Regulators such as the related party transaction and acquisition and disposing of the assets, sufficient and in-time disclosure of information as well as supervising them to provide accounting and financial report correctly in accordance with the related laws and certified accounting standard in general.
7. To be verified by the internal audit to ensure that the internal control set forth is sufficient and effective.

Policy and Practices concerning Shareholders and Stakeholders

Rights of Shareholders

Asia Aviation is aware of and prioritises the fundamental rights of the shareholders, by not doing anything to violate the rights of its shareholders and supporting its shareholders to exercise their rights. The fundamental rights of the shareholders include the right to buy and sell or to transfer shares, the right to receive profit sharing from Asia Aviation, the right to receive adequate and timely information with regard to Asia Aviation, the rights relating to participation and voting in the Shareholders Meeting to elect or remove members of the Board, appoint the external auditor, and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's Memorandum of Association and Articles of Association

or the Company's by laws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Asia Aviation has the policy to provide convenience for the shareholders to exercise their rights as follows:

- Asia Aviation will send the notice of the Shareholders' Meeting and supporting documents to each shareholder at least five business days prior to the Meeting date (or any period of time as required by laws). The invitation will provide relevant information on each agenda item with opinions from the Board of Directors of Asia Aviation, proxy form as regulated by the Ministry of Commerce, and list of Independent Directors that the shareholders may select as their proxy, as well as map of the Meeting venue.

The invitation will inform the list of required documents that the shareholders need to bring to the Meeting in order to support the rights to participation in the Shareholders Meeting and to voting, as regulated by Asia Aviation's Articles of Association regarding the Shareholders' Meeting.

Shareholders can also access any information concerning the agenda of the each Meeting of Asia Aviation at www.aavplc.com

- In the case that any shareholder cannot attend a Shareholders' Meeting in person, Asia Aviation allows such shareholder to appoint a proxy, either an Independent Director or any person, to attend the Meeting on his/her behalf.

- Asia Aviation shall proceed Meeting registration and votes count with a barcode system so as to promote transparency, fairness and benefits for shareholders. In addition, the Company has provided a document check point in case of proxy to attend to the Shareholders' Meeting and provide stamp duty for the proxy form as well as staff to service at the registration. The Company will open for registration at least 2 hours before the Meeting. Furthermore, during the pandemic of COVID-19, the Company realises and concerns the health and safety of the shareholders, the Company, therefore held Shareholder's Meetings via electronic media by complying with the Emergency Decree on the meeting via electronic media B.E. 2563 (2020) as well as the laws and other regulations concerned.
- Chairman of the Meeting will inform the shareholders of rules of the Meeting and voting procedures. Time will be allotted appropriately.
- All shareholders will be treated equally in expressing their opinion and raising questions in the Meeting. Directors and relevant Management team members will attend the Shareholders' Meeting to provide responses to any inquiry raised at the Meeting and to take any comments and suggestions into consideration or for further actions. After the Shareholders' Meeting, Asia Aviation prepares the complete and accurate minutes of the Meeting within 14 days and submits to related agencies within the prescribed time frame. Minutes of the Meeting will also be posted on Asia Aviation's website to allow interested shareholders and stakeholders to access the information.

Equitable Treatment of Shareholders

Asia Aviation applies the principle of equal treatment to all shareholders, be Management or non-management shareholders, majority or minority shareholders, or local or foreign shareholders, as follows:

- Meeting shall be carried out as specified in the agenda enclosed with the Meeting notice. Additional agenda items shall not be imposed without informing the shareholders prior to the Meeting unless necessary, especially items that shareholders should need significant time to study relevant information before making any decision.
- The minority shareholders can nominate Directors by submitting details of nominees and consent letters to the Chairman of the Board prior to the Shareholders Meeting within reasonable time period as regulated by Asia Aviation.
- Shareholders are encouraged the use of ballots for each agenda item. Ballots shall be kept in the Meeting room for vote count prior to the resolution announcement. For transparency, Asia Aviation will keep the ballots with shareholders' or proxy's signatures in case of examination if there is any future argument.
- Minutes of Meeting shall be recorded completely and accurately. The Minutes will be submitted to the Stock Exchange of Thailand within 14 days after the Meeting. Minutes of the Meeting will also be posted on Asia Aviation's website.

- Information is accessible in a complete, accurate, timely, and transparent manner, for shareholders by disclosing the significant information regularly.
- The Company and its subsidiary have set the policy and procedure for the Directors and Management and employees in using the inside information that has not been made public for personal interest and communicated the policy to their Directors, Management, and employees for their acknowledgement in writing under the Code of Conducts with details as follows:

The Use of Internal Information

- 1) Inform the Directors and Management regarding their duties in reporting the Securities Holding Reports for themselves, their spouses or cohabiting couple, 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 B.E. 2535 (and its amendment), 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 B.E. 2535 (and its amendment).
- 2) The Directors and Management of Asia Aviation, along with their spouses or cohabiting couple, and their minor children to prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of Asia Aviation'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 B.E. 2535 (and its amendment), and copies of the reports to be submitted to Asia Aviation on the same day as to the Securities and Exchange Commission.

- 3) Directors, Management and employees of Asia Aviation and its subsidiary, who have an access of any inside information that can affect price of stocks, shall be avoid or refrain from trading of Asia Aviation's stocks within one month before the financial statements or the inside information are accessible to the public and 24 hours after the said information is accessible 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. Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.
- 4) Directors, Management and employees of Asia Aviation and its subsidiary shall not use any inside information they receive from their positions, that can affect price of stocks 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 stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or

indirectly, for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

Conflict of Interests (GRI 2-15)

The Board of Directors of Asia Aviation has set up a policy to prevent conflicts of interest on the basis that any decision-making on business transactions shall be made only for the best interest of Asia Aviation and it shall avoid any act which may cause conflicts of interest. It is required that a person who is involved in or has interest in any transaction shall report the involvement or interest in such transaction to Asia Aviation and shall abstain from voting for decision-making and shall have no power to approve such transaction.

In the case of any transaction which is not consistent with the normal course of business or the general trading conditions and may cause conflicts of interest, the entry into such transaction shall be submitted to the Audit Committee to consider with respect to the transaction appropriateness before proposing to the Board of Directors' Meeting or Shareholders' Meeting (depending on the case) for consideration and approval. In such case, Asia Aviation shall comply with the requirements prescribed by the Capital Market Advisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

Information Disclosure and Transparency

Asia Aviation has put an importance on disclosing information that is accurate, complete, transparent, timely, and up to the standards set by the Stock Exchange of Thailand and the Securities and Exchange Commission. This financial reports, general information, and any other significant information that can affect the price of stocks and decision making of investors and stakeholders of Asia Aviation. In order for stakeholders of Asia Aviation to have an equal access to information, Asia Aviation is publishing its information through the Stock Exchange of Thailand and Asia Aviation's website at www.aavplc.com.

The Board of Directors is aware of the responsibility in preparing Asia Aviation's financial reports and information presented to shareholders in annual reports, and in assuring the quality of the financial reports, including financial statements of Asia Aviation. Asia Aviation arranges to have the financial reports done according to the accounting standards and audited by reliable and independent auditors. Asia Aviation has established and adhered to appropriate accounting policies and made certain that financial reports of Asia Aviation are accurate, complete, and trustworthy, with important information being accessible.

The Board of Directors also set up an Audit Committee to review the financial reports for their accuracy, completion, and reliability and to make sure information

is disclosed in an accurate, transparent and timely manner as regulated for listed companies. The Audit Committee also ensures effective internal control and that laws and regulations, as well as Asia Aviation's regulations are adhered to. Moreover, the Committee looks into related party transactions or transactions with conflict of interest and consider the reasonableness and appropriateness before proposing to the Board of Directors of Asia Aviation for further approval.

The Company has a policy to disclose important information to the public as follows:

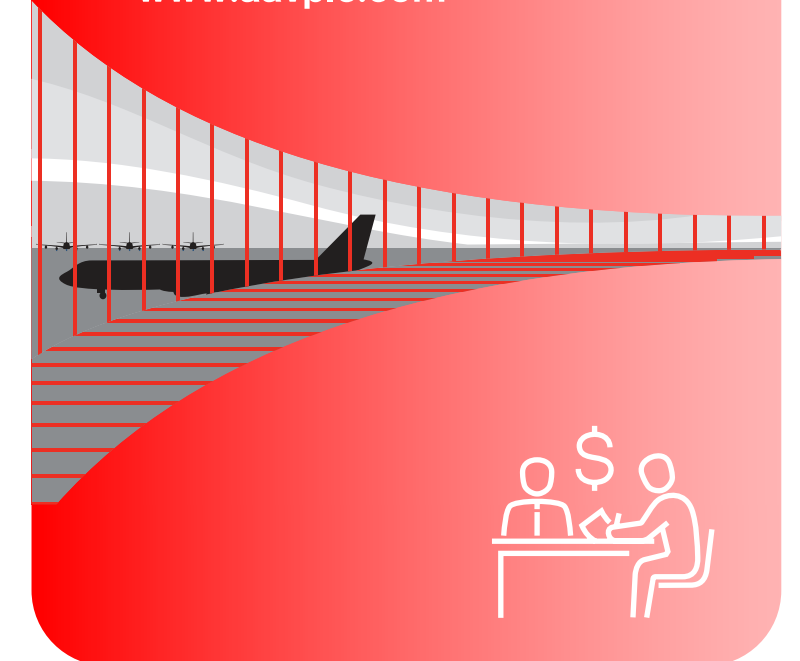
1. Objectives and Articles of Association of the Company.
2. Financial and Non Financial reports in an accurate and timely manner.

3. Report on the responsibilities of the Board of Directors toward financial statements together with the Auditor's report in the Annual Report (56-1 One Report).
4. Information on each Director, sub-committee member and Management and his/her roles and responsibilities and remuneration.
5. Information on the attendance of Directors and sub-committee members in Meetings.
6. Reports on the Interests of Directors, Management, and related persons.
7. Each Director and Management has a duty to report buy-sale the Company's shares to Company Secretary at least one day before the trading day and disclose summary of shareholding reports at the Board of Director Meeting in quarterly.



As for the activities to serve investors' demand, the Company has set up the Investor Relations Unit delegated to handle and communicate significant business information of the Company with interested parties which include Company's shareholders, investment analysts, general investors and other persons in the investment community. The Investor Relations Unit can be reached via the following channels:

- ☎ 02 562 5745-46
- 📠 02 562 5705
- ✉ taa_investorrelations@airasia.com
- 🌐 www.aavplc.com



Asia Aviation discloses and communicates operational performance and other significant information of the Company to the investment analysts, investors, and internal staff on a regular basis at several events such as the results briefings, one-on-one or group meetings, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with the SET to meet with retail investors and holds a press conference to

publicise such information of the Company and its subsidiaries. Also, any person in the investment community is provided with an ability to make an appointment with the Management or investor relations officers via the IR Booking webpage at his or her convenience to inquire or discuss business-related issues during the Company's office hours. Investors' inquiries are also directly responded to via e-mail and phone calls on a regular basis.

Activities	2021 (times)	2022 (times)
International Roadshow	3 ⁽¹⁾	4 ⁽¹⁾
Domestic Roadshow	2 ⁽¹⁾	11 ⁽¹⁾
Results Briefing/Annual General Meeting of Shareholders	5	5
Site visit, Joint activities with the SET and other agencies	1	2

Remark: ⁽¹⁾ The events were held in a virtual format.

The Company also arranges for the Compliance Unit to oversee the disclosure of information through various channels, for example, the Company's website, the Stock Exchange of Thailand's website, and Annual Reports (56-1 One Report). Information shall be accurate, sufficient, timely, and complete, as required by laws, in order to create confidence from investors in the Company's transparency in business operation.

Role of Stakeholders

Asia Aviation and its subsidiary have placed importance on the rights of all stakeholders and established a policy as follows:

Shareholders

Asia Aviation determines to be a good representative for its shareholders in conducting its business for the satisfaction of its shareholders with transparency and emphasis on sustainable long-term growth, and to ensure the adherence of the policy regarding shareholders to maintain the basic rights of the shareholders, and to not violate the rights of the shareholders listed under rights of shareholders and equitable treatment of shareholders, alongwith the transparent disclosure of information to shareholders.

The encourage for the shareholders to attend the Shareholders' Meeting to help participate in major decision making, to acknowledge the Company's operation and activities, and to monitor the performance of the Directors and Management.

Customers

Asia Aviation and its subsidiary are committed to customers' satisfaction and confidence in the Company by delivering quality products and services at a fair and appropriate price, and to maintain good relations. The operation guideline is set as follows:

- Provide quality products and services with the resolute aim to constantly increase the standards and disclose news and information regarding products and services completely and accurately as well as initiating new varieties of products and services to serve the lifestyle of everybody.
- Listen to customer opinions through satisfaction surveys in various forms, such as customer satisfaction surveys after using online services or Net Promoter Score or quarterly customer satisfaction survey on various issues.
- Listen to the problems of customers and receive complaints via live chat (AVA) throughout 24 hours a day.
- Directors, Management and employees at all levels shall not disclose customers' details without prior consent from customers or control persons of the Company group, unless the information is required to be disclosed to the third party by laws.

The details of the policy regarding responsibilities toward customers in 2022 are listed in the "Sustainability Report".

Business Partners

The Company and its subsidiaries regard business partners as an important factor in creating value for customers. Therefore, conducting business with any trade partners must not lead to tarnishing of the reputation of the Company and its subsidiaries or against any laws. There is no demand or acceptance of assets or any other dishonest benefits in trading with partners but take into account equality in business operations and mutual benefits with traders as well as strictly comply with contracts or conditions that have been agreed upon, and not to disclose business partners' information to others, except with consent from the business partners. In addition, the selection of trading partners must be done in a fair and transparent manner, considering the reasonable and fair purchase price and taking into account the reasonableness of the price, quality and service received. Appropriate reasons can be given upon inspection. The Company complies with the procurement regulations by appointing a procurement committee and clearly specifies procedures and practices.

Creditors

Asia Aviation and its subsidiary comply strictly with creditors under the conditions and term of agreements. Loan management must be subjected to the objectives of use of proceeds; money must not be used in a way that could cause damage, control various collaterals and

repayment of loan and interest to the lenders of all types in full and by the due date, comply with the terms of the entire loan agreement, as well as management to ensure the creditors of financial position and high repayment capacity. In case of default, the Company will notify creditors in advance for troubleshooting.

Competitors

Asia Aviation and its subsidiary have a policy to promote and support fair and open competition. The Company does not seek its competitors' trade secrets or information through illegal or unethical means. The Company shall not violate the intellectual properties of its competitors or others.

Society

The Company and subsidiary as Thai Company and serve Thai people for a long time, therefore the Company realises and is conscious to pay back and help the society together with supporting local activities in which the Company is operating.

Asia Aviation and its subsidiary have a policy to provide environmentally friendly products and services and to follow environmental-related laws including promote activities that help preserve the nature and conserve energy. It has a policy to select and promote the use of environmentally friendly products.

The details of the policy regarding responsibilities toward the society in 2022 are listed in the "Sustainability Report".

Employees

Asia Aviation did not have employees because all Asia Aviation's employees had been transferred to Thai AirAsia since December 31, 2011.

Our employees are our most valuable resource and key to success. Therefore, Asia Aviation and its subsidiary are committed to continuously enhance our corporate culture and good working environment, to promote teamwork, and to treat our employees with courtesy and to respect them as individuals as well as their privacy. Private information of employees, for example, salaries, medical records, and families, shall not be disclosed to outsiders or those who are not relevant, unless the information is required to be disclosed to the third party by laws. The employment, appointment, transfer and compensation shall be on the ethical basis and the human resources shall be engaged to the best advantage. The details are appeared as follow:

Recruitment Policy

- Thai AirAsia shall recruit and select the employees by considering the man power rates to be suitable for the size as well as structure of the organisation and developing nomination process of qualified personnel with knowledge, abilities and potentiality which is appropriate to the working position and conformable to the value of the Company including

the objectives, development plan and succession by treating and giving equal opportunities to persons of every race, skin color, religion, gender, nationality, age, disabilities or other underprivileged groups.

- Process of Nomination and Recruitment shall be equitable and justifiable by having written examination and interview by the experienced committee with knowledge and abilities transparently.
- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere.
- Mentoring system is promoted in order to create happiness for employees at work.

Benefit Management

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees. Benefits include:

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees' weddings
- Free air tickets (8 points per year)
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members, namely parents, spouses, and children
- Financial aid for child birth
- Employee uniforms

- Financial aid for medical treatment of diseases including cancer, heart disease, stroke, chronic renal failure and lung disease.
- Financial aid for employee family in case of death of employee

Remuneration and Benefits Management

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

Employee Relation Activities

Thai AirAsia provides opportunities for employees to express their opinions on activities and participate in various internal activities in order to promote good relations between employees and employees and employees and the organisation as well as employees and the community, thus causing unity in the group and leading to happiness in working together in the organisation. Those activities include:

- Social activities such as Allstars Do Good. Thai AirAsia recognises the importance of benefits of blood donation to society. The Company therefore has a policy to organise a blood donation event every 3 months in collaboration with the Thai Red Cross Society to provide an opportunity for employees within the organisation to donate blood conveniently.

In order to encourage employees to take care of their health, the Company has initiated such blood donation activities since August 2018. But in 2022, to reduce the risk of the spread of COVID-19, the Company therefore changed its policy to encourage employees to donate blood at locations open for service by the Thai Red Cross Society. In addition, Air Asia employees join as volunteers at the COVID-19 vaccination service points at Royal Paragon Hall, Bang Sue Grand Station Vaccination Center and Don Mueang Airport Vaccination Center.

- Company Anniversary Day family activities: The Management and employees jointly make merit on the anniversary of the Company's establishment according to the rituals of each religion.
- Activities to promote physical health of employees: Employees have been grouped according to their fitness interests, and Thai AirAsia campaigns health care and sponsors activities through online channels including Yoga groups using NextCercise Application to track results. To comply with COVID-19 prevention measures, the Company has introduced exercises in the open air such as running, cycling, rope jumping, aerobic dancing, etc.
- Activities to promote mental health of employees: Thai AirAsia recognises the importance of employees' mental health and encourages employees to use mental health counselling service that the Company has started under the name of "Allstars Peer Support" and Mental Health Care activities through Google meet.
- Online employee relations activities: During the period when some employees have to work from home to

reduce the risk of spreading the COVID-19 virus, the Company organises a number of activities through online channels such as CEO Town Hall to keep employees informed of the Company's operations; "Learn Thai with Funthai" to increase knowledge of the language; "Finwell Tips" to enhance financial skills; "Yoga" through Zoom Meeting and Google Meet; activities to see doctors and health consultants to educate employees and prevent risks from such diseases as diabetes, cancer, etc.

- Annual employee appreciation event 2022: It's a good opportunity for the Management and employees to meet and talk with one another and to express their gratitude to the employees who have worked diligently for AirAsia throughout the year and to reduce the risk of COVID-19 transmission, the Company has arranged for lunch with social distance for employees by subsidizing employees' stalls where the Company supports employees to bring food and beverages of employees or their families to serve in the workplace.

Human Resources Development

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organisation. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their skills and developing their knowledge and expertise

to create confidence in dealing with changes and challenges in business competition.

Additionally, Thai AirAsia realises that the loss of any key personnel may affect negatively to the Company substantially, resulting in perseverance of the Thai AirAsia to motivate and maintain the employees of Thai AirAsia through offering the motivation on the basis of performances and upgrading the skills and abilities of the employees with training by Thai AirAsia to let the employees participate in the meeting and attend the training continually in order that the employees receive and lift their skill level and abilities concerned (both in practice and development) to conform to the objectives of the business. On-the job training is another essential guideline to transfer knowledge from the specialists to the new employees or employees in practitioner level. The investment in human resources helps the employees increase their abilities in Thai AirAsia. Furthermore, these development activities still help the Executives at the primary and middle level to get ready for responsibilities of the Senior Management continually.

Thai AirAsia is providing trainings according to needs of each business unit as follows:

Pilot

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center Co., Ltd (BAC). BAC provides modern and advanced equipment and is certified by Federal Aviation Administration (FAA), Joint Aviation Requirements (JAR) and Civil Aviation Authority of Thailand (CAAT). BAC offers aviation

trainings which are approved a standard. Thai AirAsia grants an equal opportunity in student pilot recruitment. Employees from other departments can also apply. Student pilots usually finish their trainings in one year and continue with flight stimulator training for Airbus A320 aircraft. Thai AirAsia provides financial support for the trainings for student pilots, in return for the employment contract of ten years with Thai AirAsia.

Newly recruited pilots of Thai AirAsia who have not been trained for specific aircraft will be required to take part in the said trainings first. Trainings for specific aircraft are the categorising system to allow each pilot to specialise in one type of aircraft specially. Currently pilots are trained with Airbus A320 Flight Simulator, operated by CAE Kuala Lumpur Sdn Bhd. in Kuala Lumpur.

Training for Pilots

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

Cabin Crew

Cabin Crew training project for approximately 60 days (holidays included) held in Asia Aviation Academy Training Center in Bangkok. All the trainings are conducted by the licensed trainers from the Civil Aviation Center of Thailand and/or certified by Thai AirAsia exclusive of

mandatory curriculum pursuant to the Regulations of the Civil Aviation Center of Thailand and additional curriculum for examples, the announcement to the public, personality caring and taking care of the passengers, selling goods on the aircraft and selling skills.

Additionally, the cabin crew training will be conducted teaching and learning in English only and the training to review knowledge and abilities according to the fixed cycle of the regulations of the Civil Aviation Center of Thailand to maintain knowledge and abilities for Airlines operation.

Training for Cabin Crew

- Safety Emergency Procedures
- First Aid and In-flight Medical Events
- Safety Management System
- Crew Resource Management
- Dangerous Goods Regulations
- Aviation Security

Ground Staff

All ground personnel shall take part in customer service training at Asia Aviation Academy Training Center in Bangkok, which covers ticket reservation and check-in procedures of Thai AirAsia, baggage claim procedures, and customer services. Ground staff are taking part in year-round trainings, for example, dangerous good identification, first aid, and bomb threat handling.

Ground personnel also need to participate in ramp training for two to three weeks, which covers driving on the apron, cargo loading and cargo transfer, air traffic

signaling, aircraft towing, apron safety, and safety procedures. Moreover, newly recruited employees also need to learn civil aviation regulations, aircraft maps, and vehicle movement regulations in the airport. In addition, Thai AirAsia provides training course (Supervisory Skills for Team Leader) to Ramp Team Leader to increase their management skill.

Training for Ground Staff

- Customer Service Excellence
- Central Baggage Tracking Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

Training for Ramp

- Ramp Ground Handling
- Aircraft Pushback
- Initial Airside Safety and ERP Plan

Engineer

All engineers of Thai AirAsia shall take part in training at CAE Kuala Lumpur Sdn. Bhd. in Kuala Lumpur and Asia Aviation Academy Training Center in Bangkok. The training takes 52 days with six-month on-the-job training before a test by the Quality Assurance Department of Thai AirAsia. Nevertheless, Thai AirAsia is offering a commitment for an employment of three years in return. Engineers at Thai AirAsia are stationed at Thai AirAsia's hubs in Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket and Chiang Mai.

Trainings for Engineers

- Maintenance Familiarisation
- AMOS Training
- Aircraft And System Familiarisation
- Fuel Tank Safety
- Basic Electrical

Trainings for other positions

Soft skills training

- Self-Mastery for Ramp Agent
- Self-Mastery for Student Pilot
- Leading in you Program for Senior cabin crew
- 7 Service wonders for Guest services
- Celebrating diversity
- Effective Time Management
- Effective Communication Skills

Occupational Safety, health and environment in the workplace

In 2022, Thai AirAsia has a responsibility to maintain a working environment to be safe for life and property of employees as well as strictly adhering to the labor laws. In addition, the Company has pursued on safety initiatives under the Safety Management System with the cooperative coordination with the Safety Department, sub-committees on Flight Safety, Cabin Safety, and Occupational Safety Health and Environment in the Workplace Committee for projects, and reported directly to the Chief Executive Officer, to focus the Management for sustainable safety of the organisation.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example:

- Safety promotion which aims at creating the safety culture of the organisation (AirAsia Safety Culture) by defining the safety issue in Allstars values that we call "SAFETY ALWAYS" Safety is everyone's responsibility.
- Behavior based safety (BBS) activity that creates a positive approach by professional ground safety officers together with heads of units to observe employees' behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable "Safety culture". Our target is the percentage of safe behavior above 99, and at the end of the program (December 2022), the percentage of safety behavior was 99.74.
- Hazard reporter activity that focuses on the participation of employees in reporting hazards or unsafe work environments, and improvement on the safety issues reported by employees. Our staff can submit the hazard report via REDEYE system which the employees can also report by computer or mobile application.
- Kiken Yoshi Training (KYT) to train each employee to analyse or predict hidden hazards in operation and to prevent the hazard correctly and appropriately.
- Safety Journal activity, to communicate safety knowledge to employees once a month to make awareness and participation of all employees.
- Well Done Awards activity to give the safety certification for employee which found the abnormal or hazard in workplace.

- Prepare and review the manual to deal with emergency in order to handle the Company's emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Prepare and review safety management manual (SMS Manual) in order to precede and manage the Company's safety accurately, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Prepare and review Occupational Health & Safety Management System manual in order to precede and manage the Company's safety accurately, appropriately, contemporarily and in compliance with the latest Occupational Safety, Health and Environment Act B.E. 2554 (A.D. 2011) requirements.
- Preparing and revising emergency plans for each station in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Occupational Safety, Health and Environment in the Workplace Committee meeting every month to review the safety performance.
- Crew Resource Management training for pilots and cabin crew annually.
- Safety Emergency Procedure training for pilots and cabin crew annually.
- Emergency Response Plan for all employees.
- Safety Management System for all employees.
- Occupational Health and Safety for all employees and outsourcers.
- Human Factors for all employees.
- Dangerous Goods Regulations for all employees.

- Safety Risk Management and Management of Change for representatives of each department.
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation.
- Inspection of the working environment, for example, noise dose monitoring and light inspection to take precaution in a working environment that may be a health hazard for employees.

Thai AirAsia has targets and safety performance indicators for Occupational Health, Safety and Environment Management System. The statistics of ground accidents in 2022 was 4.64 per 10,000 flight departures, which increased 12 percent from 2021, but did not exceed the target in 2022 which was 5.51. In summary, the most accidents occurred were caused by driving vehicles and ground equipment, which are related to unsafe acts.

For this reason, Thai AirAsia has to continually improve safety, occupational health and the workplace environment by identifying hazards, conducting risk assessment, and reviewing the preventive measures to reduce risks and hazards to an acceptable level. The preventive actions are engineering controls, providing training on risks in jobs, reviewing safety's regulations and using the technology. Thai AirAsia's commitment to safety is the key to sustainable business operations.

Human Rights Policy

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part

in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company's policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through Whistle Blower. For the year 2022 the Company had not received any complaint regard to violation of human rights.

Treatment for Employees

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.

- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.
- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.
- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.
- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.

Treatment for Other Stakeholders

The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

Intellectual Property Right Policy and Practice

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department

only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.

Communication with Stakeholders and Whistleblowing Policy (GRI 2-16, 2-25, 2-26)

Stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiary directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com.

The Company has disclosed Whistleblowing Policy on its website at www.aavplc.com under title “Corporate Governance” and subtitle “Whistleblowing Channel”. Complaints and reports shall be protected and treated confidentially by the Independent Directors or the Audit Committee for further inspection and solution (if any) and shall be reported to the Board of Directors later.

Anti-Corruption Policy

Asia Aviation and Thai AirAsia operate businesses on the basis of transparency, fairness and integrity by identifying the organisation structure with clear segregation of responsibilities, working process, chain of command in each organisation so as to balance the appropriately intra-related power. Practical guidelines for Directors, Management, staff and related parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that

may expose to certain fraud and corruption under good investigation and care. Details are as follows:

Definition

“Corruption” means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices.

Overall Policy

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

Roles and Responsibilities

- 1) Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.

- 2) Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company’s financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.
- 3) Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.
- 4) Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and in line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee. In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.

Operating Guidelines

- 1) Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.
- 2) Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.
- 3) Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
- 4) The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.
- 5) Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all stakeholders who perform or operate any significant issues that may affect the Company or its subsidiary in relevance to the Anti-Corruption policy.

- 6) Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

Financial or Other Benefits

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business partners, or any persons for working in the name of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business partners of Asia Aviation and Thai AirAsia except loans from banks or financial institutions as customers of said banks or financial institutions.

Gifts and Hospitality

- Directors, Management, and employees shall not accept gifts, in cash or in kind, from customers or business partners of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not accept business hospitality from customers, business partners or any persons who may be influential to the business decision.

Cash or Other Rewards

- Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards in any forms to customers, business partners, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

Charitable Contribution or Sponsorship

- Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia. Examination and approval of transaction shall be done by authorised persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

Risk Assessment for Corruption

Thai AirAsia has set up a corruption risk assessment team, consisting of Head of the Internal Audit, Head of Compliance and Accounting Manager, responsible for defining corruption risk management processes. They will work together to assess, analyse, monitor, control and collect the status of the overall corruption risk to be under the acceptable risk level as well as investigate suspected cases where there is a risk of fraud and prepare a report to present to the Audit Committee every year. Corruption risk assessment tools have been applied according to the guidelines of

the Association of Certified Fraud Examiners to assess the internal control environment and various types of fraud that may occur in the Company. In 2022, the team analysed and assessed the risks of the business to identify the operations of parties at risk that may be involved in corruption such as embellishment, forgery or alteration of records or financial documents or reports, misuse or misappropriation of entity assets, conflicts of interest, misuse of internal information of the Company and various forms of corruption, etc. In the past year, the corruption risk was found at an acceptable risk level. The information obtained from the assessment will be used to increase the efficiency and effectiveness of the internal audit guidelines as well as prevention of fraud in the operation by having a good internal control system.

Dissemination of Anti-Corruption Policy

For every individual in the organisation to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions:

- 1) Communicate the Anti-Corruption policy through corporate communication channel, namely the Company's website, Annual Registration Statement/ Annual Report (Form 56-1 One Report).
- 2) Provide training on Anti-Corruption policy for new recruits.
- 3) Review Anti-Corruption policy annually.

Report of Interest

The Company has required Directors, executives and employees to report their own interests and those of

related persons when starting their positions or when there is a change in various information. Directors have to present their stakeholder reports to the Company secretary and the Management and employees to the People Department.

Code of Conduct

Asia Aviation has operated its business in adherent to strict business ethics, including safeguarding Asia Aviation's and its subsidiary' confidentiality, abiding laws, operating in an honest and prudent manner, paying respect to each other, and taking good care of Asia Aviation's properties and the environment. All Directors, Management and employees shall oblige by this guideline. All Directors and new recruits shall receive a business ethics manual that they have to acknowledge and strictly follow.

The Company has disclosed its complete Code of Conduct on the Company's website www.aavplc.com, under title "Corporate Governance", under subtitle "Corporate Governance Policy and Download" and under subtitle "Code of Conduct".



Compliance to Rules and Regulations and Code of Conduct

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to code of conduct and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has prepared a Code of Conduct Training Course for all employees to understand the principles and standards that all employees must follow in order to prevent doubts about honesty of the employees and Thai AirAsia. The training covers educating and understanding employees in relation to the prevention and suppression of corruption so that employees can learn how to prevent and report incidents or behaviors

that imply corruption to the Company as well as Anti-Corruption & Bribery Policy so that employees may understand the problems and impacts of corruption and bribery and learn how to prevent and report incidents or behaviors that may indicate corruption or bribery through different channels to the Company.

The said training courses are compulsory to all employees at all levels to attend and pass a test and new employees must attend all training testing courses within the probationary period and will not be placed as permanent employees if they do not pass the training and testing.

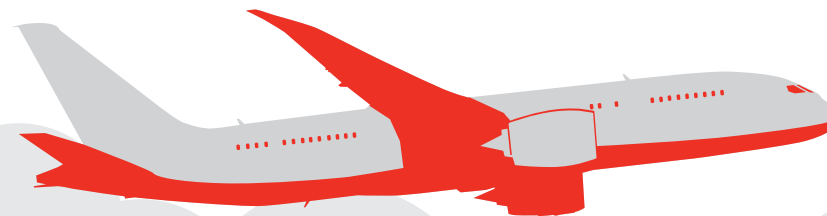
Thai AirAsia monitors and evaluates the compliance of rules and regulations and code of conduct of employees, Management and the Board of Directors. The internal audit department is responsible and reports the evaluation results to the Audit Committee annually.

Significant Changes and Developments to the Policies, Practices and System of Corporate Governance in the Year 2022

During the past year, the Company has reviewed the Principles of Good Corporate Governance by improving the policies, practices and system of corporate governance continually to increase the effectiveness of corporate governance as well as the development of the corporate governance and good practices both local and international in order to apply them suitably with the business operation of the Company and its subsidiary. For Corporate Governance Code for Listed Companies 2017 (CG Code), the Company applied them to the business context of the Company mostly, whereas any principles in any issues which are not yet established as the policy or not yet applied because such principles do not conform to the context and the current business operation, the Company's Board

of Directors shall consider and revise them to develop and follow up implementation to cover and catch up with the development of corporate governance of the business which will be changed in the future. Thus, major developments in the past year are as follows:

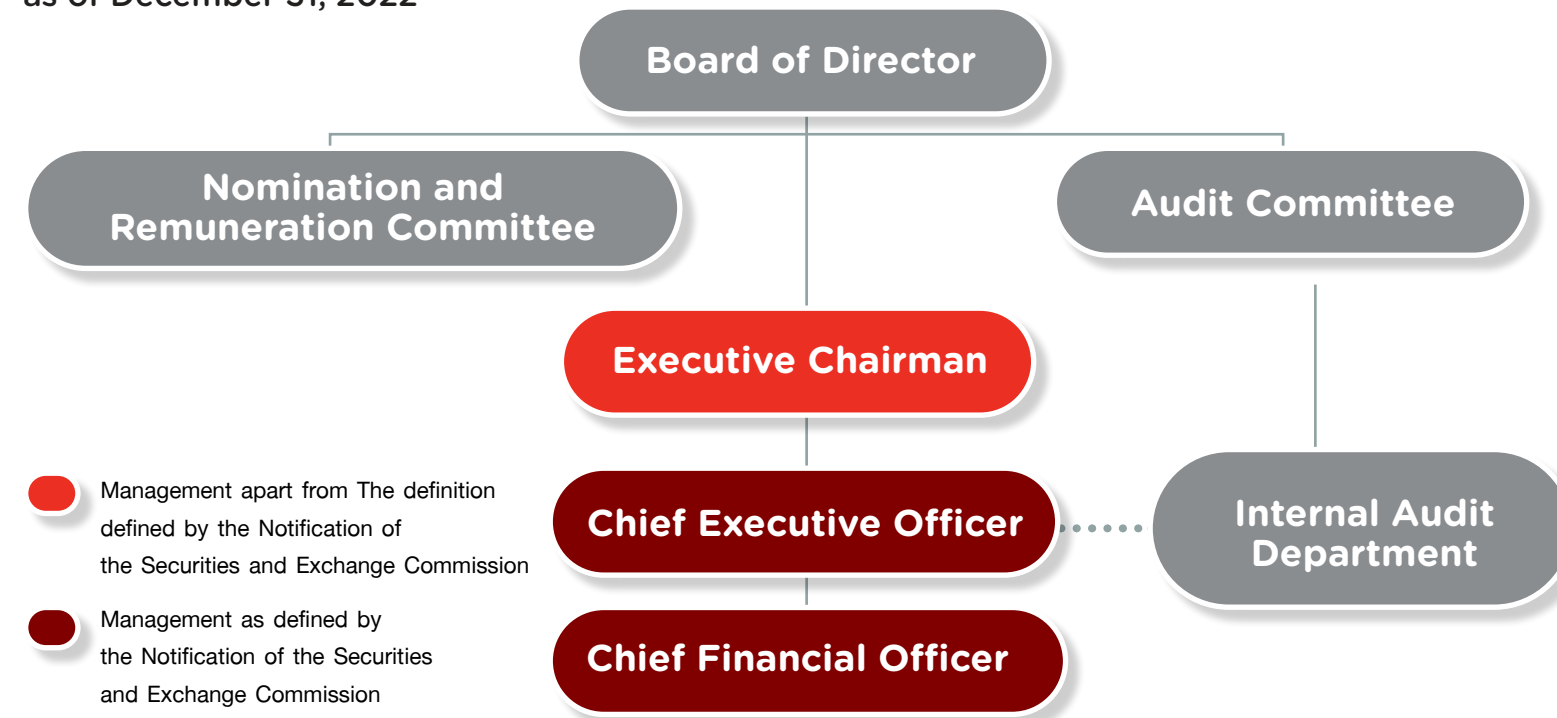
- Reviewed Corporate Governance Code for Listed Companies 2017 (CG Code) to apply with the corporate governance policy of the Company which had been resolved by the Company's Board of Directors in the Meeting on February 23, 2022.
- To consider the opinions concerning the sufficiency of the internal control system and approve the appraisal form of the internal control of Thai AirAsia for the year 2022.
- Approved and reviewed the Sustainability Policy.
- Approved and reviewed Code of Conduct.



GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION OF THE BOARD OF DIRECTORS, SUB-COMMITTEES, MANAGEMENT, EMPLOYEE AND OTHERS

(GRI 2-11, 2-12)

Governance Structure of Asia Aviation as of December 31, 2022



Information of the Board of Directors

The Board of Directors of Asia Aviation understands the roles, duties and responsibilities clearly set up according to the Board of Directors' charter and shall always supervise the operation of the Company ethically, respect the rights and bear responsibility for the shareholders and all groups of stakeholders

with contributing benefits to the society and preserve the environment and prepare for readiness to cope with the changes from various issues by maintaining the competitiveness for the long-term benefits of the shareholders.

The Board of Directors

As of December 31, 2022, the Board of Directors of Asia Aviation comprises 12 Directors while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 3 of them are Non-Executives Directors, equal to 25 percent of all Directors.

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee/ Independent Director
2. Mr. Veerayooth Bodharamik	Director/ Audit Committee/ Independent Director
3. Mr. Dinesh Nambiar	Director/ Audit Committee/ Independent Director
4. Mr. Sirot Setabandhu	Director/ Independent Director
5. Mr. Tassapon Bijleveld	Director
6. Mr. Santisuk Klongchaiya	Director
7. Mr. Phairat Pornpathananangoon	Director
8. Mrs. Pattra Boosarawongse ⁽¹⁾	Director
9. Mr. Rozman Bin Omar	Director
10. Dato' Mohamed Khadar Bin Merican	Director
11. Mr. Nuttawut Phowborom	Director
12. Mr. Yuthapong Ma	Director

Remark: ⁽¹⁾ The Board of Directors' Meeting resolved to appoint a new director, Mrs. Pattra Boosarawongse, as a director, effective from May 13, 2022, replacing Mr. Tharumalingam A/L Kanagalingam who resigned as a director on May 13, 2022.

The Company Secretary is Miss Nisres Distes.

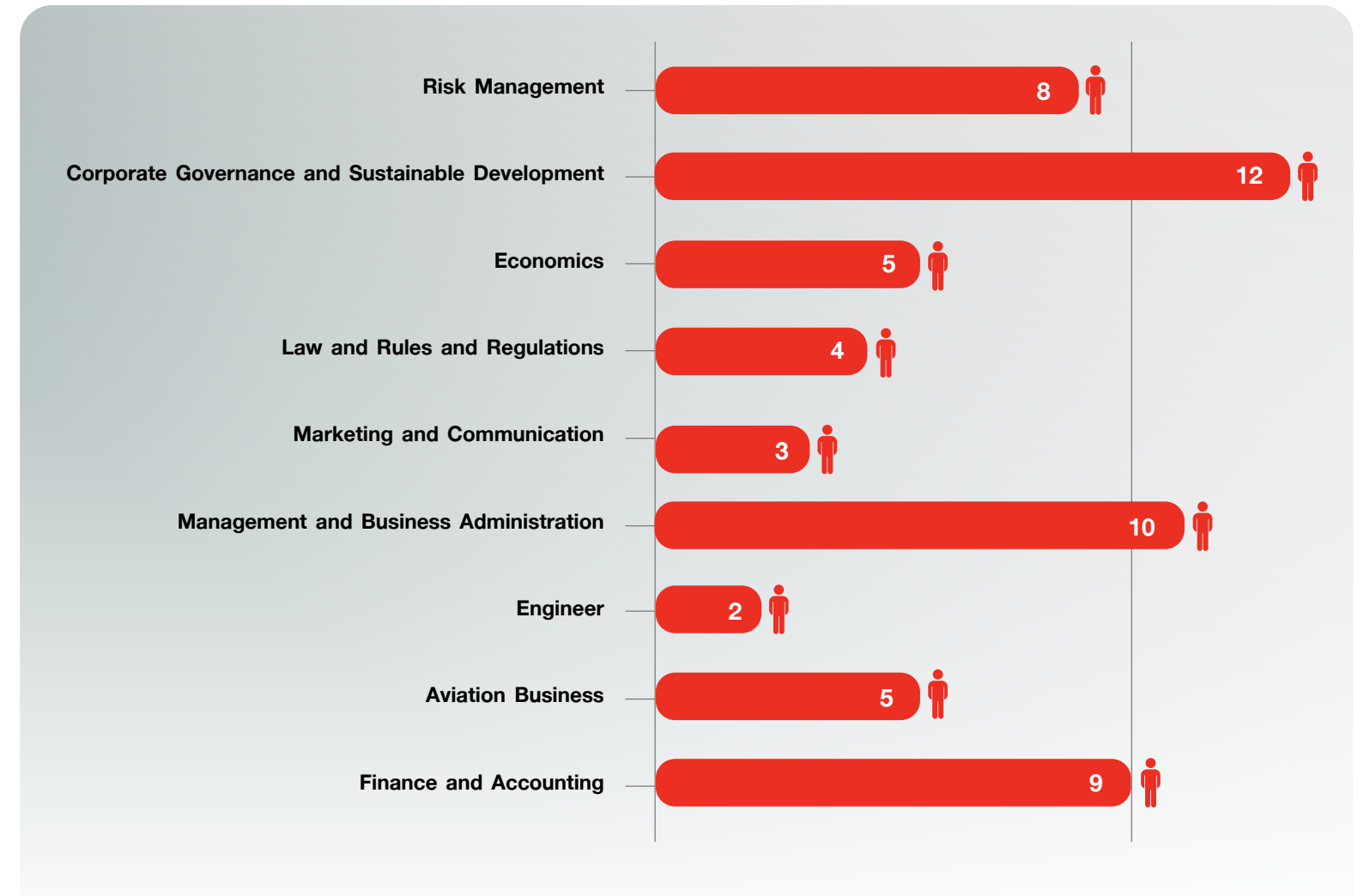
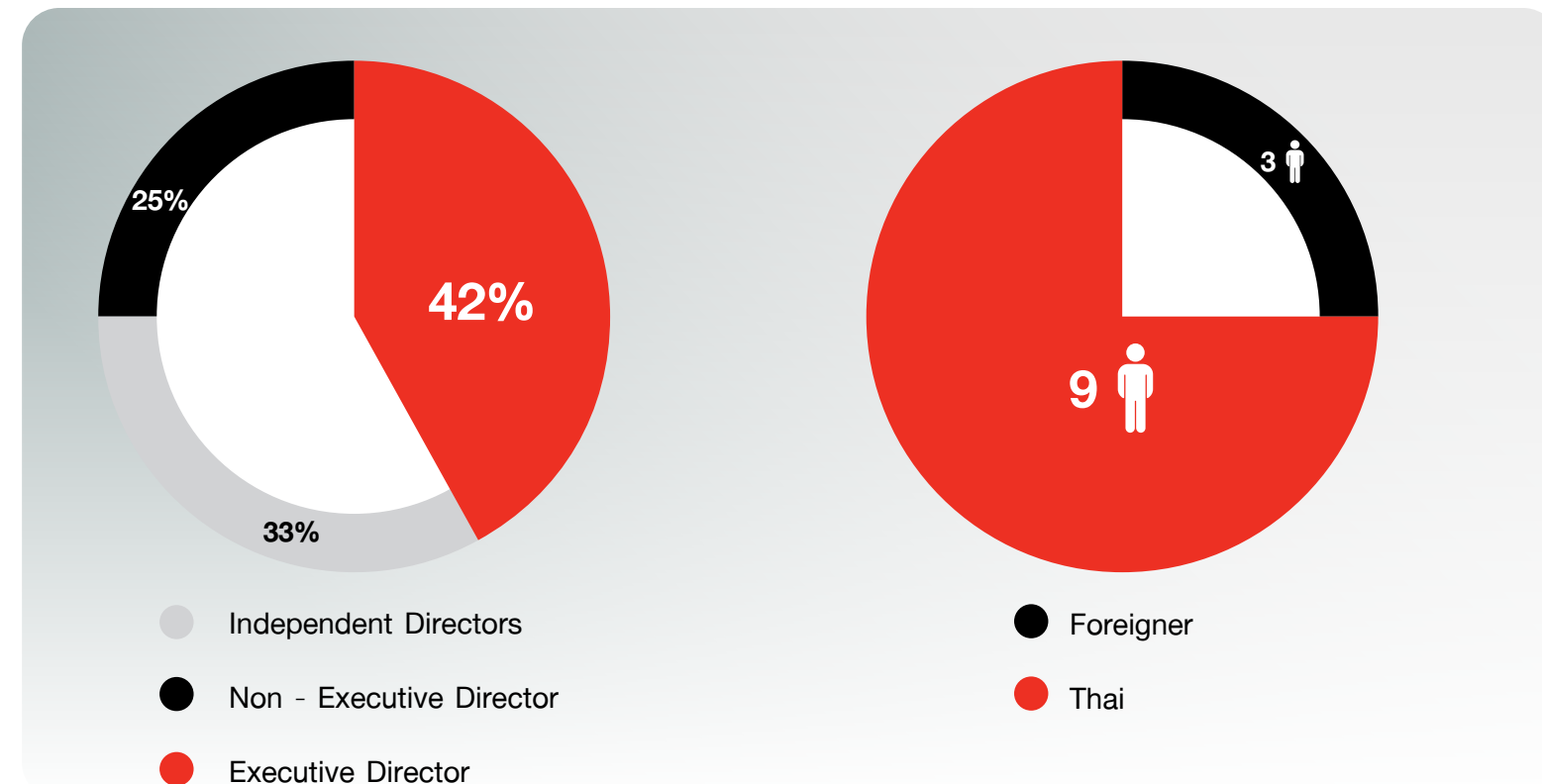
The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investor Relations", subtitle "Publication and download"

Authorised Directors

“Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon or Mrs. Pattra Boosarawongse or Mr. Rozman Bin Omar, totaling two persons with an affixation of the Company seal.”

Board Diversity Policy

The Company realises the significance of recruiting, selecting and appointing qualified candidates as the Company’s Board of Directors and members of sub-committees by preparing a board skill matrix, which helps the recruiting process for Directors go in line with the Company’s business operation and both short-term and long-term strategies. The Company puts into consideration knowledge, experience, specific capabilities beneficial to the Company’s business operation without discrimination of gender or race or any difference so that the Board is formed by qualified Directors for the Company’s maximal benefits. The details of Board Skill Matrix are as follows:



The Division of Duties and Responsibilities between the Board of Directors and Management

Asia Aviation has clearly divided duties and responsibilities between the Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been

approved by the Board of Directors and recorded as resolution passed in the Minutes of the Board of Directors Meeting. Consequently, Chairman of the Board of Directors cannot be the same person as Executive Chairman, Chief Executive Officer nor Executive Director in order to balance and examine the Management.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Asia Aviation shall manage Asia Aviation in accordance with the law, objectives, Articles of Association and resolutions of Shareholders' Meeting in an honest and prudent manner in the best interests of the Company and shareholders. Scope of duties and responsibilities of Asia Aviation's Board of Directors are as follows:

1. To conduct their duties in compliance with the laws, objectives, articles of association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings with responsibility, duty of care and duty of loyalty, and with the best interest of the Company.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, operational plans and budget of Asia Aviation and its subsidiaries as prepared and proposed by Management and oversee the administration and the performance of the Management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system, internal control and internal audit system. These include establishing reliable financial report.
5. To review the risk management procedures and policies and also follow up on the results.

6. To prevent conflicts of interests among stakeholders of Asia Aviation and its subsidiaries.
7. To consider and approve related party transactions of the Company and its subsidiaries in compliance with notifications and regulations of the Stock Exchange of Thailand.
8. To set up corporate governance policy according to the good governance principle and business etiquette, comprising the principles and good practice guidelines for Directors, Management and employees properly by focusing on the creation of consciousness of responsibilities to perform duties, understanding and strictly complying with them simultaneously with the regulations and procedures of the Company to be justifiable to every group of stakeholders as well as reviewing at least once a year.
9. To appoint the sub-committees such as Audit Committee, or any other sub-committees in order to appropriately assist and support the Board of Directors duties.
10. To provide the nomination system of the personnel to be responsible for the Major Management position properly and to have proper nomination with transparency and justification. The Senior Management of the Company from the Head of Department, Chief Executive Officer and Executive Chairman shall be appointed by the resolution of majority votes of the Board of Directors.
11. To conduct the assessment of self performance, Chief Executive Officers and Senior Management.
12. To appoint the Company Secretary to assist the Board of Directors in its various activities to run

the business in line with the related laws and regulations.

13. To seek professional opinions from external agencies, if required, in order to support the appropriate decisions making.
14. To prepare and disclose annual reports and financial statements in order to present financial position and operating results for the past years to the Shareholders' Meeting.
15. To arrange for the Annual General Meeting of Shareholders within four months of the end of each fiscal year of Asia Aviation.
16. To approve the investment decisions for business expansion or joint venture with other business operators.

In any case, the authorisation of duties and responsibilities of the Board of Directors of Asia Aviation shall not constitute an authorisation or sub-authorisation which may cause the Board of Directors of the Asia Aviation or its authorised person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with Asia Aviation or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors' Meeting.

Duties and Responsibilities of Chairman of the Board (GRI 2-13)

1. The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. The Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.
2. To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Articles of Association of the Company. In addition, the Chairman encourages Directors to participate in Meetings, express their opinions equally and provide comments independently. In case of the votes come to a draw between two sides, the Chairman of the Board of Directors makes the casting vote. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceedings will be done clearly.
3. To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Articles of Association of the Company. In addition, the Chairman shall allocate

sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.

4. To support and be a good role model in compliance with corporate governance and business ethics.

Information of the Sub-Committee

The Board of Directors appointed 2 sets of sub-committees to support the efficiency and effectiveness of the operation of the Board of Directors. Each sub-committee shall perform the duties in accordance with the charter of duties and responsibilities specified clearly and approved by the Board of Directors whereas such sub-committee shall give suggestions in various

fields in which they are specialised to the Board of Directors. Thus, the compositions of each sub-committee including duties and responsibility are as follows:

Audit Committee

Asia Aviation's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of December 31, 2022, the Company's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Veerayooth Bodharamik	Audit Committee
3. Mr. Dinesh Nambiar	Audit Committee

Mr. Vichate Tantiwanich has sufficient knowledge and experience to review the reliability of the financial statements of the Company. The Secretary to the Company's Audit Committee is Miss Orawan Phunamsarp.

Term of Positions

Members of the Audit Committee serve a term of three years and are eligible for reappointment at the end of the term.

Composition and Nomination of Audit Committee

Board of Directors shall appoint at least 3 members of Audit Committee from Independent Directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand as follows:

1. Not being a Director authorised by the Board of Directors to make any decision in the business operation of Asia Aviation, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, Major Shareholder or control person of Asia Aviation;
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; and
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.

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

Should any of the members of the Audit Committee vacate his or her office by rotation or any other reasons, and leave the number of less than three committee members, the Board of Directors shall appoint a replacement within three months after the office is vacated in order for the Committee to continue their duties without any disruption.

Scope of Duties and Responsibilities of Audit Committee

1. To review and ensure that the Company has and submits financial reports that are correct, accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit unit and/or to hire external company or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on Securities and Exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business.
4. To consider and select, as well as propose the appointment of qualified external Auditor/Auditors together with the associated audit fee; whereby the consideration process should take into account the level of independence, credibility, availability of people resources together with the experience of the assigned auditors to audit the Company's accounts. Furthermore, a meeting should also take

place with the authorised external Auditor of the Company, without the participation of Management, at least once a year.

5. Consider and review all proposed related transactions or those tractions that may involve a conflict of interest, so that they comply with the applicable laws and regulatory requirements of the Stock Exchange of Thailand. As such, this is to ensure that such transactions are reasonable and for the maximum benefits of the Company.
6. To prepare the Report of the Audit Committee and disclose the Report in the Company's Annual Report; whereby the Report is to be signed by the Chairman of the Audit Committee and must consist of all the following information and details as required and specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand.
 - 1) an opinion on the correctness, accuracy, and comprehensiveness, together with the credibility of the Company's financial reports;
 - 2) an opinion on the adequacy of the Company's internal control system;
 - 3) an opinion on the compliance with the law on Securities and Exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business;
 - 4) an opinion on the suitability of an auditor;
 - 5) an opinion on the transactions that may lead to conflicts of interests;
 - 6) the number of the Audit Committee Meetings, and the attendance at such meetings by each committee member;

- 7) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
- 8) other transactions which, according to the Audit Committee's responsibilities as assigned by the Board of Directors, should be known to the Shareholders and investors.
7. To review compliance with the anti-corruption policy and operating guidelines that are related to fraud and corruption.
8. To review the effectiveness and efficiency of the established risk management measures, such as strategic, operational, financial, compliance, social, environmental, economic, tax, IT and corruption risks.
9. To undertake any other activities as assigned by the Board of Directors and with the concurrence of the Audit Committee; as well as prepare and submit a report of the activities of the Audit Committee to the Board of Directors at least once every quarter.

In undertaking its duties and responsibilities, the Audit Committee is directly responsible to the Company's Board of Directors; while the Board of Directors is responsible to external parties for the ongoing operations of the Company. In the event that there are any changes to the composition or the duties and responsibilities of the Audit Committee, the Company is required to disclose and inform such changes relating to the names of the Members of and the scope of responsibilities of the Audit Committee in accordance with the format as well as procedures specified by the Stock Exchange of Thailand within three (3) working days from such changes becoming effective via the Stock Exchange of Thailand's electronic communications system.

10. If any following actions significantly affect the financial status or performance of the Company, the Audit Committee shall report to the Board of Directors for further improvement within the suitable time set by the Audit Committee:
 - 1) Transaction that causes the conflict of interest;
 - 2) Fraud or any significant irregular events or problems in the internal control system; and
 - 3) The violation of law by Security and Exchange Commission, the Stock Exchange of Thailand's regulation or law related to the Company business.

If the Board or the Management do not promptly proceed to rectify the situations, an Audit Committee member shall report the existence of such transactions or actions to the office of the Securities and Exchange Commission or the Stock Exchange of Thailand. The Audit Committee shall report the result of an initial review to the office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the auditors, within thirty days from the date it is informed by the auditors of a suspicious behavior of a director, manager or person responsible for the juristic person operation who may have violated the laws. Any one of the Audit Committee may report that there are transactions or behaviors as mentioned above to the Securities and Exchange Commission or the Stock Exchange of Thailand.

11. To enable the Audit Committee to achieve its objectives, the Audit Committee has authority as follows:

- 1) Authority related to management The Audit Committee has authority to invite management, concerned executives/department heads, or employees of the Company/subsidiary companies to attend meetings, provide explanations and opinions, or deliver documents as required and deemed necessary.
- 2) Authority related to internal control
 - To approve the Internal Control Charter that is in line with the Company's business responsibilities.
 - To establish understanding among the Auditor, the Board of Directors and the Internal Audit Office to ensure a unified direction.
 - To approve the appointment, dismissal, transfer and termination of employment, and to consider the remuneration of the Head of the Internal Audit Department.
 - To guarantee the independence of the Internal Audit Department.
 - In performing its duties under the Audit Committee, the Internal Audit Department must prepare the annual audit plan and present it to the Audit Committee for approval. Compliance with the annual audit plan is under the supervision of management as some audit results require immediate rectification commanded by management.
- 3) Authority related to the Auditor
 - To review and evaluate the performance of the Auditor.
 - To propose person(s) to be the Company's Auditor(s) and the annual audit fee to the Board of Directors, which will then be approved by the shareholders' meeting.

- To review and evaluate the performance of the Auditor in order to determine the fee of other services and consultation work provided by the Auditor.
- To consult with the Auditor in the event that the Company experiences significant fraud or corruption situations.
- After the Audit Committee has received a case, in which the Auditor suspects that a director or any person responsible for the Company's operations has committed an offence concerning his/her duties and responsibilities, the Audit Committee shall report preliminary findings to the Securities and Exchange Commission and the Auditor within thirty (30) days from the date the Auditor notifies the Audit Committee. In the event that the Audit Committee fails to take action after receiving the report from the Auditor, the Auditor shall notify the Securities and Exchange Commission.

12. Other authority

The Audit Committee has authority to audit related persons and matters under its scope of authority, duties and responsibilities. The Audit Committee has authority to seek external consultants or professional experts to provide advice and recommendations as the Committee deems necessary and appropriate.

The Audit Committee directly reports to the Board of Directors.

Nomination and Remuneration Committee

Asia Aviation's Board has appointed of the Nomination and Remuneration Committee, which comprises of 3 committee members as follows:

Name	Position
1. Mr. Nuttawut Phowborom	Chairman of Nomination and Remuneration Committee
2. Mr. Vichate Tantiwanich	Nomination and Remuneration Committee
3. Mr. Veerayooth Bodharamik	Nomination and Remuneration Committee

Term of Positions for Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Authority and Responsibilities for Nomination

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
2. Determine guidelines and policies in nominating Board of Directors and sub-committee members and consider qualified candidates to replace those who are vacating the office, and propose the matter for approval by Board of Directors and/or Shareholders as the case may be.

3. Nominate qualified candidates for Senior Management when the position is vacant.
4. Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate time frame prior to the Shareholders' Meeting.
5. To perform of other tasks as assigned by the Board of Directors.

Scope of Authority and Responsibilities for Remuneration

1. To determine criteria and the form of payment to the Board of Directors and sub-committees which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To set up the guidelines and assessment of the performances of the Company's Board of Directors and sub-committees to support the consideration to set up remuneration.
3. To determine appropriate remuneration for the Board of Directors and sub-committees for the Board of Directors' considerations and propose to the Shareholders' Meeting for approval.
4. To disclose the policy for the Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
5. To responsible for other tasks as assigned by the Board of Directors.

Information of Management

Management Structure



Management Team

As of December 31, 2022, the list of Asia Aviation's Management team is as follows :

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Phairat Pomphananangoon	Chief Financial Officer

Duties and Responsibilities of Executive Chairman

Executive Chairman serves as Chairman of the Management and has responsibilities for management and business policy planning as assigned by the Board of Directors as follows:

1. To administer the Company's overall direction, business policy as well as to determine and review management plans and strategic goals jointly with the Management to in line and correspondence with the economic and competitive conditions, and propose to the Company's Board of Directors for approval.
2. To monitor implementation of the policy, direction, strategies, plans and administration to make sure the Company efficiently and effectively meet with the goals set forth,

3. To map out an investment plan and assess business opportunities in new investment projects, and propose to the Company's Board of Directors for approval.
4. To have authorities, duties and responsibilities as assigned or in line with the policy given by the Company's Board of Directors.

Executive Chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of The Executive Chairman shall not provide Executive Chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Shareholders or the Board of Directors.

Duties and Responsibilities of Chief Executive Officer

1. To be designated as authorised person in administering Asia Aviation's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Asia Aviation as approved by the Board

- of Directors of Asia Aviation and/or resolutions of the Shareholders' Meeting.
2. To prepare business plans and to assign management authority as well as set the business operation and annual budgets for the approval from the Board of Directors of Asia Aviation, and to report the business progress according to the plans and budgets as approved to the Board of Directors of Asia Aviation.
3. To establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, salary, compensation, bonus and other benefits for employees.
4. To monitor and report situation and performance of Asia Aviation and to propose alternatives and strategies in accordance to policies and market situation.
5. To manage and control all areas of operation for Asia Aviation, including finance, risk management, internal control, business operations and support functions, and human resources.
6. To represent Asia Aviation and to be designated as authorised person in liaising with government agencies and other organisations.
7. To oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Asia Aviation.
8. To ensure good corporate governance.
9. To authorise the establishment, amendment, and modification of the employment rules and regulations for Asia Aviation such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.

10. To consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Asia Aviation within the Authority Limits approved by the Board of Directors of Asia Aviation.
11. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Asia Aviation.

Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless

such approval is in accordance with the policy and criteria approved by the Shareholders or the Board of Directors.

Remuneration Policy for Senior Management

The Company did not pay the monetary remuneration of the Management since Asia Aviation is holding company. Therefore, the policy on remuneration for Senior Management will be determined at Thai AirAsia as subsidiary and the core operating company.

Employees Information

All Asia Aviation's employees had been transferred to Thai AirAsia since December 31, 2011.

Overall Remuneration for Employees

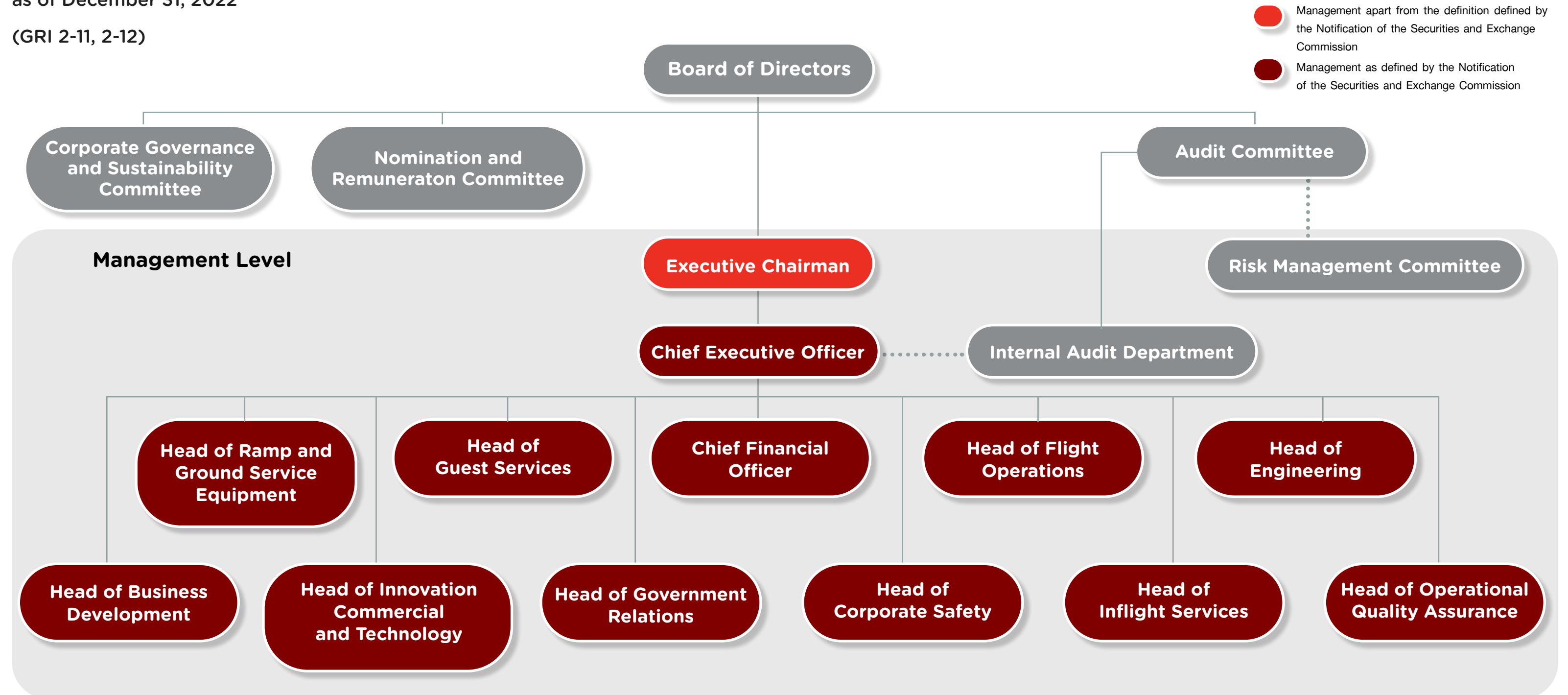
Asia Aviation did not have remuneration for employees because all Asia Aviation's employees had been transferred to Thai AirAsia since December 31, 2011.



Corporate Governance Structure Of Thai Airasia (The Company's Main Business)

as of December 31, 2022

(GRI 2-11, 2-12)



Information of the Board of Directors of Thai AirAsia

The Board of Directors

As of December 31, 2022, the Board of Directors of Thai AirAsia comprises 12 Directors nominated by Asia Aviation while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 3 of them are Non-Executives Directors, equal to 25 percent of all Directors.

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee/ Independent Director/
2. Mr. Veerayooth Bodharamik	Director/ Audit Committee/ Independent Director
3. Mr. Dinesh Nambiar	Director/ Audit Committee/ Independent Director
4. Mr. Sirot Setabandhu	Director/ Independent Director
5. Mr. Tassapon Bijleveld	Director
6. Mr. Santisuk Klongchaiya	Director
7. Mr. Phairat Pornpathananangoon	Director
8. Mrs. Pattra Boosarawongse ⁽¹⁾	Director
9. Mr. Rozman Bin Omar	Director
10. Dato' Mohamed Khadar Bin Merican	Director
11. Mr. Nuttawut Phowborom	Director
12. Mr. Yuthapong Ma	Director

Remark: ⁽¹⁾ The Board of Directors' Meeting resolved to appoint a new director, Mrs. Pattra Boosarawongse, as a director, effective from May 13, 2022, replacing Mr. Tharumalingam A/L Kanagalingam who resigned as a director on May 13, 2022.

The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investor Relations", subtitle "Publications and Download"

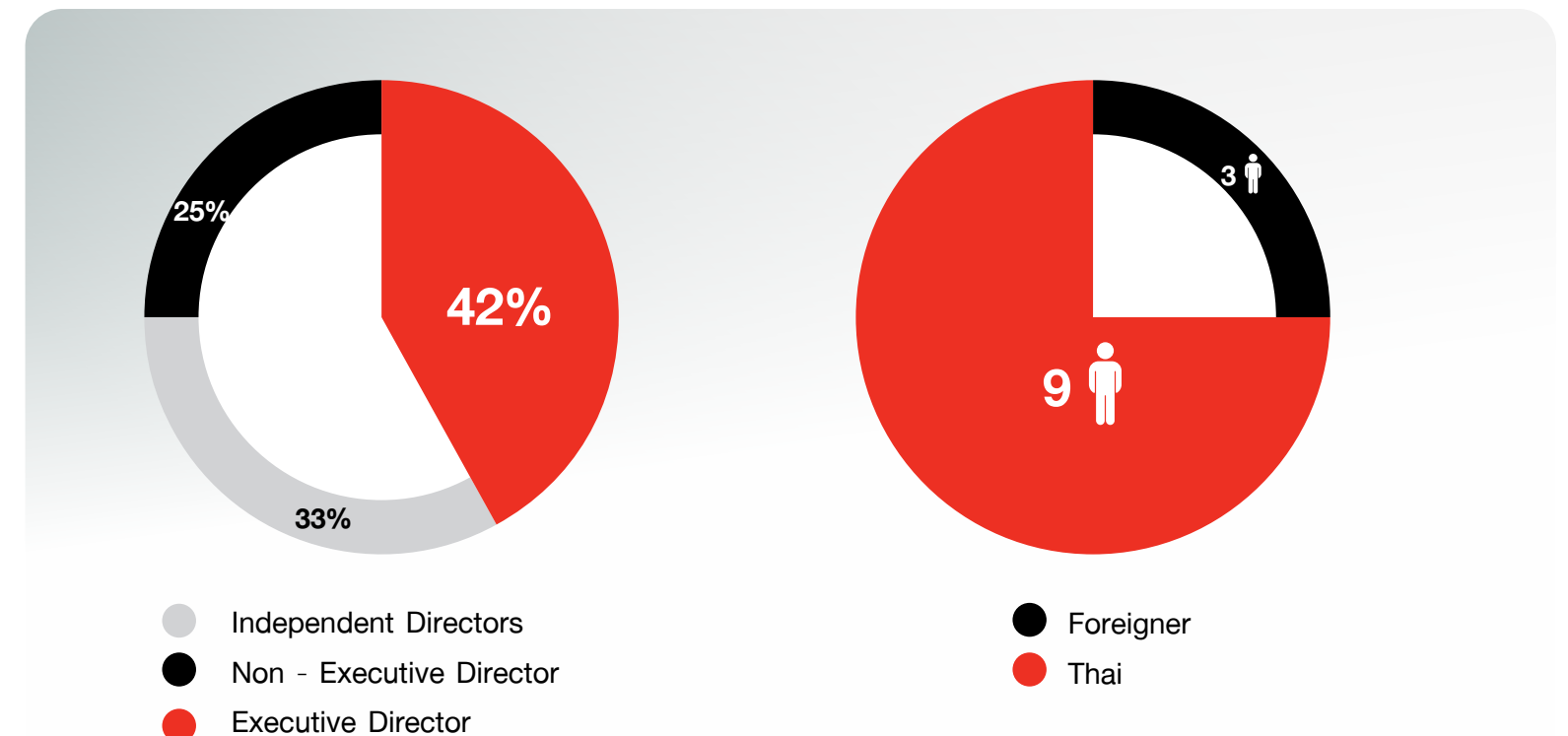
Thai AirAsia's Company Secretary is Miss Nisres Distes.

Authorised Directors

"Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon, totaling two persons with an affixation of the Company seal, or Mr. Santisuk Klongchaiya and Mr. Phairat Pornpathananangoon jointly sign with Mrs. Pattra Boosarawongse or Mr. Rozman Bin Omar, totaling three persons, with an affixation of the Company seal."

Board Diversity Policy

Thai AirAsia realises the significance of recruiting, selecting and appointing qualified candidates as Thai AirAsia's Board of Directors and members of sub-committees by preparing a board skill matrix, which helps the recruiting process for Directors go in line with Thai AirAsia's business operation and both short-term and long-term strategies. Thai AirAsia puts into consideration knowledge, experience, specific capabilities beneficial to Thai AirAsia's business operation without discrimination of gender or race or any difference so that the Board is formed by qualified Directors for Thai AirAsia's maximal benefits. The details of Board Skill Matrix are as follows:





The Division of Duties and Responsibilities between the Board of Directors and Management

Thai AirAsia has clearly divided duties and responsibilities between the Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according

to the policies and Authority Limit which has been approved by the Board of Directors and recorded as resolution passed in the Minutes of the Board of Director Meeting. Consequently, Chairman of the Board of Directors cannot be the same person as Executive Chairman, Chief Executive Officer nor Executive Director in order to balance and examine the Management.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Thai AirAsia shall manage Thai AirAsia in accordance with the law, objectives, Articles of Association and resolutions of Shareholders' Meeting in an honest and prudent manner in the best interests of Thai AirAsia and its shareholders. Scope of duties and responsibilities of Thai AirAsia's Board of Directors are as follows:

1. Announce dividend payments or other payments in the same nature as dividends to shareholders.
2. Propose any increase and/or decrease and/or other alteration to the registered capital and authorised capital by the Company or the issue of any new class of shares in the share capital of the Company or the issue of any securities or convertible instruments by the Company.
3. Propose any amendment in the Memorandum and/or Articles of Association of the Company.
4. To approve and to change or adjust the Company's business plans and/or budgets for any fiscal year.
5. To approve any business operation or legal transaction of over Baht 100,000,000 (One Hundred Million Thai Baht) in total, except cases that have already been specified in the Company's approved budgets.
6. Change the structure of the Company or the merger with or acquisition of other company, association, partnership, or any other legal entity.
7. Change the nature or scope of business of the Company at the time, which is not coherent or related to the scope of or the nature of business of the Company.

8. Appoint or dismiss Senior Management and to approve any contract concerning employment regulations or remuneration and benefits of Directors or senior human resources of the Company, or any amendment in the aforementioned matters.
9. The sale, transfer or disposal of any substantial part of business, assets or properties of the Company, including the issuance of any fixed or variable obligation or right of retention mortgage, guarantee, or any other obligation over the Company's assets or properties.
10. Any financial transaction of the Company, including any existing and future loan, debt or advance payment or other loan obligation (or debt or advance payment or any other loan obligation), or the Company entering into any guarantee contract which results in debt, with the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
11. Capital expenditure or capital obligation, or capital expenditure or successive capital debt obligation the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency in any fiscal year, except cases that have already been specified in the Company's approved budgets.

12. Change auditor, fiscal year, or significant accounting policies of the Company.
13. Enter into any hedging transaction to hedge against fluctuation of the Company's investment, assets or liabilities with the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
14. Approve the Company's Authority Limit framework.

Duties and Responsibilities of Chairman of the Board of Directors

1. The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.
2. To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages Directors to participate in Meetings, express their opinions equally and provide comments independently.

Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceedings will be done clearly.

3. To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman shall allocate sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.
4. To support and be a good role model in compliance with corporate governance and business ethics.

Information of the Sub-Committee

The Board of Directors appointed 4 sets of sub-committees to support the efficiency and effectiveness of the operation of the Board of Directors. Each sub-committee shall perform the duties in accordance with the charter of duties and responsibilities specified clearly and approved by the Board of Directors whereas such sub-committee shall give suggestions in various fields in which they are specialised to the Board of Directors. Thus, the compositions of each sub-committee including duties and responsibility are as follows:

Audit Committee

Thai AirAsia's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of

December 31, 2022, Thai AirAsia's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Veerayooth Bodharamik	Audit Committee
3. Mr. Dinesh Nambiar	Audit Committee

Mr. Vichate Tantiwanich has sufficient knowledge and experience to review the reliability of the financial statements of the Company. The Secretary to the Company's Audit Committee is Miss Orawan Phunamsarp.

Term of Positions

Members of the Audit Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Duties and Responsibilities of Audit Committee

Scope of Duties and Responsibilities of Audit Committee are the same as those of Asia Aviation (please see the details under the same section for Asia Aviation).

Nomination and Remuneration Committee

Thai AirAsia's Board of Directors has approved the appointment of the Nomination and Remuneration Committee, which comprises of 3 committee members as follows:

Name	Position
1. Mr. Nuttawut Phowborom	Chairman of the Nomination and Remuneration Committee
2. Mr. Vichate Tantiwanich	Nomination and Remuneration Committee
3. Mr. Tassapon Bijleveld	Nomination and Remuneration Committee

Terms of Positions for Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Authority and Responsibilities for Nomination

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
2. To determine guidelines and policies on nominating the Board of Directors and sub-committee members and consider qualified candidates to replace those who are vacating the office, then propose the matters for approval by Board of Directors and/or Shareholders as the case may be.
3. To nominate qualified candidates to become Senior Management in case of vacancy, and determine the succession plan for positions of Senior Management.
4. To perform of other tasks as assigned by the Board of Directors.

Scope of Authority and Responsibilities for Remuneration

1. To determine criteria and the form of payment to the Board of Directors and sub-committees which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To set up the guidelines and assessment of the performances of the Company's Board of Directors, sub-committees and Senior Management to support the consideration to set up remuneration.
3. To determine appropriate remuneration for the Board of Directors and sub-committees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
4. To disclose the policy for the Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
5. To responsible for other tasks as assigned by the Board of Directors.

Corporate Governance and Sustainability Committee

Board of Directors Thai AirAsia has resolved to appoint the Corporate Governance and Sustainability Committee as of December 31, 2022, consisting of 4 members, one of whom is an independent director, 3 executive directors, with an independent director as the chairman of the committee as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Corporate Governance and Sustainability Committee
2. Mr. Tassapon Bijleveld	Corporate Governance and Sustainability Committee
3. Mr. Santisuk Klongchaiya	Corporate Governance and Sustainability Committee
4. Mr. Phairat Pomphananangoon	Corporate Governance and Sustainability Committee

Term of Positions for Corporate Governance and Sustainability Committee

Members of the Corporate Governance and Sustainability Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Duties and Responsibilities of the Corporate Governance and Sustainability Committee

1. Decide and set policies, objectives, processes and budgets for sustainable development activities with consideration towards stakeholders.
2. Decide on activities relevant to sustainable development for submission to the Board of Directors for approval.
3. Decipher matters with an effect on the Company's materiality accounting for stakeholders and in the interest of sustainable development.

4. Monitor and inspect activities in accordance with sustainable development policies and strategies, providing consultation and support towards achieving objectives
5. Report sustainable development operations to the Board of Directors, inspect and approve sustainable development reports for submission to the Board of Directors.

Risk Management Committee

Asia Aviation has realised and attached its importance on the risk management in order that the management of the Company and its subsidiary are efficient and effective and to ensure every group of stakeholders. However, since Asia Aviation operating the business by holding shares in Thai AirAsia which is the subsidiary operating major business for the Company, consequently the risk management is rested with Thai AirAsia and the Risk Management Committee of Thai AirAsia was set up with the following details:

The Risk Management Committee comprises of Executive Chairman, Chief Executive Officer and the Management from the major departments together with the Risk Management Unit to perform the risk management which may affect the operation as well as the risk from internal and external factors to keep it in proper balance level and acceptable by assessing and examining the result of the risk assessment from various departments including revising and presenting the planned policies related to the risk management annually. Thai AirAsia's Risk Management Committee is as follows:

Name	Position
1. Mr. Tassapon Bijleveld	Risk Management Committee Advisor
2. Mr. Santisuk Klongchaiya	Chairman of Risk Management Committee
3. Mr. Phairat Pomphananangoon	Risk Management Committee
4. Sqn.Ldr. Damrong Phaspipatkul	Risk Management Committee
5. Flt. Lt. Banyat Hansakul	Risk Management Committee

Scope of Duties and Responsibilities of Risk Management Committee

1. Define risk management policies to cover all risks from business operations. Along with drive and inculcate a risk culture throughout the organisation by raising awareness of the importance of risk management to all staff.
2. Oversee, develop and monitor framework and procedures of risk management across the Company (including the identification, analysis, assessment, management, following up and reporting of risks) to all departments and business continuity management (covering risk assessment, business impact analysis, recovery strategy, business continuity plan and crisis management) to ensure effective continuance of business operations in the event of a disruptive incident.
3. Review and recommend changes as needed to both of the risk management and business continuity management, strategies, frameworks, policies and

procedures prior to submission and presentation to Audit Committee for final discussion prior to submission and presentation to the Board of Director for the approval.

4. Consider changes to the risk profiles arising from any changes from the approved strategic business plans of the Company and notify Audit Committee on any relevant matters deemed to be of major importance.
5. Oversee the reporting and always monitoring of risks, namely: Each risk is assigned a risk

owner responsible for management, monitoring and reporting of risks particularly significant risks mitigation/ action plans are acted upon, monitored and addressed.

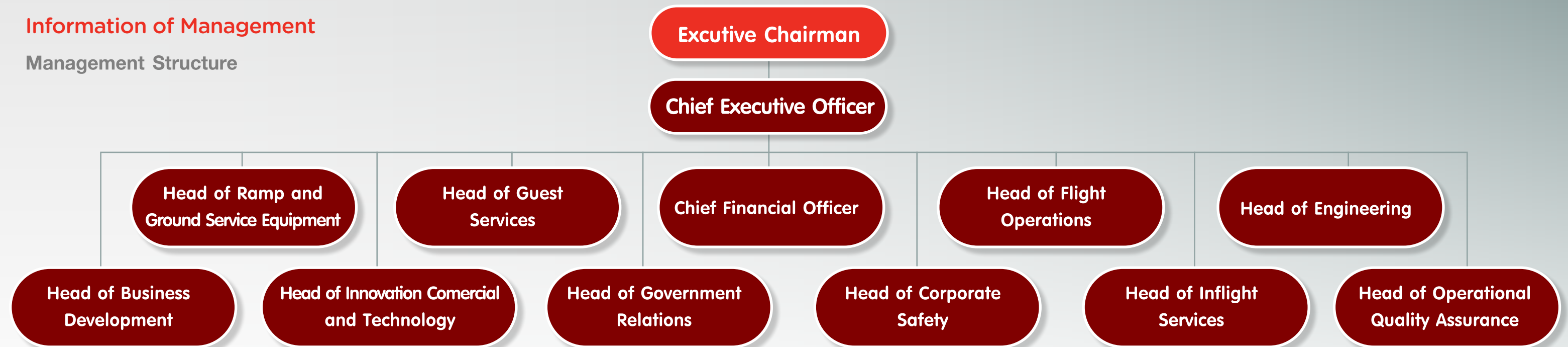
6. Review quarterly Enterprise Risk Management and Business Continuity Management (BCM) reports (relating to the Company's enterprise risk profiles, progress of risk management activities, and the assessment of the Company's key risks and the status of the BCM programme and incident reports).

7. Provide a risk management working group as necessary by supporting manpower budget and other necessary resources including the availability of various systems related to be ensured which are adequate and consistent with the scope of responsibility for risk management in all matters.
8. Ensure that adequate risk management training/ awareness sessions are in place to support the Company's employees in their understanding of risk management and fulfillment of risk management practices.

9. Ensure that adequate Business Continuity Management training/ awareness sessions are in place to support all employees in their understanding of the BCM programme and familiarity of their respective roles and responsibilities in the event of a disruptive incident.
10. Ensure that the Business Management Continuity programme and crisis management/ response plans are tested and audited periodically to ensure the effectiveness and preparedness of response during a crisis.

Information of Management

Management Structure



Executive Chairman serves as Chairman of the Management and has responsibilities for administering business direction and business policy in overall, while Executive Chairman is not in charge of overseeing the business operation and/or day-to-day management of the Company.

Management, defined by the Notification of the securities and Exchange Commission, means a Director, Manager or a person holding a Management-level-position of the first four ranking below the Manager, a person holding a position equivalent to the person holding a Management-level-position of the fourth ranking, including a person holding a Management-level-position in an accounting or finance department at the level of Manager of the department or higher or an equivalent position.

Management Team

As of December 31, 2022, the list of Thai AirAsia's Management is as follows :

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Phairat Pornpathananangoon	Chief Financial Officer
4. Flt. Lt. Banyat Hansakul	Head of Engineering
5. Miss Witchunee Kuntapeng	Head of Guest Service
6. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology
7. Miss On-anong Methapipatkul	Head of Inflight Services
8. Mr. Chatupong Hongwiset	Head of Ramp and Ground Service Equipment
9. Sqn.Ldr. Damrong Phaspipatkul	Head of Flight Operations
10. Mr. Krid Pattanasan	Head of Government Relations
11. Mr. Phol Poompuang	Head of Corporate Safety
12. Miss Topaz Subunruk	Head of Business Development
13. Mr. Chalermrit Saisakulsri ⁽¹⁾	Head of Operational Quality Assurance

Remark: ⁽¹⁾ The Board of Director appointed Mr. Chalermrit Saisakulsri as Head of Operational Quality Assurance with effective date on March 1, 2023.

The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investment Relations", subtitle "Publications and Download"

Duties and Responsibilities of the Executive Chairman

The Executive Chairman serves as Chairman of the Management and has responsibilities for management and business policy planning as assigned by the Board of Directors as follows:

1. To administer the Company's overall direction, business policy as well as to determine and review management plans and strategic goals jointly with the Management to in line and correspondence with the economic and competitive conditions, and propose to the Company's Board of Directors for approval.
2. To monitor implementation of the policy, direction, strategies, plans and administration to make sure the Company efficiently and effectively meet with the goals set forth,
3. To map out an investment plan and assess business opportunities in new investment projects, and propose to the Company's Board of Directors for approval.
4. To have authorities, duties and responsibilities as assigned or in line with the policy given by the Company's Board of Directors.

The Executive Chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of The Executive Chairman shall not

provide Executive Chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia, unless such approval is in accordance with the policy and criteria approved by the Shareholders or the Board of Directors.

Duties and Responsibilities of the Chief Executive Officer

1. Responsible for administering Thai AirAsia's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Thai AirAsia as authorised by the Board of Directors of Thai AirAsia and/or resolutions of the Shareholders' Meeting.
2. Establish organisation structure and administrative procedures, including recruitment, training, dismissal, and remuneration, compensation, bonus and other benefits for employees.
3. Monitor and report situation and performance of Thai AirAsia and to propose alternatives and strategies in accordance to policies and market situation.
4. Manage and control all areas of operation for Thai AirAsia including finance, risk management, internal control, business operations and support functions, and resources.

5. Represent Thai AirAsia and be designated as authorised person in liaising with government agencies and other organisations.
6. Oversee communication activities with the public, shareholders, customers, and staff members in order to promote image and reputation of Thai AirAsia.
7. Authorise the establishment, amendment, and modification of the employment rules and regulations for Thai AirAsia such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
8. Consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Thai AirAsia within the Authority Limits approved by the Board of Directors of Thai AirAsia.
9. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Thai AirAsia.

Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and

Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia, unless such approval is in accordance with the policy and criteria approved by the Shareholders' Meeting or the Board of Directors.

Remuneration for Senior Management

Thai AirAsia takes care of remuneration and benefits according to principles that are appropriate and fair. (Performance-based Pay) to retain its personnel ready to grow with the Company in the long term. The Company is confident that preparing and taking care of fair remuneration and benefits will help retain the Company personnel in order to support the succession process for Management positions to be efficient and effective.

Thai AirAsia carries out its evaluation of the performance of the Chief Executive Officer and Senior Management annually. The Board of Directors together with the Nomination and Remuneration Committee will consider the evaluation results for supporting consideration of approving remuneration for each year by considering the results of business operations, its compliance with the assigned policies coupled with the overall economic and social situations including management of remuneration to be competitive and able to retain knowledgeable and competent Senior Management to retain with and continuously create works for the company.

Consideration and Comparison of Remuneration

Thai AirAsia has results of survey and comparison of remuneration in term of both industry and profession by taking into account for annual comparison in order to review the salary structure (Pay Scale) and the annual salary adjustment of the Company.

Process of Evaluating the Performance of Senior Management is as follows:

1. Goal Setting - setting a goal of work operation for the Senior Management to review performance in the past year or quarter, and planning activities targeted for the current year in conformity with the Company's policies and strategies, of which the performance index will consist of financial returns, work performance indicator, and quality indicator from external factors in the evaluation, divided into 3 categories, namely:
 - **Company Wide goal**
It is an indicator of the overall success of the organisation for which all Senior Management are responsible, for example, the growth rate of revenue and sales, EBITDA Margin ratio, Revenue per Available Seat Kilometer (RASK), Cost per Available Seat Kilometer (CASK), customer loyalty index (Customer NPS) including expenses, damages and budgets on passengers which may be incurred.
 - **Functional Goal**
It is an indicator of the overall success of the department for which each Senior Management is responsible, including delivery of work,

customer satisfaction, department income, load factor, on-time performance, aircraft utilisation rate per each aircraft, etc.

- **Individual Goals**

It is an indicator of the success of individual Senior Management, such as leadership, organisational culture special projects assigned and self-development, etc.

2. Quarterly review is a process where the Senior Management will consider reviewing the working results over every quarter to monitor the progress of the targeted working plan and summarise the annual performance to made into a score level, corresponding to the success of the performance indicators in various areas of each Senior Management who has set goals as mentioned above. The score level will be used to determine appropriate remuneration for both short-term and long-term one consisting of salary and bonus.

Structure of Remuneration for Senior Management Monetary Remuneration

In 2022, Thai AirAsia paid the remuneration to Management at the total amount of Baht 89.98 million, equivalent to 3.53%, compared with the total remuneration of the Company whereas such remuneration was the remuneration in the form of salary, equivalent to 94.75%, compared with the total remuneration of Management.

Other Remuneration

The main objective to pay other remuneration is to build up security for the Management in the same way with every employee and to help the Management and employee face the health problem, disability or death by providing provident fund, health insurance and other welfare benefits as appropriate and conformable to the applicable law as follows:

Provident Fund

Thai AirAsia provided provident fund for the Management by the Company contributing at the rate of 7% and 10% of the salary while in 2022, Thai AirAsia contributed the provident fund for the Management in total Baht 4.15 million.

Health Insurance Plan

Thai AirAsia provided Health Insurance Plan and Group Life Insurance.

Information of Employees

The number of employees as of December 31, 2022 was 4,478 persons and could be categorised by responsibility as follows:

Responsibility	December 31, 2022
Pilot, Co-Pilot and Student Pilot	610
Flight Attendant	1,027
Ground Operation	2,120
Engineer	508
Head Office	213
Total	4,478

Remuneration for Employees

For the year 2022, total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 2,550.01 million.

However, due to the ongoing situation of the COVID-19 epidemic in 2022, Thai AirAsia still remains its measures to ask for cooperation from employees to support various projects in reducing costs Including voluntarily taking leave without pay.

Provident Fund

Thai AirAsia has set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Thai AirAsia contributes 3-10% of salaries to the provident fund and employees contribute 3-15% of their salaries.



Thai AirAsia has selected fund manager who complies with the good governance code for institutional investors (Investment Governance Code "I Code"), being the Manager who manages the Fund with responsibility in compliance with the good investment governance excellently and has the investment guides leading to the utmost benefits for the members of the Fund which means the employees of the Company in the long term.

Other Important Information

Financial Controller

The Board of Directors resolved to appoint Mr. Anupan Tangphanitannan to be responsible directly in supervision of accounting who has full qualifications according to the criteria of the Securities and Exchange Commission Thailand and registered for accounting in accordance with the Announcement of the Department of Business Development to perform the duty to prepare financial statement and consolidated financial statement of the Company accurately and reliable in regard to the accounting standard applicable to the public company limited and criteria specified in Section 56.

Company Secretary

The Board of Directors has resolved to appoint Miss Nisres Distes as Company Secretary since February 25, 2016 onwards, having duties and responsibilities as specified in the Securities Exchange Commission Act to perform the duty according to the law on providing documents and filing important documents of the Company. Additionally, she has the duties to give advice concerning regulations appropriate to be acknowledged by the Board of Directors and give advice in order to maintain interests of the Company, to help in other tasks and support work of the Board of Directors such as holding the Board of Directors' Meeting, Shareholders Meeting, Annual Report and keep the conflict of interest report for the Directors.

Internal Audit Manager

The Audit Committee has appointed Miss Orawan Phunamsarp to be in the position of Internal Audit Manager on February 23, 2023 because she has got experiences in Auditing work and Internal Control for over 10 years and attending the courses concerning the operation in internal audit such as Training of Internal Audit Modernization and PDPA for Internal Auditor etc. Therefore, the Audit Committee found that Miss Orawan Phunamsarp is suitable for performing the duties in the position of Head of Internal Audit sufficiently whereas the consideration, appointment, removal and transfer of the person holding the position as Head of Internal Audit shall seek approval from the Audit Committee.

Compliance

- The Company appointed Mr. Chalemrit Saisakulsri to be in the position of Head of Operational Quality Assurance, having duties on overseeing the compliance to the rules and regulation set by the government authorities supervising the business operation of the Company.
- The Company appointed Miss Nisres Distes to be in the position of Compliance, having duties to supervise the Company's implementation according to the Securities and Exchange Act, rules and regulations and announcements of the authorities concerned.

The Company disclosed the qualification of the person holding the position as Financial Controller, Internal Audit Manager and Compliance as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and subtitle "Publications and Download".

Investor Relations

As for the activities to serve investors' demand, the Company has set up the Investor Relations Unit delegated to handle and communicate significant business information of the Company with interested parties which include Company's shareholders, investment analysts, general investors and other persons in the investment community. The Company has appointed Mr. Siraphop Paphattananan as Investor Relations Manager. The Investor Relations Unit can be reached via the following channels:

Telephone: 02 562 5745-46
Fax: 02 562 5705
Email: taa_investorrelations@airasia.com
Website: www.aavplc.com

Asia Aviation discloses and communicates operational performance and other significant information of the Company to the investment analysts, investors, and internal staff on a regular basis at several events such as the results briefings, one-on-one or group

meetings, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with the SET to meet with retail investors and holds a press conference to publicise such information of the Company and its subsidiaries. Also, any person in the investment community is provided with an ability to make an appointment with the Management or investor relations officers via the IR Booking webpage at his or her convenience to inquire or discuss business-related issues during the Company's office hours. Investors' inquiries are also directly responded to via e-mail and phone calls on a regular basis.

Audit Fee

Asia Aviation and its subsidiary paid the audit fee to EY Office Limited, as external auditors for 2022. Nevertheless, EY Office Limited. do not have any relation or any conflict of interest with the Company, the Management, or the Major Shareholders, or anyone related to the aforementioned persons. The details of audit fee for the year 2022 are as follow;

Audit Fee

In 2022, Asia Aviation and its subsidiary paid the audit fee of Baht 5.00 million to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of Baht 1.00 million and Baht 4.00 million, respectively. In addition, no other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.



Non-Audit Fee

The Company and Subsidiary did not pay compensation for other services in 2022.

The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the Auditors.

REPORTS AND RESULTS OF MAJOR PERFORMANCE ON THE CORPORATE GOVERNANCE

The Board of Directors is the representative of the shareholders who perform the duties of the leader, set up policies, direction, and strategy for the Company leading to the increasing competitiveness on the basis of the business operation according to the Principles of Good Corporate Governance as well as controlling the management effectively to create the sustainable value for the shareholders, set up organisational culture and value properly and put them into practice in every levels of the organisation while the Board of Directors shall use their own discretion to make business decision and practice reasonably that they are the utmost advantages to the Company and the shareholders including considering the advantages of every group of stakeholders as appropriate.

Summary of the Results of Performances of the Board of Directors in the year 2022

In the past year 2022 the Board of Directors understood the roles, duties and realised the responsibilities as the good leaders to govern the organisation to have good management by performing the duties according to the Principles of Good Corporate Governance for the listed Company, participated in and gave approval for setting up strategies, policies for operations as well as allocation of major resources to achieve the objectives and targets including following-up, assessing

and supervising the operation regularly in the Meeting of Company's Board of Directors. It also created the value to the business sustainably in order to be competitive and with good performances, operated the business with morality, respected the right and is responsible for the shareholders as well as the stakeholders and considered the impact upon the public and environment and had policies and good planning to be adjustable under the unexpected changes.

Nomination, Development, Assessment of Performance of the Board of Directors

Nomination of Directors

The nomination and consideration of appointing the Director duly retired by rotation in the year 2022 of Asia Aviation had been operated through the process of recruitment of Nomination and Remuneration Committee. There are 4 directors who retired by rotation for the year 2022, comprised 3 independent directors; namely Mr. Veerayooth Bodharamik, Mr. Sirot Setabandhu, Mr. Dinesh Nambiar and 1 executive director namely; Mr. Santisuk Klongchaiya. Nomination and screening will be considered from knowledge, abilities, experiences in various fields, suitable with the structure, size and composition of the Company's Board of Directors which will be beneficial to the operation of the Company as well as full qualification pursuant to the law and

related regulations to support the consideration of performances, continuity of management and participation in the operation of each Director as significant. Directors considered to be re-elected to resume position obtained assessment of performances at the rate of more than 85% and participated in performing their duties regularly. Moreover, the Company also opened chance for the minor shareholders to nominate a person with suitable qualifications to be nominated as such Director alternatively from December 1, 2021 to February 1, 2022. However, there was no shareholder nominating the Director to be appointed.

List of Directors duly retired by rotation in 2022	Qualifications
Mr. Veerayooth Bodharamik (Independent Director)	He is fully qualified as an independent director as required by law as well as being knowledgeable, competent, and experienced in various fields, coupled with expertise in law, strategy and management. This will help support the business operations of the Company quite well and represent the shareholders in expressing important opinions independently. In addition, he can take care of the interests of minority shareholders equally and can regularly perform his duty and attend the Board of Directors' meetings.
Mr. Sirot Setabandhu (Independent Director)	He is fully qualified as an independent director as required by law, as well as being knowledgeable, competent, and experienced in various fields, consisting of knowledge and skills in accounting and finance, economics, management and business administration, corporate governance and sustainable development and has expertise in engineering. Based on such knowledge and ability, he will be able to help support the operations of the Company and can also be representatives of shareholders in giving opinions independently, and able to take care of benefits of minority shareholders equally and to perform duties and regularly attend the meeting.

List of Directors duly retired by rotation in 2022	Qualifications
Mr. Dinesh Nambiar (Independent Director)	He is fully qualified as an independent director as required by law, as well as knowledgeable, competent, and has experience in management for more than 20 years, who is expert to provide recommendation on business operations as well. He is also specialised in a variety of areas such as accounting and finance, management and business administration, marketing and marketing communication, economics, engineering, corporate governance and sustainable development. He can also be a representative of shareholders in expressing important opinions independently.
Mr. Santisuk Klongchaiya (Executive Director)	He is qualified to be a director as required by law, as well as possesses knowledge, competence and experience in various fields, especially the experience of being a Senior Management in the organisation, equipped with good experience in the airline business for more than 10 years, coupled with expertise in management, marketing, strategy and risk management. This includes making him playing important part to support the business operations of the Company and its subsidiary to achieve the goals that have been set well all along.

According to the above-mentioned details, therefore the Nomination and Remuneration Committee presented the opinion to the Board of Directors to approve the 4 Directors who duly retired by rotation to be re-elected to assume the positions for another term. Then the list of such directors' names will be presented to the Shareholders Meeting to elect the Directors as per the criteria further.

For the resolution to re-elect the Directors to assume the positions through the Shareholders Meeting, it is specified that the majority votes come from the

shareholders attending the Meeting and casting their votes. In this case when any shareholder abstains, the vote of the one who abstains shall not be counted as the base of votes while the Company shall ask the shareholders to vote for the Director individually. The shareholders are requested to cast all votes they have to elect the nominated persons one by one then the Meeting has resolved to re-elect to be in the position of Directors for another term with the majority of votes of the shareholders attending the Meeting and cast their votes.

In addition, in 2022, the Company has nominated and appointed new directors. On May 13, 2022, the Board of Directors' meeting resolved to approve the appointment of Mrs. Pattra Boosarawongse as a director in place of Mr. Tharumalingam A/L Kanagalingam who resigned as a director on May 13, 2022.

The nomination and consideration of appointing new directors had been operated through the process of recruitment of the Nomination and Remuneration Committee that Mrs. Pattra Boosarawongse is qualified

to be a director as required by law and the relevant regulations. She is appropriate in the qualifications, experiences, knowledge, abilities and readiness to contribute their time to perform the duties as directors including being the specialists necessary for the Directors of the Company and are fully qualified pursuant to Section 68 of the Public Company Limited B.E. 2535 (1992) and not being prohibited persons according to the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand and has the following knowledge and abilities in various fields:

List of Newly Appointed Directors	Qualifications
Mrs. Pattra Boosarawongse (Executive Director)	She is qualified to be a director as required by law, as well as possesses knowledge, competence and expertise in accounting and finance, having experience in the aviation business from holding a position as a Senior Management within the AirAsia group for more than 8 years. This has made her well-equipped with knowledge and understanding of business operations of the Company and its subsidiary, including being able to give advice and recommendation on effective management policies and ready to support the Company's operations all along. In addition, she also helped to promote the role of women directors and support gender diversity to increase in the structure of the Board of Directors.

Nomination of Senior Management

In nominating the candidates for Senior Management members will initially screen with appropriate and transparent process for the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to the Company's operations. Those candidates must understand the Company's businesses well and can manage their

functions to attain the goals and objectives set by the Board of Directors. The nomination process will be considered candidates from both internal and external of the Company. For the internal candidates will consider and recruit from the successor. Those successors will be assessed their potential and the ability to prepare for the replacement of those

positions whereas there are resignations or retirement or other reasons. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

In 2022, Thai AirAsia has recruited and appointed two Senior Management namely Mr. Phol Poompuang, Head of Corporate Safety, and Miss Topaz Subunruk, Head of Business Development.

List of newly appointed Management	Qualifications
Mr. Phol Poompuang (Head of Corporate Safety)	He is a knowledgeable, competent person with expertise in management, analysis, determination and development of aviation safety policies, having experience, understanding of supervision, risk assessment and analysis related to the safety of various parts of the organisation, giving consultations to the Management, communicate and train the employees to improve safety in all aspects such as Flight Safety, Cabin Safety, Ground Safety and Aircraft Engineering.
Miss Topaz Subunruk (Head of Business Development)	She is a knowledgeable, competent person with expertise in building a business development cooperation network, encouragement of cooperation projects to generate business income and has experience in planning, preparing a strategic plan, developing and creating a corporate image that helps increase additional value to the business, presenting short and long-term corporate strategies to create business that furthers extending from the existing business of the organisation.

Knowledge Development for the Directors and Management

The Board of Directors of Asia Aviation promoted and facilitated the training and knowledge development for the Directors and Management of the Company including subsidiary to enable them to perform the duties and govern business operation of the Company and its subsidiary efficiently as well as improved the performance continually by supporting the Directors

and Management to attend the seminars, courses useful for performing the duties including the course arranged by the Government's Supervisory Agency or Independent Organisation such as the Directors' Course of Thai Institute of Directors which the Securities and Exchange Commission Thailand has specified that the Board of Directors of listed companies shall pass at least one Course namely; Directors Certification Program (DCP), Directors Accreditation Program (DAP)

and Audit Committee Program (ACP) etc. as well as the courses related to the knowledge and abilities development and increase the potentiality to perform the duties.

For the year 2022, the directors and Management had participated in the training to develop knowledge as follows:

1. Corporate Governance Auditing Course organised by the Federation of Accounting Professions.
2. Taxation course for international transactions organised by the Federation of Accounting Professions.
3. Cyber Security Basic Knowledge Course organised by the Federation of Accounting Professions.
4. ISSB Sustainability Disclosure Standard Drafting Course organised by the Federation of Accounting Professions.
5. CFO Refresher Course, Class 3/2565 on "Sustainable Business Practices (ESG) related to Operational Strategy, Data Disclosure and Financial Report of Listed Companies" organised by Thailand Securities Institute, the Stock Exchange of Thailand.

The Performance Assessment of the Board of Directors

Asia Aviation and its subsidiary have the performance assessment of the Board of Directors and sub-committees once a year by dividing into the performance assessment of the Board of Directors as a whole and the self-assessment of the Directors on an individual basis, to be used as the framework in examining the performance of the Board of Directors and sub-committees. For the purpose of improving the performance of the Board of Directors to correspond with specified policies.

The performance assessment of the Board of Directors and sub-committees covers main areas as follows:

1. Structure and qualifications of the Board of Directors.
2. Roles, duties and responsibilities of the Board of Directors.
3. Board of Directors' Meeting.
4. Performance of the Directors.
5. Relationship with the Management.
6. Self-improvement of the Directors and the Management development.

In 2022, the performance assessment of the Board of Directors and sub-committees of Asia Aviation detail as follows:

the Board of Directors / Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	93	93
Audit Committee	97	93
Nomination and Remuneration Committee	97	96

The performance assessment of the Board of Directors and sub-committees of Thai AirAsia detail as follows:

the Board of Directors/ Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	94	95
Audit Committee	98	94
Nomination and Remuneration Committee	98	100
Corporate Governance and Sustainability Committee	97	99
Risk Management Committee	100	99

As such, the Nomination and Remuneration Committee is responsible for reviewing performance assessment to be accurate, complete and comply with good corporate governance. Also the Committee has considered the results of the Director self-assessment in the past year as a reasonable criteria for the consideration of the remuneration of Directors. The Company Secretary summarises the results of the assessment and reports to the Board of Directors to further improve operational efficiency in more effective way.

The Performance Assessment of Chief Executive Officer

Consequently, Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the core business for the Company, therefore, The performance assessment of Chief Executive Officer has been established for Thai AirAsia.

The Board of Directors and the Nomination and Remuneration Committee of Thai AirAsia has arranged for an annual performance assessment for the Chief Executive Officer, main areas as follows:

Section 1: Progress of plan with specified goals and milestone for each goal

Section 2: Performance assessment

- Leadership
- Strategic setting
- Strategic practice
- Financial planning and results
- Relationship with the Board of Directors
- External relationship
- Management and relationship with employee
- Position succession
- Knowledge of products and services
- Personal characteristics

Section 3: Self-improvement

Meeting Attendance and Remuneration for the Board of Directors Individually

Board of Directors Meeting

The Articles of Association of Asia Aviation specified that the Board of Directors shall hold a Meeting at least once every three months and may be additional special Meeting as necessary and specified that the Directors attending the Meeting shall consist of at least half of the total numbers of Directors to form a quorum whereas the Board of Directors shall set the Meeting date for the whole year in advance and notify each Director to acknowledge it and distribute the letter of invitation for the Meeting to the Directors to consider before the Meeting date not less than 5 business days unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. In every Meeting , the agenda shall be set up precisely during which the Chairman of the Board discussed with the Chief Executive Officer and the Company Secretary to approve the agenda of the Meeting while the other Directors can propose the agenda or other related issues for consideration including the complete and sufficient documents supporting the Meeting by distributing them to the Board of Directors in advance to study the information sufficiently before attending the Meeting. While in the Board of Directors, Asia Aviation Meeting, every Director can discuss and express the opinion openly. Furthermore, in Asia Aviation Board of Directors Meeting, Senior Management shall be invited to attend the Meeting in order to provide more details as the direct persons concerned.

Asia Aviation is committed to providing the Board of Directors with adequate, complete continuous and timely information prior to the Board of Directors' Meeting. The Directors can directly and independently contact the Company Secretary. The Company Secretary is responsible for advising the Board of Directors of Asia Aviation on the compliance with legal and regulatory requirements.

The Board of Director has also specified that Non-Executive Directors can organise meetings as deemed appropriate without the attendance of any Executive Director or Management, in order to create an opportunity for discussion on business challenges of the Company or other topics of interest.

Attendance of the Board of Directors' Meeting

Every Director of Asia Aviation has placed great importance on, and dedicated the time to attend the Board of Directors' Meeting, sub-committees Meeting and the Annual General Meeting of Shareholders with the details of attending the Meeting of each Director in 2022 as follows:

Name	Annual General Meeting of Shareholders 2022	The Meeting		
		Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Vichate Tantiwanich	Join	4/4	4/4	2/2
2. Mr. Veerayooth Bodharamik	Join	4/4	4/4	2/2
3. Mr. Dinesh Nambiar	Join	4/4	4/4	
4. Mr. Sirot Setabandhu	Join	4/4		
5. Mr. Tassapon Bijleveld	Join	4/4		
6. Mr. Santisuk Klongchaiya	Join	4/4		
7. Mr. Phairat Pornpathananangoon	Join	4/4		
8. Mrs. Pattra Boosarawongse ⁽¹⁾	-	3/4		
9. Mr. Rozman Bin Omar	Join	4/4		
10. Dato' Mohamed Khadar Bin Merican	Join	4/4		
11. Mr. Nuttawut Phowborom	Join	3/4		2/2
12. Mr. Yuthapong Ma	Join	3/4		

Remark: ⁽¹⁾ Mrs. Pattra Boosarawongse was appointed as a director instead of Mr. Tharumalingam A/L Kanagalingam, who has resigned with effect on May 13, 2022. Therefore, Mrs. Pattra Boosarawongse attended the Board of Directors' meeting for the first time in the meeting. No. 2/2022.

In 2022, the proportion of attending the Board of Directors' Meeting individually for 10 Directors was equal to 100% of the total numbers of the Meetings and 2 Directors having proportion of attending the Meeting was equal to 75% of the total numbers of the Meetings.

The details of attending the Meeting of each Director of Thai AirAsia in 2022 are as follows:

Name	The Meeting				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Risk Management Committee
1. Mr. Vichate Tantiwanich	5/5	4/4	2/2	1/1	
2. Mr. Veerayooth Bodharamik	5/5	4/4			
3. Mr. Dinesh Nambiar	5/5	4/4			
4. Mr. Sirot Setabandhu	5/5				
5. Mr. Tassapon Bijleveld	5/5		2/2	0/1	1/1
6. Mr. Santisuk Klongchaiya	5/5			1/1	1/1
7. Mr. Phairat Pornpathananangoon	5/5			1/1	1/1
8. Mrs. Pattra Boosarawongse ⁽¹⁾	3/5				
9. Mr. Rozman Bin Omar	5/5				
10. Dato' Mohamed Khadar Bin Merican	5/5				
11. Mr. Nuttawut Phowborom	3/5		2/2		
12. Mr. Yuthapong Ma	4/5				

Remark: ⁽¹⁾ Mrs. Pattra Boosarawongse was appointed as a director instead of Mr. Tharumalingam A/L Kanagalingam, who has resigned with effect on May 13, 2022. Therefore, Mrs. Pattra Boosarawongse attended the Board of Directors' meeting for the first time in the meeting. No. 2/2022.

Whereas in 2022, the proportion of attendance of 10 directors individually represented 100% of the total numbers of meeting and 1 director at the proportion of 80% and 1 director attending the meeting represents 60% of the total numbers of the meetings.

Remuneration for Directors of Asia Aviation

Monetary Remuneration

In 2022, Monetary remunerations of the 6 individual directors who are not Executive Directors are the total of Baht 11.28 million. The remunerations include salary and meeting allowance as follows:

Name	Director's Remuneration (Baht)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1. Mr. Vichate Tantiwanich (Chairman of the Board/ Chairman of the Audit Committee/ Nomination and Remuneration Committee)	1,600,000	1,200,000	80,000	2,880,000
2. Mr. Veerayooth Bhodharamik (Director/ Audit Committee/ Nomination and Remuneration Committee)	1,280,000	960,000	80,000	2,320,000
3. Mr. Dinesh Nambiar (Director and Audit Committee)	1,280,000	960,000		2,240,000
4. Mr. Nuttawut Phowborom (Non-Executive Director and Chairman of Nomination and Remuneration Committee)	1,200,000		80,000	1,280,000
5. Mr. Sirot Setabandhu (Independent Director)	1,280,000			1,280,000
6. Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	1,280,000			1,280,000

Other Remunerations

Ticket Benefits

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year with term and condition of the Company's Policy. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation. In 2022, the Directors and family members had spent ticket benefits totaling 29 tickets.

Remuneration for Directors of Thai AirAsia

Monetary Remuneration

In 2022, Monetary remunerations of the 6 individual Directors who are not Executive Directors are the total of Baht 3.58 million. The remunerations include meeting allowance as follows:

Name	Director's Remuneration (Baht)				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Total
1. Mr. Vichate Tantiwanich (Chairman of the Board/ Chairman of the Audit Committee / Chairman of Corporate Governance and Sustainability Committee /Nomination and Remuneration Committee)	500,000	400,000	80,000	40,000	1,020,000
2. Mr. Veerayooth Bhodharamik (Director and Audit Committee)	400,000	320,000			720,000
3. Mr. Dinesh Nambiar (Director and Audit Committee)	400,000	320,000			720,000
4. Mr. Nuttawut Phowborom (Non-Executive Director and Chairman of Nomination and Remuneration Committee)	240,000		80,000		320,000
5. Mr. Sirot Setabandhu (Independent Director)	400,000				400,000
6. Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	400,000				400,000

Changes in Shares Held by Board of Directors and Management in 2022

Name	Position	Number of Shares on December 30, 2022	Number of Shares on January 31, 2022	Increase (Decrease) in the Number of Shares	Shareholding (%)
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
2. Mr. Veerayooth Bhodharamik	Director/ Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
3. Mr. Dinesh Nambiar	Director/ Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
4. Mr. Sirot Setabandhu	Independent Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
5. Mr. Tassapon Bijleveld	Director / Executive Chairman	2,312,088,286	2,325,088,286	(13,000,000)	19.01
Spouse and minor child	-	-	-	-	-
6. Mr. Santisuk Klongchaiya	Director/ Chief Executive Officer	6,041,214	7,041,214	(1,000,000)	0.05
Spouse and minor child	-	-	-	-	-
7. Mr. Phairat Pornpathananangoon	Director/ Chief Financial Officer	234,706	234,706	-	0.0019
Spouse and minor child	-	-	-	-	-
8. Mrs. Pattri Boosarawongse	Director	375,531	375,531	-	0.0031
Spouse and minor child	-	-	-	-	-
9. Mr. Rozman Bin Omar	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
10. Dato' Mohamed Khadar Bin Merican	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
11. Mr. Nuttawut Phowborom	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
12. Mr. Yuthapong Ma	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-

Supervision of the Subsidiary and the Associated Company

In 2022 Asia Aviation has considered appointing 12 Directors and 3 Management to be Directors and Management in Thai AirAsia, a subsidiary and the company operating core business by appointing directors to be representatives in the subsidiary in proportion to the shares held by the Company. The said Directors and Management have been approved by the Board of Directors' Meeting while the persons appointed to be the Directors of the subsidiary have to operate for the utmost benefits of the subsidiary and manage the business of the subsidiary in accordance with the policies approved by the Company and the rules as well as regulations specified in the Article of Association of the Company and the related laws of the subsidiary.

Moreover, the Company set up the policies for its subsidiary to comply with the rules related to the regulatory agencies such as, doing related party transaction, acquisition and disposal of assets, information disclosure sufficiently and in timely manner including accounting and accurate financial reports as appropriate under the laws concerned and accounting standard acceptable in general and auditing by the Internal Control Unit to ensure that the specified internal control is sufficient and efficient.

While in the Board of Director Meeting, the Company shall regulate to have the report of the situation as well as problems and obstruction of the projects implemented by the subsidiary regularly by revealing the information of business operation which may have conflict of interest, reports of related party transaction including the acquisition and disposal of assets and/or the significant transaction concerning the business operation of its subsidiary which may affect the Company

to the Company completely and accurately and in timely manner in order that the Company's Board of Directors acknowledge it and can give the opinion or suggestion in time.

Monitoring the Compliance of Policies and Practices of Corporate Governance

Asia Aviation has placed importance on good corporate governance by setting up policies and practices concerned in the Company's Policy of Corporate Governance and Code of Conduct as well as developing and promoting the actual practice to create sustainable value and ensuring confidence to every group of stakeholders.

In the past years, the Company has determined to review such policies for updating and corresponding to the environment of corporate governance of the Company and its subsidiaries and to follow up implementation in compliance with good corporate governance covering the issues on 1) Occupational safety, occupational health and working environment 2) Non-Discrimination and Human Rights 3) Security of data and information systems 4) Protection of personal Information and the follow-up result indicated that the Company had completely followed the guidelines in line with each issue.

Additionally, the Company followed up to ensure the implement of good corporate governance in 4 more issues as follows:

Prevention of Conflict of Interest

The Company and its subsidiary set up policies for the Board of Directors, Management and employees to perform duties for the utmost benefits of the Company in case that any person is the stakeholder or concerned with the list of consideration, such person shall notify People Department which is responsible for such issue to acknowledge it and shall not participate in the consideration including having no power to approve that business transaction while in the past year round the results of following up the compliance with the policies of Prevention of Conflict of Interest are as follows:

1. There was none of any Director holding the position as the Director or Executive member of the same business or any business related with the Company or subsidiary which may cause conflict of interest.
2. In the year 2022, there was no report of interest from employees who operated business operation related to the Company and its subsidiary.

In the year 2022, the Company did not find any actions that violated conflict of interest policy by Directors, Management and employees of the Company and its subsidiary.

The Use of Inside Information

The Company and its subsidiary have taken care of using the inside information to comply with the law and Principles of Good Corporate Governance by specifying in writing in the Code of Conduct which will be conferred to the Directors, the Management and the employees

as well as signing for acknowledgement and abiding by it to perform their duties. While the Directors, the Management and the employees who have an access of the essential inside information affecting the change in the price of securities should avoid trading the securities of Asia Aviation (AAV) in one month period before the financial report or the inside information was disclosed to public and during 24 hours after the said inside information was accessible to the public. The persons concerning the inside information shall not reveal such information to the others until that information was notified to the Stock Exchange of Thailand.

In addition, Directors, Management and employees of Asia Aviation and its subsidiary shall not use any inside information they receive from their positions, that can affect price of stocks 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 stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others, nor shall they disclose the said information to others for compensations or nothing.

Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

In the year 2022, there was no report and violation of using the inside information to seek benefits by the Directors, Management and employees of the Company and its subsidiary.

Anti-Corruption Policy

The Company and its subsidiary set up policies and procedures for Anti-Corruption whereas the Board of Directors assigned the Audit Committee to supervise the internal control system and the Management whose duty is to build awareness and communicate with every employee to perform their duty in good faith. In the past year, the execution for Anti-Corruption and the action after detecting the corruption was summarised as follows:

The Execution for Anti-Corruption	The Action when the Corruption was found
1. Every employee shall be trained and tested on the knowledge and understanding of the policies on Anti-Bribery and Anti-Corruption. 2. Sending email to communicate with the employees to know the risk which may cause corruption as well as preventive measures to protect it such as receiving no gifts on festivals, guidelines to use the ticket benefit for employees.	In 2022, Thai AirAsia has inspected and did not find any corruption in organisations.

Whistleblowing

The stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiary directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com by having the Audit Committee who is independent from the Management to consider and the Internal Audit Unit to conduct screening of the whistleblowing and such claims.

Last year, there was one case of the whistleblowing and claim in total regarding legal offense as per the following details:

Issue	Result of Inspection	Action and Solution
Staff inform the outsiders that he can manage to provide a package of tickets with the special price. However, when they transferred the amount to this person the tickets cannot be provided as claimed. Consequently the victims notified the Company through the whistleblowing for further investigation.	Staff committed the misconduct as the complaint and was already dismissed.	People department contacted the outsiders to request for more information and found that the staff committed the mentioned misconduct. As a result, the People Department called the staff for interrogation. The staff confessed to the act of misconduct and was dismissed immediately after the investigation.

The Performance of the Audit Committee in 2022

Audit Committees' Meeting

The followings are the details of attendance of the Audit Committee's Meeting in 2022 of Asia Aviation:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	4/4
2. Mr. Veerayooth Bodharamik	4/4
3. Mr. Dinesh Nambiar	4/4

The followings are the details of attendance of the Audit Committee's Meeting in 2022 of Thai AirAsia:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	4/4
2. Mr. Veerayooth Bodharamik	4/4
3. Mr. Dinesh Nambiar	4/4

Performance Result of the Audit Committee

The Audit Committee has performed their duties responsibly and completely as stipulated in the Audit Committee Charter approved by the Company's Board of Directors, as well as in accordance to the Notification of the Stock Exchange of Thailand as follows:

- Reviewed the important information of the quarterly and annual financial statements for 2022 together with the auditors and the Management of Accounting and Finance Department by examining the important issues and received the explanation from the auditor and the Management of Accounting and Finance Department until it was assured that the financial statement was prepared in accordance with the legal regulations and standard of financial report and was correct, complete, reliable, thereby such financial statement was endorsed as the Auditor had reviewed and audited.
- The Audit Committee reviewed the sufficiency of the internal control system by considering the internal control plan and report on internal auditing's result according to the approved plan which conformed to the result of the assessment of the auditor who reported that significant weakness

were not found and no special remarks concerning the financial report and internal control. This includes consideration of the result of assessment of the internal control system of the Management under the guiding framework of the Internal Control of The Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) by using the internal control assessment checklist of the Securities and Exchange Commission Thailand before presenting it to the Board of Directors of the Company in order to assess the sufficiency of the internal control system of the Company for the accounting year 2022 and revealed the result of such the internal control system in Form 56-1 One Report whereas the Audit Committee gave the opinion that the internal control system of the Company was suitable and efficient enough for operating the business and current situation of the Company and its subsidiary while no essential issues affecting the achievement or targets of the Company were found.

3. The Audit Committee supervised the internal auditing work to ensure that implementation of internal auditing was independent and effective by giving approval and approved the audit plan for 2022 provided by the major risk of the Company. It also considered the sufficiency of the personnel and considered the result of auditing and followed up the performance and progress of corrective process in regard to the report on the result of the auditing of the major issues regularly in every quarter. This also supported the quality development of internal audit by encouraging the personnel in the Internal Audit Department to undergo training in various courses to increase knowledge and skill to perform the duty with better efficiency.
4. The Audit Committee has reviewed the Risk Management System of Thai AirAsia to ensure that the Company has the process of assessment and risk management which is proper and efficient whereas the Company has Risk Management Committee to deal with setting policies and targets of Risk Management in the whole organisation, providing the efficient risk management system and followed up the major risk management in every aspect of the Company at the acceptable level while the representative of Risk Management Unit presented report of the progress to the Audit Committee on the risk management as to whether it complies with the policy and plan specified once a year.

5. The Audit Committee supervised the disclosure of sufficient and correct information including supporting the Company to have a good governance system, good management to be transparent and ethical, building up confidence to the shareholders, investors, employees and every stakeholder concerned.
6. Revised the Charter of the Audit Committee
7. Reviewed and approved the Internal Audit Charter
8. Reviewed and gave opinion to the related party transactions or the transactions which may have conflict of interest. The Audit Committee has reviewed the related party transactions to comply with the rules and regulations of the Stock Exchange of Thailand on the disclosure of information and practice of the listed Company regarding the related party transactions in 2003. The Audit Committee had an opinion that the related party transactions were operated in conformity with the general commercial conditions without conflict of interest, being justifiable, reasonable and complying with the regulation completely specified by the Stock Exchange of Thailand while the unusual transaction was not found and the disclosure of information was complete and sufficient.
9. Considered the appointment and remuneration of the auditors based on the business knowledge, experiences, appropriateness of the remuneration and the independence of the auditors. In the

accounting year-end of December 31, 2022, the Audit Committee recruited and nominated Mrs. Kunlapee Piyawannasuth C.P.A. Registration No. 6137 and/or Miss Manee Rattanabunnakit C.P.A. Registration No. 5313 and/or Miss Kosum Cha-em C.P.A. Registration No. 6011 to be the external auditors of the Company and the subsidiary while in the past accounting year, the auditors had performed their work with knowledge and professional abilities and provided suggestions concerning the internal control system and various risks as well as independence of working performance for which the remuneration proposed is appropriate.

10. The Audit Committee has reviewed and supervised the Company and its subsidiary to comply with the regulations, policies and business operation which was in conformity with the Securities and Exchange Act as specified by the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws concerning with business operation of the Company, and did not find any indication to believe that there was any deficiency concerning the non-conformity and/or violation of the rules, regulations and related laws. The summary of overall in 2022, the Audit Committee has performed the duties specified in the Charter of the Audit Committee by following up the performance of the Company with sufficient independence and gave the opinion that the Company provided financial

report in the major issues accurately by providing it in accordance with the standard of accounting generally accepted, disclosing information sufficiently, completely, and reliably. And when entering into the related party transactions or other particulars which may cause conflict of interest, the Company supervised the said transaction with transparency for the utmost benefit for the Company and the shareholders, abiding by the law, and regulations of the Stock Exchange of Thailand strictly and complying with the laws, rules and regulations concerning business operation completely. The Company also provided the internal control system, internal audit and risk management sufficiently and properly and operation in conformity with the good corporate governance system sufficiently, transparently and reliably.

Performance Result of Other Sub-Committees

Asia Aviation and the subsidiary have 4 sub-committees to follow up and supervise the operations and report to the Board of Directors regularly, comprising the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance and Sustainability Committee. The complete performances of duty by each sub-committees can be summarised as follows:

Risk Management Committee

The Risk Management Committee of Thai AirAsia held meetings once a year, while the Risk Management Department shall report the result of Risk Management and seek for consideration and approval for the matter concerning the Risk Management of the organisation from the Risk Management Committee whereas the performance of the Risk Management Committee in the past year is of following details:

- Acknowledged and review details of the existing main risk of the organisation whereas the Risk Management Committee has given suggestion and propose additional means to manage the risk to the Risk Management Department.
- Reviewed the strategy of Risk Management.
- Approved the details of the risk of the organisation for disclosing in the Annual Report 2022.
- Propose the Key Risk Indicator (KRI) to know how the risk happens.

Nomination and Remuneration Committee

In the past year, the Nomination and Remuneration Committee of the Company and its subsidiary held 2 meetings in total respectively to consider and provide the opinion of the suitability in nominating and appointing Directors and Senior Management including determining the remuneration for the Company's Board of Directors and sub-committees with the following details:

- Considered giving opinion on the appointment of Directors to replace the Directors duly retired by rotation in the year 2022.
- Considered giving opinion on the remuneration of Directors and sub-committees for the year 2022.
- Considered giving opinion on the assessment of the performances of the Company's Directors, sub-committees and Chief Executive Officer in the year 2022.
- Considered giving opinion on the appointment of new directors to replace the resigned director.
- Considered giving opinion on the appointment of Head of Business Development and Head of Corporate Safety.

Corporate Governance and Sustainability Committee

In the past year, Corporate Governance and Sustainability Committee held 1 meeting in total to consider and review the policies and targets of the operation of sustainable development including specifying the Key Materiality which affected the business operation of the Company to take care of the stakeholders properly as well as following up and examining the operation according to the policies and strategies of sustainable development to comply with the targets of the operation set forth whereas the performance of Corporate Governance and Sustainability Committee in the last year with the following details.

- Considered and reviewed the policies and strategies on sustainability.
- Considered and approved the Key Materiality.
- Considered giving opinion on disclosing the report of sustainability and corporate governance in the Form 56-1 One Report
- Followed up the performances of the Key Materiality and the society investment activities.
- Reported the performance of the sustainability development to the Board of Directors Meeting.

INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

Internal Control and Internal Audit

Sufficiency and Suitability of the Internal Control System

Asia Aviation has always prioritised internal control system and emphasising sufficiency and appropriateness of internal control in order for the operation of Asia Aviation to go according to the objectives, Article of Association, and applicable rules and regulations, as well as the internal audit and the check and balance system to effectively protect and look after the capital and investment of shareholders and Asia Aviation and its subsidiary's properties. Asia Aviation and its subsidiary have stipulated levels of authority and responsibilities of Management and employees and operating regulations in writing. The Internal Audit Department has its duty to audit that the performance of all departments in the Company is accurate and in line with the regulations. The Audit Committee shall monitor the administration and operation of the Internal Audit Department in order for Asia Aviation to achieve an effective internal control and reliable financial reporting system. The Internal Audit Department shall directly submit the audit report to the Audit Committee for revision and evaluation of the internal control system of Asia Aviation and its subsidiary.

The Opinion of the Company's Board of Directors concerning Internal Control System

In the Board of Directors' Meeting No.1/2023 on February, 23 2023 during which the 3 members of the Audit Committee attended the Meeting, the Company's Board of Directors assessed the Internal Control System of the Company and subsidiary by questioning the information from the Head of Internal Audit Unit and approval of the Assessment Form prepared by the Internal Audit Unit, together with the Management including the report from the Audit Committee and summarised that with the assessment of the Internal Control System of the Company and its subsidiary in 5 compositions namely: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities, the Board of Directors considered that the Internal Control System of the Company and its subsidiary is sufficient and appropriate whereby the Company and subsidiary provided enough personnel to perform the duty according to the system efficiently including the Internal Control System of the Company and subsidiary with following-up the supervision of the subsidiary to be able to protect the properties of the Company and its subsidiary from being misused by the Directors or Management or without authorisation including entering into the transactions with persons who may cause the conflict and the related persons properly and sufficiently. For the Internal Control in other issues, the Company's Board of Directors

considered that it is also sufficient and the Audit Committee has no different opinion from the Company's Board of Directors.

In addition, the performance of the Internal Audit Unit in 2022 over the auditing of various internal departments of the Company, no significant weakness was found in the Internal Control System which affects the operation of the Company and the subsidiary as well as the Auditor of the Company. The auditor of EY Office Limited, who is the External Auditor of the quarterly Company's Financial Statement and in the year 2022 gave the opinion in the auditor's report that Company budget had been allocated correctly as appropriate and substantially according to financial reporting standards.

Head of Internal Control

In the Audit Committees' Meeting No.2/2022 on May 13, 2022 has approved the appointment of Miss Apiradee Punninda who is Senior Internal Audit Manager to be in the position of Head of the Internal Audit and the Secretary of the Audit Committee because she has got experiences in Auditing work for over 18 years. After the resignation, In the Audit Committees' Meeting No.1/2023 on February, 23 2023 has approved the appointment of Miss Orawan Phunamsarp who is Senior Internal Audit Manager to be in the position of Head of the Internal Audit and the Secretary of the Audit Committee because she has got experiences in Internal Audit, Compliance and Operational Risks for over 20 years and attending the

courses concerning the operation in internal audit such as Training of Internal Audit Modernization and PDPA for Internal Auditor etc.

Therefore, the Audit Committee had the opinion that Miss Orawan Phunamsarp is suitable for performing the duties in the position of Head of Internal Audit and Secretary to the Audit Committee sufficiently whereas the consideration, appointment, performance appraisal, removal, transfer and termination of the person holding the position as Head of Internal Audit shall seek approval from the Audit Committee.

The Company disclosed the qualification of the person holding the position as Internal Audit Manager as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and sub-title "Publications and Download".

Participant in associations (GRI 2-28)

At the moment, Thai AirAsia joins membership of Airlines Association of Thailand and Tourism Council of Thailand.



RELATED PARTY TRANSACTIONS

In the years ended 31 December 2022 and 2021, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows:

Person who may have conflicts of interest		Relationship
1)	AirAsia Berhad (AAB)	AAB is a direct subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
2)	PT Indonesia AirAsia (IAA)	IAA is an associate of Capital A in which Capital A holds indirect 47.43% equity interest and operates low cost airlines business in Indonesia.
3)	Philippines AirAsia, Inc. (PAAI)	PAAI is an associate of Capital A in which Capital A holds indirect 39.86% equity interest and operates low cost airlines business in Philippines.
4)	AirAsia (Guangzhou) Aviation Service Limited (AGZ)	AGZ is an indirect subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
5)	AirAsia X Berhad (AAX)	AAX is an affiliate of Capital A in which Capital A holds direct 13.8% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
6)	Thai AirAsia X (TAAX)	TAAX has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Phairat Pornpathananangoon and Mrs. Pattra Boosarawongse and TAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Thailand.
7)	PT Indonesia AirAsia X (IAAX)	IAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Indonesia.
8)	Tune Insurance Malaysia Berhad (TIMB)	Tune Protect Group Berhad has a director who is also a director in TAA; Dato' Mohamed Khadar Bin Merican. TIMB is a subsidiary of Tune Protect Group Berhad in which Tune Protect Group Berhad holds direct 83.3% equity interest. Mr. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun being the indirect major shareholder of both TAA and TIMB.
9)	Tune Talk Sdn Bhd (TTSB)	TTSB is 25.1% owned by Tune Group Sdn. Bhd., which is jointly owned by Tan Sri Dr. Anthony Fernandes and Dato' Kamarudin Bin Meranun, both of whom are indirect major shareholders in TAA.
10)	Tune Talk (Thailand) Limited	Tune Group Sdn. Bhd. is an indirect shareholder in Tune Talk (Thailand) Limited through Tune Talk International Sdn. Bhd. (Malaysia) which holds 48% equity interest in Tune Talk (Thailand) Limited.
11)	Great Fortune Broker Co., Ltd. (GFB)	GFB is broker for Tune Insurance Plc.
12)	AirAsia SEA Limited (formerly known as: AirAsia (IHQ) Limited) (IHQ)	IHQ is a direct subsidiary of Capital A in which Capital A holds 100% equity interest. Capital A is also the indirect major shareholder in TAA. IHQ has two directors who are also directors in TAA; Mr. Rozman Bin Omar and Mrs. Pattra Boosarawongse.

Person who may have conflicts of interest	Relationship
13) BIGLIFE Sdn Bhd (formerly known as: Big Loyalty Sdn Bhd) (BIG)	BIG is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
14) AirAsia (Mauritius) Limited (AAM)	AAM is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
15) Bangkok Aviation Center Plc. (BAC)	BAC is the Company which major shareholder (41% of BAC' shares) is Mr. Tassapon Bijleveld who is Director, Executive Chairman and indirect major shareholder of TAA.
16) Airasia SEA Sdn Bhd (formerly known as: AirAsia Global Shared Services Sdn Bhd) (AASEA)	AASEA is a direct subsidiary of Capital A in which Capital A holds indirect 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
17) Wealth Ventures Co., Ltd. (Wealth Ventures)	Wealth Ventures is the Company which major shareholder (74.59% of Wealth Ventures' shares) is Mr. Tassapon Bijleveld who is Director, Executive Chairman and indirect major shareholder of TAA.
18) Tune Insurance Plc. (TIPLC)	TIPLC has directors who is also Director and Management in TAA; Mr. Tassapon Bijleveld and Mr. Phairat Pornpathananangoon. In addition, Mr. Tassapon Bijleveld hold 11.43% and Tune Protect Group Berhad hold 49% equity interest in TIPLC.
19) AirAsia Com Travel Sdn Bhd (ACT)	ACT is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
20) AirAsia Com Travel (Thailand) Ltd. (ACTTH)	ACTTH is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
21) Teleport Everywhere Pte. Ltd. (TEL)	TEL is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
22) Teleport Everywhere Pte. Ltd. (TH Branch) (TEL (TH branch))	TEL (TH branch) is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
23) Teleport (Thailand) Co., Ltd. (TELTH)	TELTH is an associate of Capital A in which Capital A holds indirect 45.40% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
24) Capital A Berhad (Capital A)	Capital A is the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
25) Santan Restaurant Sdn Bhd (STR)	STR is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)

Person who may have conflicts of interest	Relationship
26) Asia Aviation Capital Pte. Ltd. (AAC)	AAC is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
27) Velox Technology (Thailand) Co., Ltd. (Velox)	Velox is an indirect subsidiary of Capital A in which Capital A holds 96.19% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
28) Teleport Commerce Malaysia Sdn Bhd (TELMY)	TELMY is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
29) Asia Digital Engineering Sdn Bhd (ADE)	ADE is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
30) Airasia Technology Centre Singapore Pte. Ltd. (ATS)	ATS is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
31) Airasia Digital Sdn Bhd (AAD)	AAD is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
32) AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited) (AAGL)	AAGL is a direct subsidiary of Capital A in which Capital A holds 100% equity interest. AAGL is also the indirect major shareholder in TAA.
33) Airasia Com (Vietnam) Company Limited (ACTVN)	ACTVN is an indirect subsidiary of Capital A in which Capital A holds 96.19% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
34) Teleport Commerce (Thailand) Company Limited (TELCOMTH)	TELCOMTH is an associate of Capital A in which Capital A holds 45.40% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)

1. Passenger revenue received on behalf of members within Capital A

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
(1) AAB	Passenger revenue received on behalf of members within Capital A is only occurred when payment is made in foreign currency through the bank's payment gateway which includes internet purchase and counter sales.			TAA shares ticket reservation and booking system within Capital A in order to provide customers with convenience in booking ticket across the Capital A network on the website and counter and sales agents. Passenger revenue received on behalf is a result due to the limitation of bank's payment gateway in transferring passenger revenue to the owner of such revenue within Capital A when payment is made in foreign currency.
(2) IAA				
(3) AAI				
(4) AAX				
(5) TAAX				
(6) PAAI	1.1 Revenue that AAB received on behalf of TAA	6,018,092,677	489,432,407	Pricing: Reimbursed on actual receipts on behalf of.
(7) IAAX	Receivable from receipts on behalf - AAB	3,078,684,859	432,105,534	
(8) AAJ	1.2 Revenue that IAA received on behalf of TAA	109,719,260	21,157,818	
(9) ACT	Receivable from receipts on behalf - IAA	19,230,495	53,468,697	
	1.3 Revenue that AAI received on behalf of TAA	-	-	
	Receivable from receipts on behalf - AAI	69,025,304	66,723,621	Transaction in the future: Passenger revenue received on behalf will be an ongoing transaction in the future as it is a normal course of business with general commercial term under the approval in principle by Board of Directors and Audit Committee.
	1.4 Revenue that AAX received on behalf of TAA	-	22,046,435	
	Receivable from receipts on behalf - AAX	-	-	
	1.5 Revenue that TAAX received on behalf of TAA	135,906,593	101,506,019	
	Receivable from receipts on behalf - TAAX	231,630,895	193,010,599	
	1.6 Revenue that PAAI received on behalf of TAA	13,615,489	10,278,684	
	Receivable from receipts on behalf - PAAI	3,619,505	67,893,485	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	1.7 Revenue that IAAX received on behalf of TAA	-	2,470	
	Receivable from receipts on behalf - IAAX	-	948,959	
	1.8 Revenue that AAJ received on behalf of TAA	-	1,654,603	
	Receivable from receipts on behalf - AAJ	-	2,218,370	
	1.9 Revenue that ACT received on behalf of TAA	282,789,082	58,294,018	
	Receivable from receipts on behalf - ACT	50,687,827	-	
	1.10 Revenue that TAA received on behalf of AAB	774,354,316	17,972,231	
	Payable from receipts on behalf - AAB	146,872,092	16,998,035	
	1.11 Revenue that TAA received on behalf of IAA	260,980,312	2,182,636	
	Payable from receipts on behalf - IAA	62,856,477	342,261	
	1.12 Revenue that TAA received on behalf of AAX	20,407,891	237,451	
	Payable from receipts on behalf - AAX	7,833,888	-	
	1.13 Revenue that TAA received on behalf of TAAX	499,777,567	487,450	
	Payable from receipts on behalf - TAAX	381,179,221	83,323	
	1.14 Revenue that TAA received on behalf of PAAI	160,910,858	16,730,033	
	Payable from receipts on behalf - PAAI	6,380,565	3,186,522	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	1.15 Revenue that TAA received on behalf of AAI	107,536	230,118	
	Payable from receipts on behalf - AAI	31,868,000	31,610,900	
	1.16 Revenue that TAA received on behalf of AAJ	-	31,372	
	Payable from receipts on behalf - AAJ	-	6,719,632	
	1.17 Revenue that TAA received on behalf of ACT	293,139,639	12,540,507	
	Payable from receipts on behalf - ACT	41,512,027	2,315,359	

2. Advance payment on behalf of members within Capital A

(1) AAB	Advance payment on behalf within Capital A includes airport charges of airport terminal, ramp and apron areas, passenger service charges, air navigation charges, check-in counters, aerobridge, customs, immigrations and quarantine as well as marketing expenses, training expenses and ICT expenses.			To enhance operational efficiency and management on services which can be shared within Capital A, the advance payment will be made by the party who initiated the route and entered into contract with that particular airport, as well as for marketing and promotional expenses in relation to common routes, training and ICT expenses. The party who entered into contract with the third party will make advance payment on behalf of the Group before making reimbursement based on actual expense.
(2) IAA				
(3) AAX				
(4) TAAX				
(5) PAAI				
(6) AAI				
(7) IAAX	2.1 TAA makes advance payment on behalf of AAB	75,284,277	127,345,884	Pricing: Reimbursement based on actual advance payment or in portion according to the agreed allocation.
(8) AAJ	Receivable on advance payment - AAB	76,994,297	235,754,003	
(9) TIMB				
(10) TTSB	2.2 TAA makes advance payment on behalf of IAA	2,863,614	5,602,447	Payment term: within 30 days
(11) GFB	Receivable on advance payment - IAA	998,090	18,297,936	
(12) IHQ				Transaction in the future: Advance payment on behalf will be an ongoing transaction as it is a normal course of business with normal commercial term under the approval
(13) AGZ	2.3 TAA makes advance payment on behalf of AAX	-	428,468	
(14) BIG	Receivable on advance payment - AAX	-	-	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
(15) ACT	2.4 TAA makes advance payment on behalf of TAAX	14,229,039	92,254,097	in principle by Board of Directors and Audit Committee.
(16) ACTTH	Receivable on advance payment - TAAX	326,689,356	278,828,724	
(17) AASEA				
(18) TELTH	2.5 TAA makes advance payment on behalf of PAAI	1,762,897	6,186,449	
(19) Capital A	Receivable on advance payment - PAAI	1,648,448	44,157,369	
(20) TEL				
(21) STR	2.6 TAA makes advance payment on behalf of AAI	-	688,039	
(22) TIPLC	Receivable on advance payment - AAI	4,095,719	4,810,704	
(23) AAC				
(24) TEL (TH branch)	2.7 TAA makes advance payment on behalf of IAAX	-	-	
(25) Velox	Receivable on advance payment - IAAX	-	81,257	
(26) TELMY				
(27) ADE	2.8 TAA makes advance payment on behalf of AAJ	-	-	
(28) AACE	Receivable on advance payment - AAJ	-	320,551	
(29) TELCOMTH				
(30) AAGL	2.9 TAA makes advance payment on behalf of TIMB	-	61,164	
(31) ACTVN	Receivable on advance payment - TIMB	-	116,944	
	2.10 TAA makes advance payment on behalf of TTSB	292,462	1,682,988	
	Receivable on advance payment - TTSB	292,630	-	
	2.11 TAA makes advance payment on behalf of GFB	-	-	
	Receivable on advance payment - GFB	48,209	48,209	
	2.12 TAA makes advance payment on behalf of IHQ	17,067,661	22,258,825	
	Receivable on advance payment - IHQ	23,808,087	19,721,342	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	2.13 TAA makes advance payment on behalf of AGZ	523,657	1,139,296	
	Receivable on advance payment - AGZ	2,612,096	1,419,844	
	2.14 TAA makes advance payment on behalf of BIG	-	-	
	Receivable on advance payment - BIG	-	-	
	2.15 TAA makes advance payment on behalf of Capital A	2,995,468	792	
	Receivable on advance payment - Capital A	183,220	-	
	2.16 TAA makes advance payment on behalf of TIPLC	-	541,399	
	Receivable on advance payment - TIPLC	2,244,833	3,081,634	
	2.17 TAA makes advance payment on behalf of ACT	294,891,620	34,991,548	
	Receivable on advance payment - ACT	298,309	5,657,798	
	2.18 TAA makes advance payment on behalf of ACTTH	14,418,766	17,988,491	
	Receivable on advance payment - ACTTH	674,460	15,101,438	
	2.19 TAA makes advance payment on behalf of AAC	-	1,025	
	Receivable on advance payment - AAC	10,431	10,083	
	2.20 TAA makes advance payment on behalf of TELTH	117,619	154,230	
	Receivable on advance payment - TELTH	59,777	3,531,193	
	2.21 TAA makes advance payment on behalf of TEL	4,346,735	10,569,536	
	Receivable on advance payment - TEL	1,283,532	1,225,995	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	2.22 TAA makes advance payment on behalf of TEL (TH branch)	23,779,935	1,827,953	
	Receivable on advance payment - TEL (TH branch)	10,840,596	380,829	
	2.23 TAA makes advance payment on behalf of AASEA	1,859,284	2,452,485	
	Receivable on advance payment - AASEA	203,290	2,452,485	
	2.24 TAA makes advance payment on behalf of STR	1,756,015	534,408	
	Receivable on advance payment - STR	2,293,588	532,033	
	2.25 TAA makes advance payment on behalf of Velox	360,800	905,763	
	Receivable on advance payment - Velox	1,266,563	905,763	
	2.26 TAA makes advance payment on behalf of TELMY	-	1,784	
	Receivable on advance payment - TELMY	-	1,784	
	2.27 TAA makes advance payment on behalf of TELCOMTH	80,267	-	
	Receivable on advance payment - TELCOMTH	-	-	
	2.28 TAA makes advance payment on behalf of AAGL	158,865	-	
	Receivable on advance payment - AAGL	157,873	-	
	2.29 TAA makes advance payment on behalf of ACTVN	361,310	-	
	Receivable on advance payment - ACTVN	46,518	-	
	2.30 AAB makes advance payment on behalf of TAA	247,916,752	229,278,957	
	Payable on advance payment - AAB	-	324,437,505	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	2.31 IAA makes advance payment on behalf of TAA	31,131,174	1,137,323	
	Payable on advance payment - IAA	18,812,679	7,324	
	2.32 AAI makes advance payment on behalf of TAA	-	-	
	Payable on advance payment - AAI	6,538,427	6,458,293	
	2.33 AAX makes advance payment on behalf of TAA	15,364	1,500,656	
	Payable on advance payment - AAX	-	-	
	2.34 TAAX makes advance payment on behalf of TAA	4,241,600	7,177,555	
	Payable on advance payment - TAAX	1,698,418	300,000	
	2.35 PAAI makes advance payment on behalf of TAA	-	930,804	
	Payable on advance payment - PAAI	-	19,224	
	2.36 AAJ makes advance payment on behalf of TAA	-	18,840	
	Payable on advance payment - AAJ	-	572,312	
	2.37 ACT makes advance payment on behalf of TAA	26,648,719	6,510,011	
	Payable on advance payment - ACT	4,328,951	1,897,034	
	2.38 AACE makes advance payment on behalf of TAA	-	1,667,820	
	Payable on advance payment - AACE	-	1,667,820	
	2.39 AASEA makes advance payment on behalf of TAA	20,213,630	29,721,823	
	Payable on advance payment - AASEA	39,893,222	28,236,003	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	2.40 Capital A makes advance payment on behalf of TAA	2,068,623	79,326,979	
	Payable on advance payment - Capital A	84,639,296	82,494,934	
	2.41 TELTH makes advance payment on behalf of TAA	14,370,519	9,586,442	
	Payable on advance payment - TELTH	35,085	3,708,479	
	2.42 TEL makes advance payment on behalf of TAA	298,963	638,128	
	Payable on advance payment - TEL	121,462	-	
	2.43 TEL (TH branch) makes advance payment on behalf of TAA	1,593,654	7,621,403	
	Payable on advance payment - TEL (TH branch)	330,369	7,978	
	2.44 ADE makes advance payment on behalf of TAA	4,388,497	5,916	
	Payable on advance payment - ADE	52,239	5,916	
	2.45 TELCOMTH makes advance payment on behalf of TAA	18,632	-	
	Payable on advance payment - TELCOMTH	-	-	
	2.46 IHQ makes advance payment on behalf of TAA	16,069,427	2,750,971	
	Payable on advance payment - IHQ	4,484,218	55,494	

3. Interest income and interest expenses within Capital A

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
(1) AAI	Interest income and interest expense within Capital A is calculated upon the late payment of the net outstanding receivables/payables for more than 30 days from invoice date.			TAA and companies within Capital A have charged interest within the Group on the late payment of the net outstanding receivables/payables over the due date, which is 30 days from invoice date.
(2) AAX				
	3.1 Interest income: TAA receives interest income from related parties on the delay of payment.			Interest rate: Interest rate within Capital A is applied, equivalent to AAB's financial cost at 6% per annum.
	3.1.1 Interest income - AAI			Payment term: within 30 days
	Outstanding net receivable - AAI	-	-	Transaction in the future: Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Interest income receivable - AAI	463,886	448,449	
	3.1.2 Interest income - AAX			
	Outstanding net receivable - AAX	-	-	
	Interest income receivable - AAX	-	-	

4. Aircraft and aircraft engine rental

(1) AAM	TAA leases its aircraft and aircraft engine (operating lease) from AAM of 8 aircrafts as of 31 December 2022.			TAA has leased its aircraft and aircraft engine from AAM for business operation. Capital A has a pooling purchase for higher bargaining power with manufacture.
	4.1 Aircraft and aircraft engine rental - AAM	1,578,243,429	588,650,210	Lease rate: Lease rate is quoted in US Dollar term for a monthly payment with contract period of 12 years and comparable to industry average rate.
	Aircraft and aircraft engine rental payable - AAM	1,067,141,472	1,267,593,983	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	Other non-current asset-Aircraft and aircraft engine rental deposit	195,435,092	249,038,754	Payment term: within 30 days Transaction in the future: Aircraft and aircraft engine rental will be an ongoing transaction until the expiration of lease agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee. In addition, TAA will continue the pooling purchase order together with Capital A.

5. Aircraft maintenance

(1) AAM	TAA pays aircraft repair and maintenance cost to AAM, the lessor, and AAB for the D check or major overhaul as specified under the aircraft lease agreement.			The operating lease agreement between TAA and AAM required for TAA to have repair and maintenance on leased aircraft as well as has set conditions before delivery, in which the leased aircraft must be fully repaired upon the contract expiration as this a normal terms under aircraft lease agreement.
(2) AAB				
	5.1 Aircraft maintenance - AAM	246,051,554	188,931,133	
	Aircraft maintenance payable - AAM	299,158,806	93,665,147	Maintenance rate: Maintenance rate is quoted per flight hour/cycle in USD term for a monthly payment and comparable to industry average rate.
	Aircraft maintenance claim receivable - AAM	1,066,512,164	669,800,552	
	5.2 Aircraft maintenance - AAB	848,196,280	182,610,958	Payment term: within 30 days
	Aircraft maintenance payable - AAB	891,458,661	79,351,397	
	Aircraft maintenance reserves - AAB	2,687,676,439	4,958,623,692	Transaction in the future: Aircraft maintenance will be an ongoing transaction until the expiration of lease agreement and maintenance agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

6. Booking Fee

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
(1) AAB	TAA pays online air ticket booking system fee (booking fee) to AAB.			
	6.1 Booking fee - AAB	72,745,708	-	
	Booking fee payable - AAB	-	12,605,706	TAA shares the same booking system with others in Capital A. AAB has entered into a contract, on behalf of the Capital A, with Navitaire, an independent air ticket sales and management system provider, and will charge the booking fee from TAA based on the actual usage at the rate charged by Navitaire. Booking fee rate: Booking fee is charged at a fixed rate per passenger on a monthly basis; the rate shall not exceed the amount specified in the contract. Payment term: within 30 days Transaction in the future: Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

7. Purchase of merchandise and equipment

(1) AAB	TAA purchases merchandise and equipment from AAB and ADE			
(2) ADE	such as aircraft spare parts and certain inflight merchandise for selling on board.			
	7.1 Purchase of merchandise and equipment - AAB	29,672	324,459	
	Purchase payable - AAB	-	381,981	TAA purchases merchandise and equipment from AAB and ADE such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralized the product sourcing, AAB will accumulate all demand from Capital A before making a pooling purchase for higher bargaining power with suppliers. Pricing: Comparable pricing with the one AAB and ADE made with outsiders.

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	7.2 Purchase of merchandise and equipment - ADE Purchase payable - ADE	6,017,024 1,421,076	- -	Payment term: within 30 days Transaction in the future: Purchase from the Group will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

8. Administrative Fee

(1) AAB	TAA pays administrative fee to AAB			TAA pays administrative fee to AAB in return of its assistance on business operations in term of airline technical expertise including administration, crew sourcing, consulting and other assistance in regards to airline business.
	8.1 Administrative fee - AAB Administrative fee payable - AAB	- -	- -	Pricing: Fix rate of USD 40,000 per month as agreed in the administrative agreement. Payment term: within 30 days Transaction in the future: Administrative fee will be included in online sales channels services provided by AACOM.

9. (Gain) loss from fuel swap agreement allocation

(1) AAB	TAA has the share of (gain) loss from fuel price swap agreements done through AAB as specified in the fuel swap agreement.			In protecting the risks on fluctuation of fuel price, TAA has entered into the fuel price swap agreement through AAB for better bargaining power. The decision making is dependent on TAA's judgment.
	9.1 Share of (gain) loss from fuel price swap agreements - AAB	-	55,015,576	(Gain) loss allocation: (Gain) loss from fuel price swap agreement will be allocated

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	Payable (Receivable) on share of (gain) loss from fuel price swap agreements - AAB	-	-	on a monthly basis by the estimated amount of fuel used by each company.
	Other non-current assets-deposits on fuel price swap	17,195,650	16,623,450	Payment term: within 30 days Transaction in the future: (Gain) loss from fuel swap agreement allocation will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

10. Pilot training cost

(1) BAC	TAA pays pilot training cost to BAC			TAA and BAC mutually signed an MOU for cooperation in commercial pilot training.
	10.1 Pilot training cost - BAC	-	487,850	Pricing: At agreement price of different types of the training.
	Pilot training cost payable - BAC	-	-	Payment term: within 30 days Transaction in the future: Pilot training cost will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

11. Brand license fee

(1) AAB	TAA pays Brand license fee to AAB			Since January 2013, AAB give TAA permission to use trademark “Airasia” (Brand license agreement)
	11.1 Expense for brand license - AAB	-	-	
	Payable on brand license fee - AAB	-	-	Pricing: At 1.5% of total revenue. The rate is comparable to the rate that AAB

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
				charge to other joint venture within Capital A. Payment term: within 30 days Transaction in the future: Brand license fee will be included in management fee from Capital A.

12. Revenue from administrative fee from Insurance premium

(1) TIMB	TAA receives administrative fee from Insurance Premium which is received from passenger in AirAsia Insure project.			TAA receives administrative fee from Insurance Premium which is received from passenger in AirAsia Insure project.
(2) GFB				
	12.1 Revenue from administrative from insurance premium - TIMB			Pricing: Insurance Premium paid to TIMB and GFB are based on actual receipts. Administrative fee as agreed in the administrative agreement can comparable to market price.
	Insurance Premium	3,786,298	1,808	
	Administrative fee	946,575	452	
	Payable (Receivable) on Insurance Premium	480,128	856	Payment term: within 30 days
	12.2 Revenue from administrative from insurance premium - GFB			Transaction in the future: Administrative fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Insurance Premium	87,571,796	59,553,263	
	Administrative fee	14,967,562	9,920,638	
	Payable on Insurance Premium	40,665,641	32,240,055	
	Receivable on Administrative fee	-	-	

13. Management Fee

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
(1) AAV (2) Capital A	TAA pays management fee to AAV and Capital A for consultant and management policy.			TAA pays management fee to AAV and Capital A for consultant and management policy which are related to operating company.
	13.1 Management fee - AAV	25,000,000	25,000,000	Pricing: Management fee at 6,250,000 Baht per quarter and Actual cost as agreed in the administrative agreement.
	Payable on management fee - AAV	46,812,500	20,441,624	
	13.2 Management fee - Capital A	99,815,060	76,729,171	Payment term: within 30 days
	Payable on management fee - Capital A	196,147,021	80,622,960	
				Transaction in the future: Management fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

14. Accounting, People, ICT service fee

(1) AASEA (2) AAB (3) IHQ	AASEA provides service for people, accounting, and ICT services for Capital A.			AASEA provides service for people, accounting, and ICT services to Companies under Capital A which AAB provide ICT services since June 2017 for Capital A. AASEA and AAB will calculate services fee by staff headcount.
	AAB provides service for ICT services for Capital A since June 2017			
	14.1 Accounting, People, ICT service fee - AASEA	-	-	Pricing: Invoices will be issued to Capital A by calculating from staff headcount as agreed in the administrative agreement plus margin as specified in the service agreement.
	Payable on Accounting, People, ICT service fee - AASEA	-	-	
	14.2 ICT service fee - AAB	-	301,376	Payment term: within 30 days
	Payable on ICT service fee - AAB	-	115,295	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	14.3 Share of staff costs - IHQ Payable from Share of staff costs - IHQ	359,310,618 435,068,369	396,680,002 255,405,560	Transaction in the future: Accounting, People, ICT service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

15. Loyalty program service fee

(1) BIG	BIG arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.			BIG arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.
	15.1 Loyalty program service fee - BIG Payable on Loyalty program service fee - BIG	34,649,197 22,313,375	9,766,684 9,794,274	Pricing: Loyalty program service fee as agreed in the administrative agreement. Payment term: within 30 days
	15.2 Passenger Revenue - BIG Receivable on Passenger Revenue - BIG	29,686,464 35,216,834	26,304,437 27,558,060	Transaction in the future: Loyalty program service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

16. Purchase of merchandise

(1) Tune Talk (Thailand)	TAA purchases merchandise from Tune Talk (Thailand) such as sim card for selling on board.			TAA purchases merchandise such as sim card for selling on board from Tune Talk (Thailand) Limited.
	16.1 Purchase of merchandise - Tune Talk (Thailand) Purchase payable - Tune Talk (Thailand)	- -	- -	Pricing: Purchases merchandise price as agreed in the administrative agreement. Payment term: within 30 days

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
				Transaction in the future: Purchase of merchandise from this company will be an ongoing transaction as it is a supporting normal course of business with general commercial term.

17. Security Service

(1) AAI	TAA pays security service for FD flight in Cochin (COK), Kempegowda (BLR), Kolkata (CCU), Jaipur (JAI), Chennai (MAA), Bhubaneswar (BBI) and Visakhapatnam (VTZ) to AAI.			TAA enters into Security service agreement with AAI due to state requirement on separated security service to handle flight which AAI will provide security service for FD flight at Cochin (COK), Kempegowda (BLR), Kolkata (CCU), Jaipur (JAI), Chennai (MAA), Bhubaneswar (BBI) and Visakhapatnam (VTZ) station.
	17.1 Security Service - AAI Payable on security service - AAI	8,234,439 39,156,643	171,729 33,132,051	Pricing: Security service fee as agreed in the administrative agreement. Payment term: within 30 days Transaction in the future: Security services will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

18. Expenses for room services and meeting room services

(1) Wealth Ventures	TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan.			TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan which convenience and sufficient meeting rooms.
	18.1 Expenses for room services and meeting room services - Wealth ventures	12,804	45,087	Pricing: Room service fee as agreed in the administrative agreement.

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	Payable - Wealth ventures	662,257	639,257	Payment term: within 30 days Transaction in the future: Expenses for room services and meeting room services will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

19. Marketing fund expenses

(1) AGZ	AGZ provides marketing service for China market to TAA.			AGZ provides marketing service for China market to TAA.
	19.1 Expense for Marketing fund - AGZ	-	-	Pricing: Marketing fund fee as agreed in the administrative agreement which will quarterly correct in advance.
	Payable on marketing fund - AGZ	-	-	Payment term: within 30 days Transaction in the future: Expenses for Marketing fund will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

20. Ground service expenses

(1) AAX	TAA receives ground service from companies under Capital A.			TAA enters into Ground service agreement with companies under Capital A.
(2) AGZ				
(3) AAI	20.1 Expense for Ground service - AAX	-	-	Pricing: Ground service fee as agreed in the administrative agreement.
	Payable on Ground service - AAX	-	-	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	20.2 Expense for Ground service - AGZ	-	71,306,293	Payment term: within 30 days Transaction in the future: Expenses for ground service will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Payable on Ground service - AGZ	-	46,777,815	
	20.3 Expense for Ground service - AAI	-	1,476,099	
	Payable on Ground service - AAI	13,248,864	13,898,405	

21. Other Services

(1) TAAX	TAA provides service for inflight warehouse management, ICT, People management, and other services to TAAX			TAA provides service for inflight warehouse management, ICT, People management, and other services to TAAX
	21.1 Revenues for other services fee - TAAX	42,730	49,650	Pricing: Other services fee as agreed in the administrative agreement. Payment term: within 30 days Transaction in the future: Revenues for other services fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Receivables on other service fee - TAAX	42,730	6,237,775	

22. Advertising Revenue

(1) TIPLC	TAA provide advertising service to TIPLC.			TAA provide advertising service to TIPLC.
(2) ADS	ADS manages and sells media space on all TAA's aircraft ambient ad and Thailand 3sixty Magazine.			ADS manages and sells media space on all TAA's aircraft ambient ad and Thailand 3sixty Magazine.

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	22.1 Revenues for Advertising revenue - TIPLC	-	-	Pricing: Advertising fee as comparable pricing with the one TAA made with outsiders.
	Receivables on other Advertising revenue - TIPLC	-	-	
	22.2 Revenues for Advertising revenue - ADS	-	-	Payment term: within 30 days
	Receivables on other Advertising revenue - ADS	-	-	
				Transaction in the future: This will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

23. Services fee expenses

(1) ACT	ACT provides online platform to sell and collect payment for the sale of TAA's flights.			ACT provides online platform to sell and collect payment for the sale of TAA's flights.
	23.1 Service fee expenses - ACT	562,710,453	135,779,211	Pricing: Service fee as agreed in the agreement which was determined per pass.
	Payable on Service fee expense - ACT	235,937,605	74,132,590	Payment term: within 30 days
				Transaction in the future: This will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

24. Freight Revenue

(1) TEL	TAA has appointed teleport as cargo sale agent to manage			TAA has appointed teleport as cargo sale agent to manage and sell cargo
(2) TELTH	and sell cargo capacities in TAA flights.			capacities in TAA flights.
(3) TEL (TH branch)				

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
	24.1 Revenues for Freight/Cargo - TEL	13,328,857	2,814,096	Pricing: Revenue as agreed in the general sales agreement.
	Receivables on Cargo revenue - TEL	12,638,662	-	
	24.2 Revenues for Freight/Cargo - TELTH	-	65,022,988	Payment term: within 30 days
	Receivables on Cargo revenue - TELTH	-	-	
	24.3 Revenues for Freight/Cargo - TEL (TH branch)	54,908,825	41,497,222	Transaction in the future: This will be an ongoing transaction in a future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Receivables on Cargo revenue - TEL (TH branch)	22,990,802	2,219,500	

25. Engineering Service income

(1) TAAX	TAA provides engineering service to TAAX.			TAA provides engineering service to TAAX.
	25.1 Engineering Service income - TAAX	41,976,275	30,206,200	Pricing: Service fee as agreed in the agreement which was determined per pass.
	Receivable on Engineering Service income - TAAX	176,568,957	160,297,909	
				Payment term: within 30 days
				Transaction in the future: Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term.

26. Loan

(1) TAA	TAA obtains loan from AAV to support working capital.			TAA obtains loan from AAV to support working capital.
	26.1 Loan outstanding - TAA	89,000,000	2,450,000,000	Transaction in the future: This transaction is considered as the financial assistance to the Company's subsidiary to be used for working capital and general operation.
	Interest expenses - TAA	1,362,000	379,124	

Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2022	2021	
				The Board and the Audit Committee approved and was of the opinion that there was reasonably made and beneficial to the Company and subsidiary.

27. Data Services and Cyber Security service fee

(1) ATS (2) AAD	ATS and AAD provides data consultancy services to support and advice TAA on process, policies and practices.			ATS and AAD provides data consultancy services to support and advice TAA on process, policies and practices.
	27.1 Data Services and Cyber Security service fee - ATS	2,508,304	18,912,864	Pricing: Services fee as agreed in the services agreement.
	Payables on Data Services and Cyber Security service fee - ATS	22,223,963	19,010,710	Payment term: within 60 days
	27.2 Data Services and Cyber Security service fee - AAD	1,770,107	-	Transaction in the future: Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Payables on Data Services and Cyber Security service fee - AAD	1,770,107	-	



THE AUDIT COMMITTEE OPINION ON THE RELATED PARTIES' TRANSACTIONS



The related parties' transactions have been considered and opined by the audit committee of Asia Aviation and Thai AirAsia as reasonable and essential for the operations of both companies, having general commercial terms under the normal course of business, undertaken for the best interests of the companies.

APPROVAL PROCEDURE FOR RELATED PARTIES' TRANSACTIONS



In the case of entering into the related parties transactions, Asia Aviation and Thai AirAsia will follow the guidance in accordance with the Securities and Exchange Act as well as the notifications, rules and regulations of the Securities Exchange Commission (SEC) and will consider on the basis of necessity and reasonableness of the transaction with the fair price and business terms at the company's best interests before proposing to the Board of Directors and/or Shareholders' Meeting, whichever case may be. Person with conflict of interest shall not be eligible to approve on such transaction. In the case that the audit committee of the Company and/or of Thai AirAsia lacks the expertise in considering the upcoming related parties transactions, the Company and Thai AirAsia will appoint independent experts or auditors for opinion on such transactions.

POLICY ON ENTERING INTO THE RELATED PARTIES' TRANSACTION IN THE FUTURE



Asia Aviation and Thai AirAsia will enter into transactions with related parties in the future with considerations on the reasonableness, the appropriate pricing policy and fair business terms as well as with proper approval process according to relevant rules and regulations at the best interest of the company.



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FINANCIAL STATEMENTS

31 December 2022
Asia Aviation Public Company Limited
and its subsidiaries

REPORT OF DIRECTORS RELATING TO RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparently disclosed in the notes to financial statements for the Company Shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiary have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Aviation's financial statements and Asia Aviation and its subsidiary's consolidated financial statements for the year ended December 31, 2022. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



(Mr. Vichate Tantiwanich)
Chairman of the Board



(Mr. Santisuk Klongchaiya)
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Asia Aviation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Asia Aviation Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 Asia Aviation 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 Asia Aviation Public Company Limited and its subsidiary and of Asia Aviation Public Company Limited as at 31 December 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the consolidated financial statements, which stated that the COVID-19 pandemic has resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Group's aviation business. Despite the improvements in the COVID-19 pandemic situation, the number of flights has yet to reach close to the pre-pandemic levels. This situation has significantly affected the Group's financial position, operating results, and cash flows. Therefore, as at 31 December 2022, the Group's consolidated total current liabilities exceeded its consolidated total current assets by a significant amount.

Currently, the management is in the process of implementing various measures to modify business plans, reduce costs and postpone repayments and expenses

to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of business plans depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond to each matters are described below.

Impairment of non-financial assets

As impacts to aviation business from the COVID-19 Pandemic, I have focused my audit on the consideration of the impairment of goodwill, intangible assets with indefinite useful live (landing rights), property, aircraft, building, leasehold improvements and equipment, investment properties and right-of-use assets, as described in Notes 15, 13, 11, 14, and 12, respectively to the consolidated financial statements.

The assessment of impairment of assets is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating unit, estimating the recoverable amount. There are thus risks with respect to the amount of assets.

I assessed the identification of cash generating unit and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the recoverable amount. I also tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill, intangible assets with indefinite useful live (landing rights), property, aircraft, leasehold improvements and equipment, investment properties and right-of-use assets.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Notes 31 to the consolidated financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to

preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I gained an understanding of and assessed the estimates of future taxable profit which is the same information as cash flow projections used in assessing impairment of non-financial assets. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Recognition of passenger service revenues and other related services

Passenger service revenues and other related services of the Group, as described in Note 26 to the consolidated financial statements, are key performance indicators for users of the financial statements. In addition, recognition of passenger service revenues and other related services for each flight relies on data processed from complex IT systems and involves a significant volume of advanced booking tickets via various sales channels and different

ticket prices. As a result, I focused on accuracy and occurrence of data in the revenue reports that were generated from the system to recognise revenues during the year.

I have examined the recognition of passenger service revenues and other related services of the Group by

- Reviewing the testing results as reported in auditor reports of those service organisations, IT general controls and IT application controls over ticket reservation, collections for which covered ticket fare and other related services, and revenue recognition of passenger service revenues and other related services.
- Assessing and testing the Group's internal controls with respect to the revenue process, receipt process and financial statement close process by making enquiry of responsible persons, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Reconciling passenger service revenues recorded in the book to reports generated from a related system.
- On a sampling basis, examining flight information and flight schedules for revenue transactions occurring during the year.

- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, including accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise 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 am responsible for the audit resulting in this independent auditor's report.

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.

Kunlapee Piyawannasuth

Kunlapee Piyawannasuth
Certified Public Accountant (Thailand) No. 6137

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.

EY Office Limited
Bangkok: 23 February 2023

From the matters communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(Unit: Baht Thousand)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	797,800	5,359,583	1,242	4,646,039
Trade and other receivables	8	853,692	563,283	4,775	3,544
Amounts due from related parties	6	2,539,893	1,094,586	46,973	20,442
Short-term loan to subsidiary	6	-	-	89,000	2,450,000
Inventories		401,262	230,274	-	-
Current tax assets		5,819	12,447	224	199
Prepaid expenses		452,399	96,269	1,531	1,424
Other current financial assets	6	184,600	316,500	-	-
Derivative assets		874	-	-	-
Total current assets		5,236,339	7,672,942	143,745	7,121,648
Non-current assets					
Other non-current financial assets	6, 16	898,714	783,651	-	-
Derivative assets		583	-	-	-
Investment in subsidiaries	9	-	-	16,863,246	6,967,115
Aircraft maintenance reserves	6, 10	3,055,768	4,958,624	-	-
Property, building, aircraft, leasehold improvements and equipment	11	4,185,034	5,277,491	-	-
Right-of-use assets	12	25,025,902	28,284,478	-	-
Intangible assets	13, 15	14,859,467	14,862,686	-	-
Investment property	14	514,261	543,632	-	-
Goodwill	15	8,824,826	8,824,826	-	-
Deferred tax assets	31	2,084,630		6,408	6,408
Total non-current assets		59,449,185	63,535,388	16,869,654	6,973,523
Total assets		64,685,524	71,208,330	17,013,399	14,095,171

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022
(continued)

(Unit: Baht Thousand)

	Consolidated financial statements			Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	17	750,000	750,000	-	-
Short-term debentures	18	742,934	79,266	-	-
Trade payables		1,463,521	989,232	-	-
Other payables		393,067	852,105	791	54,051
Amounts due to related parties	6	1,421,970	1,305,710	-	-
Current portion of long-term borrowings from financial instututions	19	827,952	941,710	-	-
Current portion of long-term debentures	20	999,757	1,799,895	-	-
Current portion of liabilities under lease agreements	6, 22	6,331,068	5,931,611	-	-
Unearned income		4,750,937	2,425,485	-	-
Accrued expenses		4,137,787	2,462,262	880	953
Derivative liabilities	38	74,154	22,993	-	-
Total current liabilities		21,893,147	17,560,269	1,671	55,004
Non-current liabilities					
Long-term borrowings from financial institutions - net of current portion	19	2,560,339	3,094,192	-	-
Long-term debentures - net of current portion	20	1,417,798	999,257	-	-
Liabilities under lease agreements - net of current portion	6, 22	30,125,390	31,543,568	-	-
Provision for long-term employee benefits	23	732,794	782,439	-	-
Derivative liabilities	38	1,650	68,628	-	-
Deferred tax liabilities	31	-	331,178	-	-
Total non-current liabilities		34,837,971	36,819,262	-	-
Total liabilities		56,731,118	54,379,531	1,671	55,004

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022
(continued)

(Unit: Baht Thousand)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital	24				
Registered					
12,850,000,000 ordinary shares of Baht 0.1 each		1,285,000	1,285,000	1,285,000	1,285,000
Issued and paid up					
12,164,285,713 ordinary shares of Baht 0.1 each					
(2021: 9,878,571,429 ordinary shares of Baht 0.1 each)		1,216,429	987,857	1,216,429	987,857
Premium on ordinary shares	24	14,668,379	10,896,951	14,668,379	10,896,951
Convertible debentures - equity component	21	1,200,000	2,200,000	1,200,000	2,200,000
Retained earnings					
Appropriated - statutory reserve	25	48,500	48,500	48,500	48,500
Unappropriated		(9,178,902)	6,126,335	(121,580)	(93,141)
Other components of shareholders' equity		-	(58,544)	-	-
Equity attributable to owners of the Company		7,954,406	20,201,099	17,011,728	14,040,167
Non-controlling interests of the a subsidiary	9.2	-	(3,372,300)	-	-
Total shareholders' equity		7,954,406	16,828,799	17,011,728	14,040,167
Total liabilities and shareholders' equity		64,685,524	71,208,330	17,013,399	14,095,171

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

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December 2022

(Unit: Baht Thousand, except earning per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenues from sales and services	26	17,553,287	3,828,469	25,000	25,000
Other income	27	737,464	679,753	1,250	710
Total revenues		18,290,751	4,508,222	26,250	25,710
Expenses					
Cost of sales and services		23,533,471	11,223,275	-	-
Selling and distribution expenses		678,426	240,087	-	-
Administrative expenses		1,032,606	995,480	56,828	71,732
Other expenses	29	1,521,857	3,899,978	1	-
Total expenses		26,766,360	16,358,820	56,829	71,732
Loss from operating activities		(8,475,609)	(11,850,598)	(30,579)	(46,022)
Finance income		29,186	50,397	2,160	696
Finance costs	30	(2,219,499)	(1,898,813)	(20)	(87,357)
Loss before income tax revenue		(10,665,922)	(13,699,014)	(28,439)	(132,683)
Income tax revenue	31	2,451,560	1,741,067	-	5,381
Loss for the year		(8,214,362)	(11,957,947)	(28,439)	(127,302)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on cash flow hedges - net of income tax		115,899	262,028	-	-
Net change in cost of cash flow hedges - net of income tax	38	(5,025)	(1,344)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		110,874	260,684	-	-

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

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December 2022
(continued)

(Unit: Baht Thousand, except earning per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	23	125,227	165,747	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		125,227	165,747	-	-
Other comprehensive income for the year		236,101	426,431	-	-
Total comprehensive income for the year		(7,978,261)	(11,531,516)	(28,439)	(127,302)
Loss attributable to:					
Equity holders of the Company		(8,029,997)	(6,647,484)	(28,439)	(127,302)
Non-controlling interests of the subsidiary	9.2	(184,365)	(5,310,463)		
		(8,214,362)	(11,957,947)		
Total comprehensive income attributable to:					
Equity holders of the Company		(7,846,226)	(6,386,946)	(28,439)	(127,302)
Non-controlling interests of the subsidiary		(132,035)	(5,144,570)		
		(7,978,261)	(11,531,516)		
Loss per share					
Basic and diluted loss per share	33				
Loss attributable to equity holders of the Company		(0.6921)	(1.2985)	(0.0025)	(0.0249)
Weighted average number of ordinary shares (Thousand shares)		11,602,838	5,119,513	11,602,838	5,119,513

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

(Unit: Baht Thousand)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
						Other comprehensive income					
				Appropriated	Unappropriated	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 1 January 2021	485,000	2,599,808	-	48,500	11,337,158	(207,860)	3,504	(204,356)	14,266,110	3,094,206	17,360,316
Loss for the year	-	-	-	-	(6,647,484)	-	-	-	(6,647,484)	(5,310,463)	(11,957,947)
Other comprehensive income for the year	-	-	-	-	114,725	146,565	(753)	145,812	260,537	165,893	426,430
Total comprehensive income for the yaer	-	-	-	-	(6,532,759)	146,565	(753)	145,812	(6,386,947)	(5,144,570)	(11,531,517)
Issuance new ordinary shares (Note 24)	502,857	8,297,143	-	-	-	-	-	-	8,800,000	-	8,800,000
Increase convertible debentures (Note 21)	-	-	2,200,000	-	-	-	-	-	2,200,000	-	2,200,000
Decrease in non-controlling interests											
of the subsidiary from changes in interests											
of investment (Note 9)	-	-	-	-	1,321,936	-	-	-	1,321,936	(1,321,936)	-
Balance as at 31 December 2021	987,857	10,896,951	2,200,000	48,500	6,126,335	(61,295)	2,751	(58,544)	20,201,099	(3,372,300)	16,828,799

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022 (continued)

(Unit: Baht Thousand)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Other components of shareholders' equity									
				Retained earnings				Other comprehensive income		Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
						Cash flow hedge reserve	Cost of hedging reserve						
				Appropriated	Unappropriated								
Balance as at 1 January 2022	987,857	10,896,951	2,200,000	48,500	6,126,335	(61,295)	2,751	(58,544)	20,201,099	(3,372,300)	16,828,799		
Loss for the year	-	-	-	-	(8,029,997)	-	-	-	(8,029,997)	(184,365)	(8,214,362)		
Other comprehensive income for the year	-	-	-	-	125,227	61,295	(2,751)	58,544	183,771	52,330	236,101		
Total comprehensive income for the yaer	-	-	-	-	(7,904,770)	61,295	(2,751)	58,544	(7,846,226)	(132,035)	(7,978,261)		
Issuance new ordinary shares (Note 24)	171,429	2,828,571	-	-	-	-	-	-	3,000,000	-	3,000,000		
Converting debentures (Note 21)	57,143	942,857	(1,000,000)	-	-	-	-	-	-	-	-		
Decrease in non-controlling interests													
of the subsidiary from changes in interests													
of investment (Note 9)	-	-	-	-	(7,400,467)	-	-	-	(7,400,467)	3,504,335	(3,896,132)		
Balance as at 31 December 2022	1,216,429	14,668,379	1,200,000	48,500	(9,178,902)	-	-	-	7,954,406	-	7,954,406		

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022 (continued)

(Unit: Baht Thousand)

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2021	485,000	2,599,808	-	48,500	34,161	3,167,469
Loss for the year	-	-	-	-	(127,302)	(127,302)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(127,302)	(127,302)
Issuance new ordinary shares (Note 24)	502,857	8,297,143	-	-	-	8,800,000
Increase convertible debentures (Note 21)	-	-	2,200,000	-	-	2,200,000
Balance as at 31 December 2021	987,857	10,896,951	2,200,000	48,500	(93,141)	14,040,167
Balance as at 1 January 2022	987,857	10,896,951	2,200,000	48,500	(93,141)	14,040,167
Loss for the year	-	-	-	-	(28,439)	(28,439)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(28,439)	(28,439)
Issuance new ordinary shares (Note 24)	171,429	2,828,571	-	-	-	3,000,000
Convertible debentures (Note 21)	57,143	942,857	(1,000,000)	-	-	-
Balance as at 31 December 2022	1,216,429	14,668,379	1,200,000	48,500	(121,580)	17,011,728

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

CASH FLOW STATEMENT

For the year ended 31 December 2022

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss before tax	(10,665,922)	(13,699,014)	(28,439)	(132,683)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Allowance for expected credit losses and bad debts	21,901	179,831	-	-
Write-off tax asset	8,584	6,938	-	-
Depreciation and amortisation	6,114,053	5,434,314	-	-
Loss on sales of aircraft and equipment and write-off of leasehold improvements and intangible assets	46,580	43,459	-	-
Long-term employee benefits expenses	117,031	158,032	-	-
Difference from lease termination	(422,907)	-	-	-
(Gain) loss on derivatives	98,046	(391,178)	-	-
Unrealised loss on exchange	1,447,963	4,145,121	-	-
Finance income	(29,186)	(50,397)	(2,160)	(696)
Finance costs	2,219,499	1,894,879	20	87,357
Loss from operating activities before changes in operating assets and liabilities	(1,044,358)	(2,278,015)	(30,579)	(46,022)
Operating assets (increase) decrease				
Trade and other receivables	(310,820)	(288,824)	(1,231)	(3,144)
Amounts due from related parties	(1,417,478)	(440,226)	(26,531)	(19,613)
Inventories	(170,988)	9,968	-	-
Prepaid expenses	(356,130)	192,444	(106)	(166)
Other current assets	42,235	(202,648)	-	-
Other non-current financial assets	-	(51,895)	-	-

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

CASH FLOW STATEMENT

For the year ended 31 December 2022
(continued)

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Operating liabilities increase (decrease)				
Trade payables	602,144	(64,381)	-	-
Other payables	(465,425)	473,155	(53,260)	53,484
Amounts due to related parties	(327,580)	(2,115,315)	-	-
Unearned income	2,351,771	55,726	-	-
Accrued expenses	1,672,751	381,164	(73)	(73)
Payment for long-term employee benefits	(10,142)	(17,738)	-	-
Cash flows from (used in) operating activities	565,980	(4,346,585)	(111,780)	(15,634)
Cash paid for income tax	(1,958)	(2,740)	(25)	(1,865)
Income tax refund	-	2,303	-	2,303
Net cash flows from (used in) operating activities	564,022	(4,347,022)	(111,805)	(15,196)
Cash flows from investing activities				
Net (increase) decrease in short-term loan to subsidiary	-	-	2,361,000	(2,450,000)
Cash paid for a subsidiary	-	-	(9,896,132)	(3,900,000)
Payment for aircraft maintenance reserves	(296,557)	(370,839)	-	-
Payments for leasehold improvements and acquisitions of equipment	(596,442)	(99,601)	-	-
Interest received	30,604	50,397	-	317
Proceeds from disposals of aircraft and equipment	4,292,209	1,703,708	-	-
Cash paid for right-of-use assets	(123,397)	-	-	-
Caht paid to non-controlling interest of subsidiary				
rom investments in subsidiary	(3,896,132)	-	-	-
Net cash flows from (used in) investing activities	(589,715)	1,283,665	(7,532,972)	(6,349,683)
Cash flows from financing activities				
Net decrease in short-term borrowings from financial institutions	-	(32,900)	-	-

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

CASH FLOW STATEMENT

For the year ended 31 December 2022
(continued)

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net increase in short-term debentures	663,668	80,000	-	-
Proceeds from long-term borrowing from financial institution	30,000	-	-	-
Repayments of long-term borrowings from financial institutions	(677,765)	(74,038)	-	-
Net proceed from long-term debenture	1,413,164	-	-	-
Repayment of long-term debenture	(1,800,000)	(300,000)	-	-
Proceeds from convertible debentures		2,200,000	-	2,200,000
Cash paid for liabilities under lease agreements	(5,023,702)	(1,875,576)	-	-
Payments for early termination of lease agreements	(1,739,928)	(923,564)	-	-
Interest paid	(396,144)	(560,291)	(20)	(87,357)
Cash received for share subscription	3,000,000	8,800,000	3,000,000	8,800,000
Net cash flows from (used in) financing activities	(4,530,707)	7,313,631	2,999,980	10,912,643
Net increase (decrease) in cash and cash equivalents	(4,556,400)	4,250,274	(4,644,797)	4,547,764
Cash and cash equivalents at beginning of the year	5,359,583	1,110,369	4,646,039	-
Unrealised exchange gain (loss) on cash and cash equivalents	(5,383)	(1,060)	-	-
Cash and cash equivalents at end of the year (Note 7)	797,800	5,359,583	1,242	4,646,039
Non-cash items:				
Conversion of convertible debentures to ordinary shares	250,000	-	250,000	-
Increase in other payables from acquisitions of equipment	(64,356)	82,141	-	-
Increase in other payables from aircraft maintenance reserves	71,534	-	-	-
Increase in accrued expense from front end fee	9,914	-	-	-
Borrowing costs capitalised as assets	-	12,294	-	-
Transfer property, aircraft, leasehold improvedment and equipment to investment properties	-	548,227	-	-
Transfer of investment properties to property, leasehold improvements and equipment	18,718	-	-	-

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

CASH FLOW STATEMENT

For the year ended 31 December 2022
(continued)

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Transfer right-of-use assets to property, aircraft, leasehold improvements and equipment	3,212,137	1,714,858	-	-
Decrease in right-of-use assets from early terminate	423,207	-	-	-
Increase in right-of-use assets and liabilities under lease from new lease agreements	2,972,216	1,211,858	-	-
Increase in right-of-use assets and liabilities under lease agreement from lease measurement	682,628	3,728,108	-	-
Increase in right-of-use assets from new lease agreements	115,049	-	-	-
Transfer of deposits for lease of aircraft to right-of-use assets from new lease measurements	19,431	5,670	-	-
Transfer of deposits for lease of aircraft to right-of-use assets from lease remeasurements	15,117	125,128	-	-
Decrease in lease liabilities from early terminate	822,913	-	-	-
Extension borrowing period of short-term to long-term	-	250,000	-	-
Decrease in liabilities under lease agreements from reduction in lease payments by lessors resulting from the COVID-19 situation	-	20,599	-	-
Decrease in lease liabilities from offsetting with amounts due to related parties	423,398	366,821	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. General information

1.1 The Company's general information

Asia Aviation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investing in low-fare airline business company. Its registered address is at 222, Don Mueang International Airport, 3rd floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

During the year, the Company and its subsidiaries (“the Group”) have the Group's shareholding restructuring plan as detailed below:

The Company increases its registered share capital and offers newly issued shares to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), at the offering price of Baht 1.75 per share, in total of 1,714,285,714 shares. The total value is Baht 3,000 million. The share capital increase of the Company was registered with the Ministry of Commerce on 19 January 2022.

On 20 January 2022, the Company purchased the remaining 30.77 percent of the shares of the Company from other shareholders in total of 19,600,000 shares with the total value of USD 116.77 million or Baht 3,896 million

1.2 Coronavirus 2019 (COVID-19) Pandemic

The COVID-19 pandemic has resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Group's aviation business. Despite the improvements in the COVID-19 pandemic situation, the number of flights has yet to reach close to pre-pandemic levels. This situation has significantly affected the Group's financial position, operating results, and cash flows. Therefore, as at 31 December 2022, the Group's consolidated total current liabilities exceeded its consolidated total current assets by significant amount.

Currently, the management is the process of implementing various measures to modify business plans, reduce

costs and postpone repayments to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of business plans depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern.

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, issue under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Group. 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 Asia Aviation Public Company Limited (“the Company”) and the following subsidiary (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (%)	2021 (%)
<u>Direct investment</u>				
Thai AirAsia Co., Ltd.	Low-fare airline service	Thailand	100.00	69.22
<u>Subsidiary held by Thai AirAsia Co., Ltd.</u>				
Asia Aviation Center Co., Ltd.	Providing academy institution of learning and competency development for aviation tourism and hospitality industries	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 affect the amount of its returns.
- c) Subsidiaries is 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 investment in subsidiary 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 financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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 believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Passenger service revenues and other related services

Passenger service revenues and other related services such as baggage handling fee, assigned seat revenue, cancellation and documentation revenue, processing fee and other fees are recognised upon the rendering of flight services. The value of seats sold and fees for which flight services have not been rendered is included in deferred revenues.

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 on 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 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.

4.2 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.

4.3 Inventories

Inventories comprising food, beverages and merchandise are valued at the lower of cost (under the weighted average method) and net realisable value.

Consumables used internally for aircraft repairs and maintenance are valued at the lower of cost (under the weighted average method) and net realisable value.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowance is made, as appropriate, for obsolete, slow moving or defective inventories.

4.4 Property, building, aircraft, leasehold improvement and equipment and depreciation

Land is stated at cost less allowance for loss on impairment (if any).

Building, aircraft, leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Initial cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

The subsidiary will transfer aircraft maintenance reserves to cost of aircraft and aircraft engines once the major overhaul occurred, and amortised as expenses over the useful life on the straight line basis. In case that next major repair and maintenance occurs before the previously capitalised amount is fully amortised, the remaining balance of previous repair and maintenance will be charged to profit or loss in the financial period which next major repair and maintenance incurred.

Depreciation of aircraft, building, leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated

useful lives:

Building	- 29 years
Aircraft and aircraft engines	- 5 - 25 years
Aircraft spare parts	- 5 and 10 years
Leasehold improvements	- 5 and 10 years
Computers	- 5 years
Furniture, fixture and office equipment	- 5 years
Operating equipment	- 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, building, aircraft, leasehold improvements 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.

4.5 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.

4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset 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.

The intangible assets with finite useful lives, which are computer software, have useful lives of 5 years.

No amortisation is provided on computer software under installation.

Intangible assets with indefinite useful live, which are landing rights, are not amortised. Landing rights are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided that minimum utilisation requirements are observed. The assessment of indefinite useful lives of the intangible assets is reviewed and impairment is tested annually.

4.7 Investment properties

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

Depreciation of buildings classified as investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 29 years, and included in determining income. No depreciation is provided on land and buildings under construction.

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.

4.8 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 Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company 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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4.9 Related party transactions

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

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

4.10 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 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.

Aircraft and aircraft engines	4 - 25 years
Space	3 and 10 years
Motor vehicles	3 - 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.

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.

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.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, aircraft, leasehold improvement and equipment, right-of-use assets and 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 and intangible assets with indefinite useful lives. 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.

4.13 Short-term 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 and other long-term employee 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 and other long-term employee benefits

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. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

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.

4.14 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.

4.15 Income tax

Income tax 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 it recognises 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.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

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 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 are derivatives, which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

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.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group.

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 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

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 ECLs are calculated 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.

4.17 Derivatives and hedge accounting

Derivative financial instruments that the Group uses to manage risks on fluctuation of exchange rate and interest rate comprise, forward foreign exchange

contracts, interest rate swap agreements and cross currency swap agreements and to manage fluctuation in fuel price comprise fuel price swap agreements.

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. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a

reclassification adjustment in the same period which the hedged cash flows affect 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.

The Group designates only the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to profit or loss on systematic and rational basis. The reclassified

amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

4.18 Convertible debentures

Convertible debenture denominated in Thai Baht that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The equity component of convertible debenture is initially recognised at the fair value of an equity conversion option. The liability component is initially recognised at the difference between the fair value of the convertible debenture as a whole and the fair value of the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible debenture is measured at amortised cost using the effective interest method. The equity component of a convertible debenture is not remeasured.

Interest related to the financial liabilities is recognised in profit and loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

4.19 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 their 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 are 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 categorise 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.

5. 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:

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.

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 a non-financial asset, 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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

Post-employment benefits under defined benefits and other long-term employee benefits

The obligations under the defined post employment benefit plan and other long-term employee 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.

(Unit: Baht Million)

6. Related party transactions

As at 31 December 2022 and 2021, significant related persons and companies of the Group are summarised as below.

- AirAsia Aviation Group Limited (formerly known as “AirAsia Aviation Limited”, the subsidiary of Capital A Berhad) the 43.00% (2021: 45.12%) held shareholder in the Company
- Khun Tassapon Bijleveld (and the Bijleveld family), the major shareholder of the Company, director, and management of the Group
- Directors and senior management of the Group

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 Group and those related parties.

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the years ended 31 December				
	2022	2021	2022	2021	
Transactions with a subsidiary					
(eliminated from the consolidated financial statements)					
Management income	-	-	25	25	Contract price
Transactions with related companies					
Aircraft and aircraft engines rental expenses	1,578	589	-	-	Contract price
Aircraft repair and maintenance expenses	1,094	372	-	-	Market price
Service fee expenses	564	136	-	-	Contract price
Allocated staff cost and other service expenses	359	397	-	-	Contract price
Management expenses	100	77	-	-	Contract price
Booking fee expenses	73	-	-	-	Contract price
Revenues from freight and cargo	68	109	-	-	Contract price
Engineering service income	42	30	-	-	Contract price
Commission from loyalty program to customers	35	10	-	-	Contract price
Expenses for loyalty program to customers	35	10	-	-	Contract price
Other administrative income	16	10	-	-	Contract price
Ground handling service expenses	-	73	-	-	Contract price
Share of loss from fuel price swap agreements	-	55	-	-	Allocated based on usage

As at 31 December 2022 and 2021, the outstanding balances between the Group and those related parties are as follows.

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Amounts due from related parties				
Subsidiary	-	-	46,823	20,442
Related companies (common shareholders and/or directors)	2,838,522	1,375,152	150	-
Less: Allowance for expected credit losses	(298,629)	(280,566)	-	-
Total amounts due from related parties - net	2,539,893	1,094,586	46,973	20,442
Other current financial assets				
<i>Deposits for lease of aircraft</i>				
Related company (common shareholders and directors)	80,661	103,730	-	-
Total	80,661	103,730	-	-
Other non-current financial assets (Note 16)				
<i>Deposits for lease of aircraft</i>				
Related company (common shareholders and directors)	114,774	145,308	-	-
<i>Deposits for fuel price swap agreements</i>				
Related company (common shareholders and directors)	17,196	16,624	-	-
<i>Other deposits</i>				
Related company (common directors)	20,000	20,000	-	-
Total	151,970	181,932	-	-
Aircraft maintenance reserves (Note 10)				
Related company (common shareholders and directors)	2,687,676	4,958,624	-	-
Total	2,687,676	4,958,624	-	-

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Amounts due to related parties				
Related companies (common shareholders and/or directors)	1,421,970	1,305,710	-	-
Total	1,421,970	1,305,710	-	-
Lease liabilities (Note 22)				
Related company (common shareholders and directors)	2,353,874	2,898,662	-	-
Total	2,353,874	2,898,662	-	-

Short-term borrowings to subsidiary

(Unit: Baht Thousand)

	Separate financial statements			
	Balance as at 1 January 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Loan to subsidiary				
Thai AirAsia Co., Ltd.	2,450,000	978,000	(3,339,000)	89,000
Total	2,450,000	978,000	(3,339,000)	89,000

Short-term borrowings to subsidiary are unsecured loans with fixed interest rate at 0.25 percent per annum, and payable at call or when the borrower has sufficient cash flow.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	100,813	65,979	11,480	4,493
Post-employment benefits	3,828	5,768	-	-
Other long-term benefits	15	15	-	-
Total	104,656	71,762	71,762	4,493

7. Cash and cash equivalents

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	15,920	6,547	-	-
Bank deposits	372,230	5,293,036	1,242	4,646,039
Bank deposit held for short-term payment	409,650	60,000	-	-
Total	797,800	5,359,583	1,242	4,646,039

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.04 and 0.35 percent per annum (2021: Between 0.10 and 0.25 percent per annum).

Bank deposit held for short-term payment represents a portion of the savings deposit that the subsidiary has set aside for the payment of fuel costs to a local private company.

8. Trade and other receivables

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade receivables</u>				
Aged on the basis of due dates				
Not yet due	211,526	72,784	-	-
Past due				
Up to 3 months	23,989	26,824	-	-
3 - 6 months	21,575	1,436	-	-
6 - 12 months	10,787	3,698	-	-
Over 12 months	45,946	45,620	-	-
Total	313,823	150,362	-	-
Less: Allowance for expected credit losses	(51,839)	(47,652)	-	-
Total trade receivables - net	261,984	102,710	-	-
<u>Other receivables</u>				
Aircraft maintenance claimable	415,374	132,684	-	-
Value added tax refundable	154,899	360,462	4,054	3,062
Others	65,638	10,796	721	482
Total	635,911	503,942	4,775	3,544
Less: Allowance for expected credit losses	(44,203)	(43,369)	-	-
Total other receivables - net	591,708	460,573	4,775	3,544
Total trade and other receivables - net	853,692	563,283	4,775	3,544

9. Investment in subsidiaries

9.1 As at 31 December 2022 and 2021, investment in subsidiaries as presented in separate financial statements as follows.

(Unit: Baht Thousand)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
Thai AirAsia Co., Ltd.	946,183	636,713	99.99	69.00	16,863,246	6,967,115
<u>Subsidiary held by Thai AirAsia Co., Ltd.</u>						
Asia Aviation Center Co., Ltd.	2,500	2,500	99.99	99.99	2,500	2,500

The Company has no dividend received from the subsidiary in 2022 and 2021.

On 14 February 2012, the Company entered into an “Amended and Restated Shareholders’ Agreement” with three parties which are AirAsia Aviation Group Limited (formerly known as “AirAsia Aviation Limited”) (a subsidiary of Capital A Berhad), Capital A Berhad (formerly known as AirAsia Berhad) and Thai AirAsia Co., Ltd. pursuant which the parties set out their respective rights and obligations with respect to Thai AirAsia Co., Ltd. According to the “Amended and Restate Shareholders’ Agreement”, the Company has gained control over

Thai AirAsia Co., Ltd. The “Amended and Restate Shareholders’ Agreement” will be effective from the date that the Securities and Exchange Commission issues a letter to the Company notifying that it has commence counting the period of effectiveness of the draft prospectus filed by the Company in relation to an initial public offering, which is 4 May 2012. Therefore, Thai AirAsia Co., Ltd. has been considered as a subsidiary instead of a joint venture from that date onward and from the restructuring of the Group’s shareholding restructuring plan as mentioned in Note 1.1, resulting in the agreement “Contract Amendment” is terminated.

On 29 May 2012, the Company subscribed for an additional 3,555,560 shares of Thai AirAsia Co., Ltd, totaling Baht 2,663 million, at a price of Baht 749 each. Therefore, the Company’s shareholding interest in Thai AirAsia Co., Ltd. was increased from 51% to 55% from that date.

On 8 December 2021, the Company subscribed for an additional 20,115,789 shares of Thai AirAsia Co., Ltd., totaling Baht 3,900 million, at a price of Baht 193.88 each. Therefore, the Company’s shareholding interest in Thai AirAsia Co., Ltd. was increased from 55% to 69% from that date.

On 20 January 2022, the Company subscribed for an additional 19,600,000 shares of Thai AirAsia Company Limited from other shareholders in total value of USD 116.77 million or Baht 3,896 million and Thai AirAsia Co., Ltd. has a 99.99% shareholding of that Company.

On 27 January 2021, Asia Aviation Center Co., Ltd. was registered with the Ministry of Commerce to be the academy institution of learning and competency development for aviation tourism and hospitality industries. The registered capital is Baht 10 million (1 million ordinary shares of Baht 10 each) and Thai AirAsia Co., Ltd. has a 99.99% shareholding of that company.

9.2 Details of investment in subsidiary that have material non-controlling interests for the year ended 31 December 2022 and 2021 as follow:

Company’s name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests in subsidiary		Loss allocated to non-controlling interests during the years	
	2022 (%)	2021 (%)	2022 (Baht Thousand)	2021 (Baht Thousand)	2022 (Baht Thousand)	2021 (Baht Thousand)
Thai AirAsia Co., Ltd.	-	31	-	(3,372,300)	(184,365)	(5,310,463)

9.3 Summarised financial information that based on amounts before inter-company elimination about the subsidiary that has material non-controlling.

Summarised information about financial position

(Unit: Baht Thousand)

	Thai AirAsia Co., Ltd.	
	As at 31 December	
	2022	2021
Current assets	5,225,917	3,019,235
Non-current assets	38,734,484	42,489,509
Current liabilities	(22,027,299)	(19,975,707)
Non-current liabilities	(34,837,971)	(36,488,084)

Summarised information about comprehensive income

(Unit: Baht Thousand)

	Thai AirAsia Co., Ltd.	
	For the years ended 31 December	
	2022	2021
Revenue	18,289,501	4,507,512
Loss	(8,185,923)	(11,785,713)
Other comprehensive income	236,101	426,430
Total comprehensive income	(7,949,822)	(11,359,283)

Summarised information about cash flows

(Unit: Baht Thousand)

Thai AirAsia Co., Ltd.		
For the years ended 31 December		
	2022	2021
Cash flows from (used in) operating activities	675,827	(4,327,892)
Cash flows from investing activities	3,304,257	1,280,848
Cash flows from (used in) financing activities	(3,891,687)	2,747,054
Net increase (decrease) in cash and cash equivalents	88,397	(299,990)
Cash and cash equivalents at beginning of the year	711,044	1,012,094
Unrealised exchange loss on cash and cash equivalents	(5,383)	(1,060)
Cash and cash equivalents at end of the year	794,058	711,044

9.4 Financial statements of subsidiary

Financial statements of Asia Aviation Center Co., Ltd. were prepared by its managements and had not yet been audited by its auditor. However, the management believes that there would be no material differences if the financial statements has been audited by the auditor.

10. Aircraft maintenance reserves

The subsidiary had entered into an Aircraft maintenance services agreement with related companies, and other aircraft lessors. Under this agreement, the subsidiary will make prepayments for the aircraft maintenance reserves based on the number of aircraft, number of engines and number of hours flown. These aircraft maintenance reserves are managed by the subsidiary for future maintenance/overhaul deemed necessary to be performed once the aircraft reached certain engine hours/hours flown. Aircraft maintenance reserves will be transferred to aircraft upon actual overhaul occur or amortised over the estimated maintenance period for the leased asset.

Movements of the aircraft maintenance reserves account during the years 2022 and 2021 are summarised below.

(Unit: Baht Thousand)

Consolidated financial statements		
	2022	2021
Net book value as at 1 January	4,958,624	5,856,110
Payment for aircraft maintenance reserves	368,091	370,839
Amortisation	(2,270,947)	(1,268,325)
Net book value as at 31 December	3,055,768	4,958,624

11. Property, building, aircraft, leasehold improvements and equipment

(Unit: Baht Thousand)

	Consolidated financial statements										
	Land	Building	Aircraft and aircraft engines	Aircraft spare parts	Leasehold improvements	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Assets under construction and installation	Total
Cost											
As at 1 January 2021	650,760	-	6,062,611	1,426,816	433,850	181,622	89,094	355,312	224,553	749,403	10,174,021
Additions	-	-	1,716,279	8,625	2,233	594	335	651	826	167,021	1,896,564
Disposals/write-off	-	-	(1,807,898)	(118,033)	(11,281)	(3,261)	(2,717)	(44,775)	(35,349)	-	(2,023,314)
Borrowing costs included in asset	-	-	-	-	-	-	-	-	-	12,294	12,294
Transfers	(223,523)	603,311	-	-	-	-	-	-	-	(928,015)	(548,227)
As at 31 December 2021	427,237	603,311	5,970,992	1,317,408	424,802	178,955	86,712	311,188	190,030	703	9,511,338
Additions	-	2,565	16,161	443,457	6,629	9,834	845	26,943	-	25,382	531,816
Disposals/write-off	-	(4,887)	(1,424,825)	(411,462)	(9,484)	(6,607)	(30)	(8,911)	-	(147)	(1,866,353)
Transfers	-	(12,815)	-	-	557	-	43	31,532	-	(599)	18,718
As at 31 December 2022	427,237	588,174	4,562,328	1,349,403	422,504	182,182	87,570	360,752	190,030	25,339	8,195,519

(Unit: Baht Thousand)

Consolidated financial statements

	Land	Building	Aircraft and aircraft engines	Aircraft spare parts	Leasehold improvements	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated Depreciation											
As at 1 January 2021	-	-	2,174,256	839,396	252,003	125,535	76,108	322,102	154,197	-	3,943,597
Depreciation for the year	-	4,007	268,662	105,992	36,673	17,301	5,747	13,966	24,162	-	476,510
Depreciation on disposals/write-off	-	-	(34,212)	(56,265)	(11,261)	(3,261)	(2,693)	(42,771)	(35,797)	-	(186,260)
As at 31 December 2021	-	4,007	2,408,706	889,123	277,415	139,575	79,162	293,297	142,562	-	4,233,847
Depreciation for the year	-	26,828	183,538	96,216	34,014	12,860	4,633	21,318	21,883	-	401,290
Depreciation on disposals/write-off	-	-	(610,748)	(9)	(135)	(5,433)	(30)	(8,297)	-	-	(624,652)
As at 31 December 2022	-	30,835	1,981,496	985,330	311,294	147,002	83,765	306,318	164,445	-	4,010,485
Net book value											
As at 31 December 2021	427,237	599,304	3,562,286	428,285	147,387	39,380	7,550	17,891	47,468	703	5,277,491
As at 31 December 2022	427,237	557,339	2,580,832	364,073	111,210	35,180	3,805	54,434	25,585	25,339	4,185,034
Depreciation for the year											
2021 (Baht 392 million included in cost of sales and services, and the remaining balance in selling and distribution and administrative expenses)											476,510
2022 (Baht 327 million included in cost of sales and services, and the remaining balance in selling and distribution and administrative expenses)											401,290

During the year, the subsidiary transferred rights in 5 aircraft (2021: selling and lease back 2 aircraft) by repaying liabilities and fees to early terminate lease agreements in order to use those 4 aircraft and another 1 owned aircraft to enter into the aircraft sale and leaseback transactions with two private foreign

companies. The transactions comprised selling and lease to use in the normal business operation. The subsidiary recognised loss on disposals of those aircraft amounting to Baht 41 million as presented as a part of other expenses as discussed in Note 29 (2021: loss of Baht 43 million).

As at 31 December 2022, certain items of leasehold improvements and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,867 million (2021: Baht 2,221 million).

As at 31 December 2022, the subsidiary has mortgaged its land and building constructed thereon and 3 aircraft (2021: land and buildings constructed thereon and 4 aircraft) with net book value amounting to approximately Baht 3,553 million (2021: Baht 4,149 million) as collateral against credit facilities received from financial institutions as discussed in Note 19.

12. Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Baht Thousand)

	Consolidated financial statements			
	Aircrafts and aircraft engines	Space	Motor vehicles	Total
As at 1 January 2021	28,252,210	138,217	136,918	28,527,345
Increase from new lease agreements during the year	1,217,528	-	42,028	1,259,556
Increase from lease remeasurement	3,853,236	-	-	3,853,236
Decrease from early termination of lease agreements	(1,714,858)	-	-	(1,714,858)
Reduction in lease payment by lessors resulting from the COVID-19 situation	-	(20,599)	-	(20,599)
Depreciation for the year	(3,532,453)	(41,697)	(46,052)	(3,620,202)
As at 31 December 2021	28,075,663	75,921	132,894	28,284,478
Increase from new lease agreements during the year	3,047,699	58,998	-	3,106,697
Increase from lease remeasurement	697,745	-	-	697,745
Decrease from early termination of lease agreements	(3,635,344)	-	-	(3,635,344)
Depreciation for the year	(3,338,406)	(38,965)	(50,303)	(3,427,674)
As at 31 December 2022	24,847,357	95,954	82,591	25,025,902

13. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Baht Thousand)

	Consolidated financial statements			Separate financial statements
	Landing rights	Computer software	Total	Computer software
As at 31 December 2022				
Cost	14,856,000	81,072	14,937,072	6
Less: Accumulated amortisation	-	(77,605)	(77,605)	(6)
Net book value	14,856,000	3,467	14,859,467	-
As at 31 December 2021				
Cost	14,856,000	81,072	14,937,072	6
Less: Accumulated amortisation	-	(74,386)	(74,386)	(6)
Net book value	14,856,000	6,686	14,862,686	-

Reconciliations of the net book values of intangible assets for the years 2022 and 2021 are presented below.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Net book value as at 1 January	14,862,686	14,871,200
Amortisation	(3,219)	(8,514)
Net book value as at 31 December	14,859,467	14,862,686

Landing rights are tested for impairment together with goodwill due to they are in the same cash-generating unit (CGU).

14. Investment properties

Reconciliations of the net book values of investment properties for the years 2022 and 2021 are presented below.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Net book value as at 1 January	543,632	-
Cost of asset decoration	270	-
Transfer from (to) property, building, aircraft, leasehold improvements - net book value as at transfer date	(18,718)	548,227
Depreciation	(10,923)	(4,595)
Net book value as at 31 December	514,261	543,632

The fair value of investment properties as at 31 December 2022 amounted to Baht 586 million (2021: Baht 543 million). The fair value has been determined based on valuation performed by an accredited independent valuer. The market prices of the land and building held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2022, the subsidiary has mortgaged its land and buildings constructed thereon with net book value amounting to approximately Baht 514 million (2021: Baht 543 million) as collateral against credit facilities received from financial institutions as described in Note 19.

The Group as a lessor

The subsidiary entered into a lease agreement for investment properties consisting of building's spaces with a term of 14 years.

Future minimum lease payments required under non-cancellable lease agreements as at 31 December 2022 and 2021 are as follows.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
In up to 1 year	13,035	13,035
In over 1 year and up to 5 years	56,963	69,847
In over 5 years	151,346	118,772
Total	221,344	201,654

15. Goodwill

Since 4 May 2012, the Company had gained controls over Thai AirAsia Company Limited according to an "Amended and Restated Shareholders' Agreement. Then the Company had determined the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited and compared it to the fair value of 51 % shareholding previously held before acquisition date in Thai AirAsia Company Limited. The excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition is recognised as goodwill in the consolidated statement of financial position.

Goodwill and landing rights are allocated to the cash-generating unit (CGU) identified according to business segment as follows.

(Unit: Baht Thousand)

	Consolidated financial statements	
	Scheduled flight operations	
	2022	2021
Goodwill	8,824,826	8,824,826
Landing rights	14,856,000	14,856,000
	23,680,826	23,680,826

The Company has determined the recoverable amounts of its cash-generating unit based on fair value less costs to sell using market approach to measure fair value. The fair value hierarchy level was classified as a level 1. As at 30 December 2022, the Company's price per book value ratio (P/BV) was 4.68 times (2021: 3.11 times).

The management has considered that goodwill and landing rights are not impaired.

16. Other non-current financial assets

(Unit: Baht Thousand)

Consolidated financial statements		
	2022	2021
Aircraft and aircraft engine rental deposits - unrelated parties	523,173	429,912
Aircraft and aircraft engine rental deposits - related party	114,774	145,308
Rental deposits	78,888	74,122
Airport operation deposits	34,600	34,600
Fuel price swap deposits - related party	17,196	16,624
Fuel deposits	25,237	12,798
Other deposits	104,846	70,287
Total other non-current financial assets	898,714	783,651

17. Short-term borrowings from financial institutions

As at 31 December 2022, short-term borrowings from financial institutions were in the form of promissory notes and carried fixed interest at between rates 3.15 and 3.40 percent per annum (2021: fixed interest at rates between 2.50 and 2.95 percent per annum).

18. Short-term debentures

During the year 2021, the subsidiary issued short-term unsubordinated and unsecured debentures, issued total of 80,000 units at a price of Baht 1,000 each which carry interest at a rate of 6.75 percent per annum, the subsidiary fully paid for the principal amount of the short-term debenture on 7 April 2022.

During the year 2022, the subsidiary issued short-term unsubordinated and unsecured debentures, total of 750,000 units at a price of Baht 1,000 each which carry interest at a rate of 6.00 percent per annum. There was no credit rating of these debentures.

19. Long-term borrowings from financial institutions

(Unit: Baht Thousand)

Consolidated financial statements		
	2022	2021
Current portion of long-term borrowings from financial institutions	828,106	941,864
Less: Front end fee	(154)	(154)
Net current portion of long-term borrowings	827,952	941,710
Long-term borrowings from financial institutions - net of current portion	2,561,095	3,095,102
Less: Front end fee	(756)	(910)
Long-term borrowings - net of current portion	2,560,339	3,094,192
Total long-term borrowings from financial institutions	3,388,291	4,035,902

As at 31 December 2022 and 2021, the long-term borrowings are secured by the mortgages of the subsidiary's land and building constructed thereon and the pledges of the subsidiary's aircraft as described in Note 11 and Note 14.

Movements of long-term borrowings from financial institutions account during the years 2022 and 2021 are summarised below.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Balance as at 1 January	4,035,902	3,859,785
Borrowing during the year	30,000	-
Increase from extension of loan repayment period	-	250,000
Amortisation of front end fee	154	154
Repayment of borrowings	(677,765)	(74,037)
Balance as at 31 December	3,388,291	4,035,902

On 23 March 2021, the subsidiary entered into an annotation to a short-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred principal amounts is to begin from July 2022, with the final payment to be made within July 2025. The loan agreement contains covenants which, among other things, require the subsidiary to maintain a Debt-Service Coverage Ratio (DSCR) more than the rate prescribed in the agreement, the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and payment for outstanding debt in the last installment of the contract at the rate of at least 20% of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). A bank reviews this ratio on the annual financial statements.

On 24 May 2021, the subsidiary entered into long-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred principal amounts is to begin from December 2021, with the final payment to be made within February 2026. The loan agreement contains covenants which, among other things, require the subsidiary to maintain Net Interest-Bearing Debt-to-Equity Ratio not greater than the rate prescribed in the agreement. A bank reviews this ratio on a semi-annual and an annual basis.

On 22 June 2021, the subsidiary entered into long-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred

principal amounts is to begin from January 2022, with the final payment to be made within October 2028.

On 27 July 2021, the subsidiary entered into long-term borrowing agreement to defer payment of interest until September 2021. Repayment of the deferred interest amount is to pay with the final payment of principal within February 2026.

On 20 October 2021, the subsidiary entered into a long-term loan agreement, whereby the subsidiary is to defer payments of certain amounts of principal and interest. Repayment of the deferred principal amounts is to begin from March 2022, with the final payment of principal and deferred interest to be made within May 2023.

On 31 January 2022, the subsidiary entered into an annotation to a long-term borrowing agreement to defer payment of some principal. Repayment of the deferred principal amounts is to begin from July 2022, with the final payment to be made within July 2025.

On 25 July 2022, the subsidiary entered into amendments of agreements as follows.

a) An amendment to a long-term borrowing agreement to defer repayment of principal. The repayment of the deferred principal is to begin from January 2023, with the final repayment to be made within February 2026.

b) An amendment to a promissory note agreement to lower interest rate, whereby the subsidiary was required to pay on a monthly basis and to fulfil the conditions stated in the agreement. If the subsidiary fails to comply with the conditions, the subsidiary need to pay interest at the original rate.

On 23 November 2022, the subsidiary entered into an amendment of a long-term borrowing agreement to defer repayment of principal. The repayment of the deferred principal is to begin from April 2023, with the final repayment to be made within October 2028.

As of 31 December 2022, the subsidiary had long-term borrowings from several local financial institutions with terms between 2 years and 8 years (2021: 2 years and 8 years). Principal repayments are scheduled in monthly installments and interest is charged at both fixed and floating rates of between 2.75 percent and 6.15 percent per annum (2021: 2.50 percent and 6.15 percent per annum).

The borrowing agreement contains certain financial covenants relating to matters such as the maintenance of certain net interest bearing debt to equity ratios. As at 31 December 2022, the subsidiary was unable to comply with some of the covenants under the agreements for loans from a bank. However, the subsidiary has already obtained waiver of the covenants from a bank before 31 December 2022, hence, there is no reclassification of the outstanding balances of such long-term loans as at 31 December 2022.

20. Long-term debentures

As at 31 December 2022 and 2021, the outstanding balance of long-term debentures are summarised below.

Consolidated financial statements										
No.	Series	Maturity date	No. of units (Million units)	Par value (Baht)	Interest rate		Term of interest payment		Book value	
					2022 (% p.a.)	2021 (% p.a.)	2022	2021	2022 (Baht Thousand)	2021 (Baht Thousand)
1/2017	2	Entirely redeemed on 19 May 2022 (5 years)	0.6	1,000	3.28	3.28	Semi-annual	Semi-annual	-	600,000
1/2018	1	Extended the maturity Date to be redeemed by 26 April 2022	1.5	800	6.75	6.75	Semi-annual	Semi-annual	-	1,200,000
1/2018	2	Entirely redeemed on 26 June 2023 (5 years)	1.0	1,000	2.95	2.95	Semi-annual	Semi-annual	1,000,000	1,000,000
1/2022	1	Entirely redeemed on 30 June 2024 (2 years)	1.4	1,000	6.80	-	Quarter	-	1,431,500	-
Total									2,431,500	2,800,000
Less: Deferred debenture issuing costs									(13,945)	(848)
Debenture - net									2,417,555	2,799,152

(Unit: Baht Thousand)

Consolidated financial statements		
	2022	2021
Current portion of long-term debentures	1,000,000	1,800,000
Less: Front end fee	(243)	(105)
Total current portion of long-term debentures - net	999,757	1,799,895
Long-term debentures - net of current portion	1,431,500	1,000,000
Less: Front end fee	(13,702)	(743)
Total non-current portion of long-term debentures - net	1,417,798	999,257
Total long-term debentures	2,417,555	2,799,152

Long-term debentures are unsubordinated and unsecured in Baht currency with fixed interest rates. Their fair value as at 31 December 2022 amounted to Baht 2,399 million (2021: Baht 1,470 million, the extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Marker Association).

Movements of long-term debentures account during the years 2022 and 2021 are summarised below.

(Unit: Baht Thousand)

Consolidated financial statements		
	2022	2021
Balance as at 1 January	2,799,152	3,098,135
Issuance during the period	1,431,500	-
Repayment of long-term debentures	(1,800,000)	(300,000)
Payment for front end fee	(18,336)	-
Amortisation of front end fee	5,239	1,017
Balance as at 31 December	2,417,555	2,799,152

21. Convertible debentures

Number of units 2,200,000 Units

On 26 November 2021, the Extraordinary General Meeting of the Company passed resolutions approving the issuance and offering of convertible debentures on a private placement basis, unrelated parties of the Company. The total value of the debentures is Baht 2,200 million. The Company entered into a convertible debentures agreement with North Haven Thai Private Equity, L.P. ("NHTPE") and Bangkok Bank Public Company Limited as terms and conditions below:

Repayment of Convertible debentures

If the event of default has occurred, the Company shall repay the principal amount of the debenture plus, interest accruing at the rate of 3% per annum from the issue date to the date of payment.

Redemption of Convertible debentures

The Company and the debenture holders shall have no right to early redeem the convertible debentures

Conversion ratio

Convertible debentures of 0.00175 units shall be converted into 1 shares of the Company.

Conversion Price

THB 1.75 per shares, which is equal to the offering price to the private placement (PP) and existing shareholders in accordance with the proportionated offering (RO).

Period for exercising the Conversion Right

Debentures holders can exercise the right to convert the convertible debentures without limit of times within 2 years from the issuing date of each Convertible debenture or automatically on Maturity date if the debenture has not already been converted.

Types of convertible debentures

Senior unsecured convertible debentures

Currency

Thai Baht

Conditions of convertible debentures

The issuance of convertible debentures is subject to the completion of the conditions precedent which are permission from the Securities and Exchange Commission and other relevant agencies, including the terms and conditions of the convertible debentures.

Interest rate

None

Tenor

2 years

Number of ordinary shares to support the conversion

1,257,142,857 shares (par value of Baht 0.10 per share)

Thai Accounting Standards 32 “Financial Instruments: Presentation” requires the Company that issued the convertible debentures to present the liability component of the convertible debentures separated from the equity component in statement of financial position. At the issuing date of the debentures, the Company has separated the liability component from the equity component, calculated by discounting the future cash flows of the debenture’s principal and interest at the market rate of interest.

Convertible debentures - the equity component is recognised at the difference between the book value of the convertible debentures as a whole and the liability component of the debentures.

Convertible debentures - the liability component is measured at amortised cost until the conversion date of the debentures or maturity date. The equity component of the debentures, which measured at the issuing date, is not remeasured.

During the year 2022, the convertible debenture holder exercised its rights to convert into ordinary shares in accordance with the terms and conditions of the convertible debentures, with a principal of Baht 1,000 million or 45.45% of the convertible debentures offered for sale. This represented 571 million ordinary shares which increased the Company’s share capital from Baht 988 million to Baht 1,216 million and the premium on ordinary shares increased from Baht 10,897 million to Baht 14,668 million (Note 24). The Company has completed the registration of change in paid-up capital with Ministry of Commerce on 20 June 2022 and 19 December 2022.

The movements of convertible debentures during the year ended 31 December 2022 are as follows;

(Unit: Baht Thousand)

Consolidated and Separate financial statements	
Balance as at 1 January 2022	2,200,000
Conversion to ordinary shares	(1,000,000)
Balance as at 31 December 2022	1,200,000

22. Liabilities under lease agreements

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Liabilities under lease agreements	45,599,890	46,092,799
Less: Deferred interest expenses	(9,143,432)	(8,617,620)
Total	36,456,458	37,475,179
Less: Portion due within one year	(6,331,068)	(5,931,611)
Liabilities under lease agreements - net of current portion	30,125,390	31,543,568

A maturity analysis of lease payments is disclosed in Note 38.2 under the liquidity risk.

Movements of liabilities under lease agreements account during the year ended 31 December 2022 and 2021 are summarised below.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Balance as at 1 January	37,475,179	30,700,584
Increase from new lease agreements during the year	2,972,216	1,220,165
Increase from lease remeasurements	682,628	3,728,108
Repayments for liabilities under lease agreements during the year	(5,447,100)	(2,242,397)
Payments for early termination of lease agreements	(2,562,841)	(923,564)
Reduction in lease payments by lessors resulting from the COVID-19 situation	-	(20,599)
Accretion of interest	1,815,354	1,124,133
Impact of exchange rate difference	1,521,022	3,888,749
Balance as at 31 December	36,456,458	37,475,179

During the year, the subsidiary early terminated 4 aircraft lease agreements (2021: 2 aircraft) for the purpose of entering into the aircraft sale and leaseback transactions as discussed in Note 11.

During the year, the subsidiary terminated lease agreements on 6 aircraft (2021: 2 aircraft), of which certificates of aircraft registration granted by the Civil Aviation Authority of Thailand were revoked on the same date.

Furthermore, the subsidiary elected to adopt the practical expedient relating to COVID-19-related rent concessions. The practical expedient permits a lessee not to assess whether rent concessions are lease modifications. The subsidiary applies the practical expedient to all concessions that meet all of the conditions, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as,

or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease. The effects of the application of this expedient, due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2022, amounting to Baht 11 million (2021: Baht 16 million).

23. 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: Baht Thousand)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2022	2021	2022	2021	2022	2021
Provision for long-term employee benefits						
at beginning of year	655,934	712,745	126,505	136,584	782,439	849,329
Included in profit or loss:						
Current service costs	99,712	114,977	28,292	31,842	128,004	146,819
Interest costs	14,297	9,571	2,603	1,642	16,900	11,213
Actuarial (gain) loss arising from						
- Demographic assumptions change	-	-	5,730	-	5,730	-
- Financial assumptions changes	-	-	(4,281)	-	(4,281)	-
- Experience adjustments	-	-	(29,322)	-	(29,322)	-

(Unit: Baht Thousand)

Significant actuarial assumptions are summarised below.

(Unit: % p.a.)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2022	2021	2022	2021	2022	2021
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumptions change	70,604	10,687	-	3,697	70,604	14,384
- Financial assumptions changes	(111,289)	(111,289)	-	(2,869)	(2,869)	(71,898)
- Experience adjustments	(115,849)	(105,279)	-	(44,391)	(115,849)	(149,670)
Benefits paid/ transfer to accrued expenses during the year	(10,142)	(17,738)	-	-	10,142	(17,738)
Provision for long-term employee benefits at end of year	603,267	655,934	129,527	126,505	732,794	782,439

The subsidiary expects to pay Baht 46 million (2021: Baht 26 million) of long-term employee benefits during the next year.

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2021: 13 years).

	Consolidated financial statements	
	2022	2021
Discount rate	2.84	2.18
Salary increase rate	4.00	4.00
Turnover rate	0.00 - 7.00	0.00 - 7.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Baht Thousand)

	Consolidated financial statements			
	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(71,202)	84,969	(81,974)	98,313
Salary increase rate	80,848	(68,609)	89,370	(75,741)
Turnover rate	(76,218)	66,612	(87,683)	74,057

24. Share capital

On 15 August 2021, the Board of Directors' Meeting of the Company No. 6/2021 passed a resolution to increase the registered capital from Baht 485 million to Baht 1,285 million, through the issuance of 8,000,000,000 ordinary shares with a par value of Baht 0.1 each, total amounting to Baht 800 million. The company has received 5,028,571,429 shares in amounting to Baht 8,800 million. The share capital increase of the Company was registered with the Ministry of Commerce on 15 December 2021. The difference between fair value and par value of Baht 8,297 million was presented as share premium in the financial statements.

On 26 November 2021, the Extraordinary Shareholder's Meeting of the Company No.1/2021 passed a resolution to issuance of 1,714,285,714 ordinary shares with par value of Baht 0.1 each, total amounting to Baht 171 million to the existing shareholders proportionate to their respective shareholders (Right Offering). The Company paid-up capital has changed from Baht 988 million to Baht 1,159 million, divided into 11,592,857,143 ordinary shares, with a par value of Baht 0.1 each. Currently, the total registered capital was Baht 1,285 million.

The Company increases its registered share capital and offer newly issued shares to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), at the offering price of Baht 1.75 per share, in total of 1,714,285,714 shares. The total value is Baht 3,000 million. The share capital increase of the Company was registered with the Ministry of Commerce on 19 January 2022.

The offering of newly issued ordinary shares of the Company to Private Placement total of 5,028,571,429 shares, shall be prohibited to trade on the Stock Exchange of Thailand for 1 year and will be due on 16 December 2022. The 2,257,000,000 shares of the Company have been pledged as collateral for loan with financial institution and the shares cannot be redeemed until the loan is fully repaid.

The movements of share capital and paid-up capital for the year ended 31 December 2022 are as follows:

	Consolidated and Separate financial statements			
	Issued and paid-up capital			
	Authorised share capital	Number of ordinary shares	Ordinary shares	Premium on share capital
	Thousand Share	Thousand Share	Baht Thousand	Baht Thousand
Balance as at 1 January 2022	12,850,000	9,878,571	987,857	10,896,951
Increase from newly issued ordinary shares	-	1,714,286	171,429	2,828,571
Increase from the exercise of convertible debentures (Note 21)	-	571,429	57,143	942,857
Balance as at 31 December 2022	12,850,000	12,164,286	1,216,429	14,668,379

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Group 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.

26. Revenues from sales and services

Revenues from sales and services for the years 2022 and 2021 disaggregated by timing of revenue recognition and type of goods or services are summarised below.

(Unit: Baht Thousand)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Revenue recognised over time				
Passenger service revenues	13,432,414	3,174,235	-	-
Baggage handling and other service fees	3,705,157	464,074	-	-
Freight revenues	97,135	109,334	-	-
Charter flight revenues	92,297	16,315	-	-
Advertising income	8,674	2,765	-	-
Management fee	-	-	25,000	25,000
Revenue recognised at a point in time				
In-flight revenues	217,610	61,746	-	-
Total revenues	17,553,287	3,828,469	25,000	25,000

27. Other income

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Gain from early terminate rental agreement of aircraft (Note 22)	422,907	-	-	-
Gain on derivatives	-	391,178	-	-
Others	314,557	288,575	1,250	710
Total	737,464	679,753	1,250	710

29. Other expense

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Loss on exchange	1,361,942	3,654,375	1	-
Loss on derivatives	98,046	-	-	-
Loss on disposals of aircraft, leasehold improvements and equipments (Note 11)	46,580	43,459	-	-
Loss on expected credit losses	15,289	202,144	-	-
Total	1,521,857	3,899,978	1	-

28. Expenses by nature

Significant expenses classified by nature are as below.

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Fuel costs	8,276,974	1,406,234	-	-
Depreciation and amortisation expenses	6,114,053	5,434,314	-	-
Repair and maintenance expenses	3,973,128	1,608,698	-	-
Salaries, wages and other employee benefits	2,946,261	2,131,973	11,480	4,493
Ramp and airport operating costs	1,471,790	331,334	-	-

30. Finance cost

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Interest expense on lease liabilities	1,836,350	1,375,334	-	-
Interest expense on borrowings	277,420	358,024	-	83,423
Others	105,729	165,455	20	3,934
Total	2,219,499	1,898,813	20	87,357

31. Income tax

Income tax revenue for the years ended 31 December 2022 and 2021 are made up as follows.

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge for the year	-	1,027	-	1,027
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,451,560)	(1,742,094)	-	(6,408)
Income tax revenue reported in profit or loss	(2,451,560)	(1,741,067)	-	(5,381)

The amounts of income tax relating to each component of other comprehensive income for the years 2022 and 2021 are as follows.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Gain on cash flow hedges	5,701	42,916
Net change in cost of cash flow hedges	(1,256)	(336)
Actuarial gain	31,307	41,437
Income tax expense recorded in other comprehensive income	35,752	84,017

The reconciliation between accounting loss and income tax revenue is shown below.

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Accounting loss before tax	(10,665,922)	(13,699,014)	(28,439)	(132,683)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(2,133,185)	(2,739,803)	(5,688)	(26,537)
Reversal of previously recognised deferred tax assets	(1,110,332)	101,622	-	-
Tax losses for the year for which deterred tax assets were not recognised	5,687	20,686	5,687	20,686
Effects of:				
Promotional privileges (Note 32)	507,626	846,822	-	-
Non-deductible expenses	8,650	23,532	1	470
Revenue subject to tax	269,994	6,074	-	-
Total	786,270	876,428	1	470
Income tax revenue reported in profit or loss	(2,451,560)	(1,741,067)	-	(5,381)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht Thousand)

	Consolidated financial statements		Separated financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Leases	1,818,039	961,023	-	-
Derivatives	214	13,726	-	-
Provision for long-term employee benefits	142,142	145,822	-	-
Unused tax losses	3,095,727	1,519,743	6,408	6,408
Total	5,056,122	2,640,314	6,408	6,408
Deferred tax liabilities				
Fair value of assets from business combination	(2,971,492)	(2,971,492)	-	-
Total	(2,971,492)	(2,971,492)	-	-
Net deferred tax assets (liabilities)	2,084,630	(331,178)	6,408	6,408

As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 16,695 million (2021: Baht 7,287 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses of the subsidiary which deferred tax assets have been recognized amounting to Baht 15,477 million (2021: Baht 7,599 million) will expire by 2027 (2021: 2026).

32. Promotional privileges

As at 31 December 2022, the subsidiary received 5 certificates (2021: 7 certificates) of promotional privileges from the Board of Investment (“BOI”) for air transportation business. The main privileges include exemption from payment of import duty on aircraft and related spare parts, and exemption from corporate income taxes for the promoted activities for periods of 5 years starting from the date on which the subsidiary started earning income from the promoted activities (commencing from 27 December 2011). To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. As at 31 December 2022, the subsidiary had 9 aircraft (2021: 13 aircraft) under such certificates of promotional privileges from the BOI.

33. Loss per share

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the

weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Since the conversion of convertible debentures results in a decrease in loss per share for the year ended 31 December 2022. Therefore, the Group presented the diluted loss per share without accounting for the effect of conversion of the convertible debentures which potential convert to 685,714,287 ordinary shares in the calculation of diluted loss per share.

34. 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. The chief operating decision maker has been identified as the Board of Directors that makes strategic decisions.

For management purposes, the Group is organised into business units based on its services and have two reportable segments as follows:

- Schedule flight operations: the Group provides passenger air transportation services to routine destination for scheduled flight. The Group sells tickets through its distribution channels such as website, sale counter, travel agents, etc.

- Chartered flight operations: the Group provides passenger air transportation services to non-routine destinations. Flights are operated when there is a hiring from customers who normally are tourist agency companies.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial statements. Net gain on exchange rates, other income, finance cost and income tax are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segment. Hence, they are not allocated to each reporting segment.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Revenues and loss information regarding the Group's operating segments for the years 2022 and 2021 are as follows.

(Unit: Baht Thousand)

	Consolidated financial statements					Consolidated
	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	
For the year ended 31 December 2022						
Revenues						
Revenues from sales and services from external customers	17,457,341	95,946	-	17,553,287	-	17,553,287
Intersegment revenues	-	-	25,000	25,000	(25,000)	-
Total revenues	17,457,341	95,946	25,000	17,578,287	(25,000)	17,553,287
Operating result						
Segment profit (loss)	(7,696,493)	37,105	(31,828)	(7,691,216)	-	(7,691,216)
Other income						737,464
Other expense						(1,521,857)
Finance income						29,186
Finance costs						(2,219,499)
Loss before income tax revenue						(10,665,922)
Income tax revenue						2,451,560
Loss for the year						(8,214,362)
Total assets						64,685,524

(Unit: Baht Thousand)

Consolidated financial statements

	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	Consolidated
For the year ended 31 December 2021						
Revenues						
Revenues from sales and services from external customers	3,811,626	16,843	-	3,828,469	-	3,828,469
Intersegment revenues	-	-	25,000	25,000	(25,000)	-
Total revenues	3,811,626	16,843	25,000	3,853,469	(25,000)	3,828,469
Operating result						
Segment profit (loss)	(8,495,677)	(31,797)	(102,899)	(8,630,373)	-	(8,630,373)
Other income						679,753
Other expense						(3,899,978)
Finance income						50,397
Finance costs						(1,898,813)
Loss before income tax revenue						(13,699,014)
Income tax revenue						1,741,067
Loss for the year						(11,957,947)
Total assets						71,208,330

Geographic information

The Group operates and has operating hubs only in Thailand. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

35. Provident fund

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contribute to the fund monthly and the fund will be paid to employees upon termination in accordance with the fund of the subsidiary's rule. The contributions for the year 2022 amounting to approximately Baht 80 million (2021: Baht 56 million) were recognised as expenses.

36. Commitments and contingent liabilities

36.1 Building construction commitments

As at 31 December 2022, the subsidiary had capital commitments of Baht 15 million (2021: Baht 34 million) relating to the construction of a project's building.

36.2 Aircraft maintenance service commitments

The subsidiary has commitments under aircraft maintenance service agreements made with related companies and other aircraft lessors. The subsidiary agrees to pay aircraft maintenance service fees at the rates in USD currency stipulated in the agreements, which vary for each aircraft depending on flight hours and the age of the aircraft.

36.2 Service commitments

As at 31 December 2022, the subsidiary had significant service commitments as follows.

- 1) The subsidiary had commitments from using human resource, legal and other services with related subsidiary. The subsidiary was to pay the fees at the agreed rates. During the year ended 31 December 2022, the fees under this agreement amounted to Baht 359 million (2021: Baht 397 million).
- 2) The subsidiary had a commitment from using marketing, booking system and other services

with related subsidiary. The subsidiary was to pay the fees depending on the rates stipulated in the agreements. During the year ended 31 December 2022, the fees under this agreement amounted to Baht 563 million (2021: Baht 136 million).

- 3) The subsidiary had a commitment from using data consultancy and management services with related companies. The subsidiary was to pay the fees at the agreed rates

36.4 Other commitments

The subsidiary had the future minimum lease payments in respect of short-term leases, insurance agreements and other service agreements as follows.

(Unit: Baht Thousand)

	Consolidated financial statements	
	2022	2021
Payable:		
In up to 1 year	95,596	79,645
In over 1 year and up to 5 years	25,199	3,296
Total	120,795	82,941

36.5 Guarantees

- 1) As at 31 December 2022, the subsidiary had not guarantee obligations for pilot trainees' education loans from a bank for commercial pilot license courses amounting (2021: Baht 14 million).
- 2) The subsidiary had commitments from letters of guarantee in respect of ground handling, technical support, purchase of aviation fuel and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

(Unit: Thousand)

Consolidated financial statements								
	2022				2021			
	USD	SGD	INR	Baht	USD	SGD	INR	Baht
Guarantees relating to flight operating activities	0.16	2.20	73.43	15.92	0.09	1.04	63.78	16.01
Guarantees relating to maintenance reserve fund	1.28	-	-	-	37.31	-	-	-
Total	1.44	2.20	73.43	15.92	37.40	1.04	63.78	16.01
Total equivalent to Thai Baht	49.86	57.24	32.80	15.92	1,256.42	26.10	29.88	16.01

36.6 Litigations

(Unit: Thousand)

As 31 December 2022, the subsidiary was served with summons and copies of complaints in 21 civil lawsuits (2021: 28 civil lawsuits) over terminations and breaches of contract, whereby the subsidiary was required to pay a compensation amounting to Baht 19 million (2021: Baht 6 million). Currently, the court proceedings are at a preliminary stage. However, the subsidiary's management believed that all the evidence available will enable it to dispute the claims and did not set up any provisions.

37. Fair values hierarchy

As at 31 December 2022 and 2021, the subsidiary had assets and liabilities in US Dollar and Baht currencies disclosed at fair value which the hierarchy is level 2 as follows.

Consolidated financial statements				
	2022		2021	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
Assets measured or disclosed fair value				
Derivatives				
Interest rate swap agreements	-	1,457	-	-
Liabilities measured or disclosed fair value				
Derivatives				
Interest rate swap agreements	-	3,299	28,545	21,483
Foreign exchange forward contracts	72,505	-	-	-
Cross currency swap agreements	-	-	41,593	-
Long-term borrowings from financial institutions	-	3,388,291	-	4,035,901
Long-term debentures	-	2,398,552	-	1,469,767*

* Excluded extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Market Association, as discussed in Note 20.

During the years 2022 and 2021, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

38. Financial instruments

38.1 Derivatives and hedge accounting

The subsidiary is holding the following derivatives as at 31 December 2022 and 2021:

(Unit: Baht Million)

Consolidated financial statements		
	2022	2021
Derivative assets		
Derivatives assets designated as hedging instruments		
Interest rate swap agreements	1	-
Total derivative assets	1	-
Derivative liabilities		
Derivatives liabilities designated as hedging instruments		
Interest rate swap agreements	3	50
Cross currency swap agreements	-	42
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	73	-
Total derivative liabilities	76	92

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 12 months.

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk

In 2021, the Group entered into foreign exchange forward contract with local financial institutions to hedge on foreign currency risk and interest rate risk relating to payment in foreign currency.

Forecast transactions are highly probable and they comprise about 31% of the Group's total expected lease liabilities in US dollars.

Interest rate risk

The Group entered into interest rate swap agreements to hedge against fluctuations in the floated interest rate from aircrafts' leases and loan agreement. The Group hedged at fixed rates from 4.69% to 4.86% per annum (2021: 2.24% to 4.86% per annum) via cross currency swap agreements and interest rate swap agreements.

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 fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and 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 interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of cash flows of the hedged item and hedging instrument

As at 31 December 2022, the Group has interest rate swaps with nominal amounts of Baht 463 million, that are designated as hedging instruments to hedge cash flows (2021: USD 63 million).

The Group is holding the following derivatives as hedging instruments as at 31 December 2022 and 2021 are, as follow:

Consolidated financial statements				
	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2022				
Interest rate swap agreements (for lease liabilities)				
Notional amount (Baht Million)	213	251	-	464
Average fixed rate (%)				4.69 - 4.86
Book value (Baht Million)	1	1	-	2
For the year ended 31 December 2021				
Cross currency swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	7	25	6	38
Average fixed rate (%)				2.64 - 3.74
Average exchange rate (Baht/US dollar)				33.10 - 34.00
Interest rate swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	16	47	-	63
Average fixed rate (%)				2.24 - 4.21
Notional amount (Baht Million)	235	431	-	666
Average fixed rate (%)				4.69 - 4.86
Book value (Baht Million)	321	903	-	1,224

The impact of hedged items on the statement of financial position as at 31 December 2022 and 2021 are as follows:

(Unit: Baht Million)

Consolidated financial statements							
Cash flow hedge reserve							
	Change in fair value used for measuring ineffectiveness		Continuing hedges		Discontinued hedges		Cost of hedging reserve
	2022	2021	2022	2021	2022	2021	2022 2021
Liabilities under lease agreements	(5)	123	-	(43)	-	(73)	- 5

The impact of the hedging instruments on the statement of financial position as at 31 December 2022 and 2021, the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2022 and 2021 are, as follows:

(Unit: Baht Million)

	Consolidated financial statements									
	Notional amounts (Million US dollar)	Notional amounts (Baht Million)	Carrying amount	Changes in fair value used for measuring Ineffectiveness	Effectiveness recognised in equity	Ineffectiveness recognised in profit or loss	Line item in profit or loss	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
For the year ended 31 December 2022										
Foreign exchange forward										
contracts - hedge the risk arising from lease liabilities	25	-	(73)	73	-	73	Other expenses	-	-	Finance cost
Cross currency swap										
agreements - hedge the risk arising from lease liabilities	-	-	-	(42)	-	(42)	Other expenses	(5)	86	Finance cost
Interest rate swap										
agreements - hedge the risk arising from lease liabilities	-	463	(2)	(48)	-	(48)	Other expenses	-	29	Finance cost
Total	25	463	(75)	(17)	-	(17)		(5)	115	
For the year ended 31 December 2021										
Foreign exchange forward										
contracts - hedge the risk arising from lease liabilities	-	-	-	210	74	(75)	Other expenses	-	-	Finance cost
Cross currency swap										
agreements - hedge the risk arising from lease liabilities	38	-	(42)	66	92	(58)	Other expenses	5	(121)	Finance cost
Interest rate swap										
agreements - hedge the risk arising from lease liabilities	63	666	(50)	94	(21)	(32)	Other expenses	-	25	Finance cost
Total	101	666	(92)	370	145	(165)		5	(96)	

38.2 Financial risk management objectives and policies

Financial Instruments principally comprise cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures, 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 deposits with banks and financial institutions, trade receivables, deposits for lease of aircraft 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.

The Group manages the credit risk 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. 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.

The Group generally has no concentration of credit risk arising from trade receivables.

Market risk

There are 3 types of market risk comprising fuel price risk, interest rate risk and currency risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- Fuel price swap agreements to mitigate the risk of fuel price fluctuation
- Interest rate swaps to mitigate the risk of rising interest rates
- Cross currency swaps to mitigate the risk of rising interest rates and foreign currency rates

Fuel price risk

Fuel price fluctuation depends on demand and supply 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 subsidiary is exposed to the fluctuation of fuel price. To manage the risk of fuel price fluctuation, a related party is carried out the risk management on behalf of the subsidiary.

As at 31 December 2022 and 2021, the subsidiary has not obligations from fuel price hedging.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures and lease liabilities. 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 uses interest rate swap agreements as a risk management instrument for the future interest payments on certain long-term borrowings and lease liabilities that carry interest at floating rates.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Baht Million)

	Consolidated financial statement				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
For the year ended 31 December 2022					
Financial assets					
Cash and cash equivalents	-	590	208	798	0.04 - 0.35
Trade and other receivables	-	-	854	854	-
Amounts due from related parties	-	-	2,540	2,540	-
Other current financial assets	-	93	92	185	4.97 - 5.72
Other non-current financial assets	-	640	259	899	2.29 - 7.23
	-	1,323	3,953	5,276	

(Unit: Baht Million)

(Unit: Baht Million)

Consolidated financial statement

	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
Financial liabilities					
Short-term borrowings from financial institutions	750	-	-	750	3.15 - 3.40
Short-term debenture	743	-	-	743	6.00
Trade payables	-	-	1,464	1,464	-
Other payables	-	-	393	393	-
Amounts due to related parties	-	-	1,422	1,422	-
Long-term borrowings from financial institutions	1,485	1,903	-	3,388	2.75 - 6.15
Long-term debentures	2,418	-	-	2,418	2.95 - 6.80
Liabilities under lease agreements	35,283	1,173	-	36,456	3.09 - 8.61
	40,679	3,076	3,279	47,034	
For the year ended 31 December 2021					
Financial assets					
Cash and cash equivalents	-	5,340	20	5,360	0.10 - 0.25
Trade and other receivables	-	-	563	563	-
Amounts due from related parties	-	-	1,095	1,095	-
Other current financial assets	-	199	117	316	3.68 - 5.72
Other non-current financial assets	-	577	207	784	2.65 - 7.23
	-	6,116	2,002	8,118	

Consolidated financial statement

	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
Financial liabilities					
Short-term borrowings from financial institutions	750	-	-	750	2.50 - 2.95
Short-term debenture	79	-	-	79	6.75
Trade payables	-	-	989	989	-
Other payables	-	-	852	852	-
Amounts due to related parties	-	-	1,306	1,306	-
Long-term borrowings from financial institutions	1,886	2,150	-	4,036	2.90 - 6.15
Long-term debentures	2,800	-	-	2,800	2.95 - 6.75
Liabilities under lease agreements	34,564	2,911	-	37,475	0.91 - 8.37
	40,079	5,061	3,147	48,287	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's loss before tax and equity to a reasonably possible change in interest rates on that portion of floating rate affected as at 31 December 2022 and 2021, with all other variables held constant.

Consolidated financial statement

Currency	Increase/decrease (decimal)		Effect on loss before tax (Baht Thousand)		Effect on equity (Baht Thousand)	
	2022	2021	2022	2021	2022	2021
Baht	+0.6	+0.6	10,862	6,239	-	-
	-0.6	-0.6	(8,297)	(6,239)	-	-
US dollar	+0.6	+0.6	-	339	-	7
	-0.6	-0.6	-	(339)	-	(7)

This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from cash and cash equivalents, trade and other receivables, amounts due from related parties, account payables, other payables, amounts due to related parties and lease liabilities that are denominated in several foreign currencies.

The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency. Moreover, the Group uses forward foreign exchange contract to hedge its exposure to foreign currency risk for payments to be settled in foreign currencies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's loss before tax and equity to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's loss before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material

Consolidated financial statement

Currency	Increase/decrease (%)		Effect on loss before tax (Baht Thousand)		Effect on equity (Baht Thousand)	
	2022	2021	2022	2021	2022	2021
US dollar	+5	+5	2,395,579	1,831,383	-	167,273
	-5	-5	(2,395,579)	(1,831,383)	-	(167,273)

This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Baht Million)

	Consolidated financial statements				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
For the year ended 31 December 2022					
Non-derivatives					
Short-term loans from financial institutions	-	752	-	-	752
Short-term debentures	-	784	-	-	784
Trade and other payables	1,856	-	-	-	1,856
Amounts due to related parties	1,422	-	-	-	1,422
Accrued expenses	4,138	-	-	-	4,138
Long-term loans	-	937	2,539	198	3,674
Debentures	-	1,141	1,480	-	2,621

(Unit: Baht Million)

Consolidated financial statements					
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Liabilities under lease agreements	-	8,399	32,790	14,356	55,545
Total non-derivatives	7,416	12,013	36,809	14,554	70,792
Derivatives					
Derivative liabilities: net settled	-	74	1	-	75
Total derivatives	-	74	1	-	75

(Unit: Baht Million)

Consolidated financial statements					
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
For the year ended 31 December 2021					
Non-derivatives					
Short-term loans from financial institutions	-	750	-	-	750
Short-term debentures	-	80	-	-	80
Trade and other payables	1,841	-	-	-	1,841
Amounts due to related parties	1,306	-	-	-	1,306
Accrued expenses	2,462	-	-	-	2,462
Long-term loans	-	942	2,697	397	4,036
Debentures	-	1,800	999	-	2,799
Liabilities under lease agreements	-	5,932	14,927	16,617	37,476
Total non-derivatives	5,609	9,504	18,623	17,014	50,750
Derivatives					
Derivative liabilities: net settled	-	23	63	6	92
Total derivatives	-	23	63	6	92

38.3 Fair values of financial instruments

The financial instruments which the fair value is not expected to be materially different from the amounts presented in the statement of financial position since they are short-term in nature or carrying interest at rates close to the market interest rates are cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties and short-term borrowings from financial institutions.

As at 31 December 2022 and 2021, the estimated fair value of long-term financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows.

(Unit: Baht Million)

	Consolidated financial statements			
	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term borrowings from financial institutions	3,388	3,388	4,036	4,036
Long-term debentures	2,418	2,399	2,799	1,470*

* Excluded extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Market Association, as discussed in Note 20.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

carrying floating interest rates, their fair value is estimated by book values in the statement of financial position.

- a) For long-term borrowings from financial institutions carrying fixed interest rates, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the borrowings with similar terms and conditions.

- c) For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

- b) For long-term borrowings from financial institutions

38.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements or similar agreements but not offset, as at 31 December 2022 and 2021

(Unit: Baht Million)

Consolidated financial statements			
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position
As at 31 December 2022			
Amounts due from related parties	2,546	(6)	2,540
Amounts due to related parties	(1,706)	284	(1,422)
	840	278	1,118

(Unit: Baht Million)

Consolidated financial statements			
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position
As at 31 December 2021			
Amounts due from related parties	1,475	(380)	1,095
Amounts due to related parties	(1,740)	434	(1,306)
	(265)	54	(211)

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.

39. Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In order to obtain the promotional privileges from the Board of Investment, the Group has also to maintain minimum capital investment as specified in each certificate.

40. Approval of financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.

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		2-4	Restatements of information	-	N/A	
		2-5	External assurance	-	N/A	
2. Activities and workers						
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