

No. 09/01/12

27 May 2021

Subject the Offer to Terminate the Lease Agreement and related agreements between Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold)

Attention Director and Manager
The Stock Exchange of Thailand

Enclosure Information Memorandum of Bangkok Airways Public Company Limited on Asset Acquisition due to the Offer to Terminate the Lease Agreement and related agreements between Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold)

Bangkok Airways Public Company Limited (the "Company") would like to inform the resolution of the Board of Director's Meeting No. 3/2021, convened on 27 May 2021 ("BOD Meeting"), which resolved to approve the Company to offer to terminate the Long Term Lease Agreement, which has remaining leasehold rights of approximately 15.5 years and related agreements between the Company and Samui Airport Property Fund (Leasehold) (the "Property Fund"). In this regard, the Company has leased the land, runway, parking apron, and construction on the leased land used for the operation of Samui Airport to the Property Fund, who intends to invest in long-term leasehold rights in the properties used for the operation of Samui Airport and the relevant agreements comprise of the following agreements:

1. the Long Term Lease Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006, the amendment to the Long Term Lease Agreement dated 4 February 2015, the amendment to the Long Term Lease Agreement dated 24 November 2018 ("Long Term Lease Agreement"); and
2. the Undertaking Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006.

The Property Fund has seek benefits from such investment in long-term leasehold rights in the properties by subleasing the relevant assets and providing services to the Company according to related agreements, which comprise of following agreements:

3. the Sublease of leased land and buildings Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2018; and

4. The System Services Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006.

(collectively referred to as the "Property Fund Agreements").

In this regard, the Company has mortgaged and pledged its assets to secure performance of the Company's obligations under the terms and conditions of the Property Fund Agreements, including any loss which may occur if it is unable to use the leased assets according to the Property Fund Agreements, by entering into this following agreement:

5. The Attachment to Mortgage Agreement between Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold) dated 24 November 2006 (the "Mortgage Agreement"); and
6. The Notification of Pledge of Securities pursuant to the pledge registration no. 2077 dated 6 June 2012, the Notification of Pledge of Securities pursuant to the pledge registration no. 1098 dated 2 March 2017, the Notification of Pledge of Securities pursuant to the pledge registration no. 4058 dated 13 July 2017 and the report of use of securities to be collateral no. 2/4282 with collateral of 29 April 2020 in which the Company has pledged shares in Bangkok Dusit Medical Services Public Company Limited to be collaterals (collectively referred to as the "Notifications of Share Pledge"),

(the Property Fund Agreements the Mortgage Agreement and Notifications of Share Pledge are collectively referred to as the "Agreements relating to the Property Fund").

As a result of impact from Covid 19 pandemic causing adverse effect to business operation of Samui Airport, the Company wishes to terminate the Agreements relating to the Property Fund. Following the Agreements relating to the Property Fund being terminated, the Company will be able to operate the Samui Airport without being subject to any obligations to the Property Fund in accordance with the terms and conditions of the Agreements relating to the Property Fund, in which case will create flexibility to the Company for its business operation and will be able to use its assets to seek for the benefits without being subject to limitations pursuant to the Agreements relating to the Property Fund.

In this connection, the Company has determined the compensation for termination of the aforesaid agreements to the Property Fund in the amount of 18,050 million baht.

Should the Offer to terminate the Agreements relating to the Property Fund is considered as if it is an asset acquisition of the listed company under the Notification of the Capital Market Supervisory Board No.

TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed Acquisition or Disposition of Assets (including the amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B. E. 2547 (2004) (including the amendment) (the "Notifications on Acquisition or Disposition"), it would be an asset acquisition transaction having the highest transaction value of 35.92 percent, calculated based on the total value of consideration basis and compared with the total assets of the Company based on the consolidated financial statement of the Company for the period ended 31 March 2021, which has been audited by the auditor. In this regard, since the Company has not entered into any asset acquisition transaction during the six months preceding the date of this transaction. This asset acquisition transaction would, therefore, be classified as a Class 2 Transaction, i.e., a transaction with the value of 15 percent or higher but lower than 50 percent in accordance with the Notifications on Acquisition or Disposition. As a result, the Company is obliged to prepare and disclose the information memorandum with respect to such transaction to the Stock Exchange of Thailand (the "SET") and deliver a circular letter to the shareholders within 21 days from the date on which the Company discloses the information to the SET. This transaction is not considered as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including the amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including the amendments) (the "Notifications on Connected Transactions") because the Property Fund is not classified as a connected person of the Company. Thus, The Company is not obliged to proceed the duty in accordance with the Notifications on Connected Transactions.

In this regard, the Company has already sent the notice re: the Lease Agreement and related agreements between Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold) dated 27 May 2021 to the Property Fund today. This Offer to Terminate the Agreements relating to the Property Fund is still uncertain and subject to the considering of the Property Fund, which must further comply with relevant regulations. However, the Company will subsequently report to the SET if there is any progress to this matter.

Please be informed accordingly.

Sincerely yours,



(Mr. Anawat Leelawatwatana)

Bangkok Airways Public Company Limited

Information Memorandum of Bangkok Airways Public Company Limited
on Asset Acquisition

due to the Offer to Terminate the Lease Agreement and related agreements between
Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold)

With the reference to the Board of Director's Meeting of Bangkok Airways Public Company Limited (the "Company") No. 3/2021, which convened on 27 May 2021 (the "BOD Meeting"), resolved to approve the Company to offer to terminate the following agreements between the Company and Samui Airport Property Fund (Leasehold) (the "Property Fund") as the Company has leased the land, runway, parking apron, and construction on the leased land used for the operation of Samui Airport to the Property Fund, who intends to invest in long-term leasehold rights in the properties used for the operation of Samui Airport. The relevant agreements comprise of the following agreements:

1. the Long Term Lease Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006, the amendment to the Long Term Lease Agreement dated 4 February 2015, the amendment to the Long Term Lease Agreement dated 24 November 2018 (the "Long Term Lease Agreement");
2. the Undertaking Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006 (the "Undertaking Agreement");
3. the Sublease of leased land and buildings Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2018 (the "Sublease Agreement");
4. the System Services Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006 (the "System Services Agreement");
5. the Attachment to Mortgage Agreement between Samui Airport Property Fund (Leasehold) and Bangkok Airways Public Company Limited dated 24 November 2006 (the "Mortgage Agreement");
and
6. The Notification of Pledge of Securities pursuant to the pledge registration no. 2077 dated 6 June 2012, the Notification of Pledge of Securities pursuant to the pledge registration no. 1098 dated 2 March 2017, the Notification of Pledge of Securities pursuant to the pledge registration no. 4058 dated 13 July 2017 and the report of use of securities to be collateral no. 2/4282 with collateral of 29 April 2020 in which the Company has pledged shares in Bangkok Dusit Medical Services Public Company Limited to be collaterals (collectively referred to as the "Notifications of Share Pledge"),

(collectively referred to as the "Agreements relating to the Property Fund").

With the respect to the offer to terminate the Agreements relating to the Property Fund, the Company has determined the compensation for termination of the aforesaid agreements to the Property Fund in the amount of 18,050 million baht.

Should the Offer to Terminate the Agreements relating to the Property Fund is considered as if it is an asset acquisition of the listed company, it would be an asset acquisition transaction having the highest transaction value of 35.92 percent, calculated based on the total value of consideration basis and compared with the total assets of the Company based on the consolidated financial statement of the Company for the year ended 31 March 2021, which has been audited by the auditor. In this regard, since the Company has not entered into any asset acquisition transaction during the six months preceding the date of this transaction. This asset acquisition transaction would, therefore, be classified as a Class 2 Transaction, i.e., a transaction with the value of 15 percent or higher but lower than 50 percent¹. Thus, the Company would like to disclose the information memorandum regarding the asset acquisition or disposition as follows:

1. Date/Month/Year of the Transaction

The transaction will occur after the Property Fund accepts the offer to terminate the Agreements relating to the Property Fund in accordance with the notice of Bangkok Airways Public Company Limited re: the Lease Agreement and related agreements between Bangkok Airways Public Company Limited and Samui Airport Property Fund (Leasehold) dated 27 May 2021 (the "Offering Letter") and the relevant parties then agree to enter into the termination agreement to the Agreements relating to the Property Fund. After conditions precedent and proceedings pursuant to terms and conditions under the termination agreement to the Agreements relating to the Property Fund are duly completed, the parties will proceed with the registration of termination of leasehold rights under the Long Term Lease Agreement and termination of mortgage under the Mortgage Agreement and the notification to revoke share pledge under the Notifications of Share Pledge including any other proceedings to be performed upon termination or termination by mutual agreement as specified in the Agreements relating to the Property Fund. Therefore, unless

¹ Notification of the Capital Market Supervisory Board No. TorChoror. 20/2551 Re: Rules on Entering into Material Transaction Deemed Acquisition or Disposition of Assets (including the amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (including the amendment)

otherwise agreed by the parties, it is expected that the termination of the Agreements relating to the Property Fund will be completed by the 3rd quarter of the year 2020.

2. Relevant parties and the relationship of the Company

Lessor (referred to the Long-Term Lease Agreement) / Promisor (referred to the Undertaking Agreement) / Sub-Lessee (referred to the Sublease Agreement) / Service Receiver (referred to the System Services Agreement) / Mortgagor (referred to the Mortgage Agreement) / Pledgor (referred to the Notifications of Share Pledge)

Bangkok Airways Public Company Limited

Lessee (referred to the Long Term Lease Agreement) / Promisee (referred to the Undertaking Agreement) / Sub-Lessor (referred to the Sublease Agreement) / Service Provider (referred to the System Services Agreement) / Mortgagee (referred to the Mortgage Agreement) / Pledgee (referred to the Notifications of Share Pledge)

Samui Airport Property Fund (Leasehold)

The Relationship between the parties

None. The lessee it is not classified as a connected person under the Notifications on Connected Transactions².

3. General characteristics, type, and value of the transaction

3.1. General characteristics and type of the transaction

The Company proposes that the Company and the Property Fund mutually agree to terminate the Agreements relating to the Property Fund and the Company will pay compensation for termination of such agreements to the Property Fund in the amount of 18,050 million baht on the date of the registration of termination of leasehold rights under the Long Term Lease Agreement and termination of mortgage under the Mortgage Agreement and notification to revoke share pledge under the Notifications of Share Pledge (the "Registration Date").

However, should there is an event which has or is likely to have a material adverse effect occurs prior to the Registration Date, the Company will request that the Company shall have right to propose to adjust the compensation for termination to be paid to the Property Fund; providing

² Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including the amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including the amendments)

that the Property Fund shall have right to consider whether to accept or reject such proposal to adjust the compensation for termination, or right to terminate the agreement relating to the Property Fund, unless otherwise agreed by the parties,

3.2 Transaction Value

The compensation for termination of the Agreements relating to the Property Fund has a total transaction value of 18,050 million baht. The calculation of transaction value under the Notifications on Acquisition or Disposition based on the consolidated financial statement of the Company for the period ended 31 March 2021 which has been audited by the auditor. The details of which are as follows:

3.2.1 Net Tangible Assets

Not applicable. This transaction is not an acquisition of securities.

3.2.2 Net Profit

Not applicable. This transaction is not an acquisition of securities.

3.2.3 Total value of consideration

Transaction value

= Total value of consideration paid / Total value of assets of the Company

= 18,050 million baht / 50,252.73 million baht

= 35.92 percent

3.2.4 Value of securities which are issued by the listed company for the assets acquired

Not applicable. There is no issuance of securities.

As a result, the transaction value will be equivalent to 35.92 percent which is the highest transaction value calculated based on the total value of consideration basis and compared with the total assets of the Company based on the consolidated financial statement of the Company for the period ended 31 March 2021, which has been audited by the auditor and when considering other transactions of asset acquisition during the six months preceding the date of this transaction, the Company had no asset acquisition transaction prior to the date of this transaction. The total transaction value of asset acquisition is equivalent to 35.92 percent, calculated based on the total value of consideration basis.

4. Details of the assets to be acquired

When the Company and the Property Fund mutually agreed to terminate the Agreements relating to the Property Fund and the Company paid the compensation for termination of the aforesaid agreements to the Property Fund, the Company, as the owner of assets, will acquire the right to possess the land, runway, parking apron, and construction on the land as the owner and will be able to continue operating the Samui Airport without subject to any obligation to the Property Fund under the terms and conditions of the Agreements relating to the Property Fund.

5. Total value of consideration and value of assets to be acquired and payment method

5.1. Total value of consideration and value of assets to be acquired

The Company shall pay the compensation for termination of the Agreements relating to the Property Fund in accordance with the terms and conditions of the termination agreement to the Agreements relating to the Property Fund. The total transaction value for termination of the Agreements relating to the Property Fund is equivalent to 18,050 million baht.

5.2. Payment method

The payment method for compensation for termination of the Agreements relating to the Property Fund will be paid by cash in accordance with the terms and conditions of the termination agreement to the Agreements relating to the Property Fund.

6. Criteria to determine the value of consideration

Total consideration paid for termination of the Agreements relating to the Property Fund is equivalent to 18,050 million baht; providing that such total consideration paid is referred from market value of the securities of the Property Fund in the past plus the premium of such value.

7. Potential benefits to the Company

- The Company will be able to operate the Samui Airport without subject to any obligations to the Property Fund in accordance with the terms and conditions of the Agreements relating to the Property Fund which will create flexibility to the Company for its business operation.
- The Company will be able to use its assets to seek for the benefits without being subject to limitation under the Agreements relating to the Property Fund.

8. Sources of funds for the asset acquisition

The funds to be used for the compensation for termination of the Agreements relating to the Property Fund will be sourced from the Company' cash flow and/or from a loan.

9. Conditions of the Transaction

The conditions for termination of the Agreements relating to the Property Fund are including but not limited to the following conditions, except that the parties mutually agrees otherwise or the Property Fund and/or the Company agrees to release or waive all or part of such conditions in writing:

- The Company shall obtain confirmation from the financial institution pursuant to terms and conditions under relevant financing agreements to pay the compensation for termination of the Agreements relating to the Property Fund and conditions precedent as provided in the relevant financing agreements have been duly satisfied.
- The Property Fund shall obtain the approval from the unitholders' meeting in relation to terminating the Agreements relating to the Property Fund, as well as other related proceedings.
- There is no event that has had or may have a material adverse effect.
- There is no any objection from any party including party having conflict of interest and/or creditors, to terminate the Agreements relating to the Property Fund that might prevent the Property Fund from proceeding, and there is no legal restriction on the termination of the Agreements relating to the Property Fund and the obligation specified in the agreement and/or other related documents.
- Other conditions as agreed by the parties and provided in the agreement to terminate the Agreements relation to the Property Fund.

10. Opinion of the board of directors on the transaction

The Board of Director' s Meeting No. 3/2021, convened on 27 May 2021, with its duty of royalty and duty of care, has taken into consideration the details related to terminating the Agreements relating to the Property Fund and has resolved to approve the Company to offer to terminate the Agreements relating to the Property Fund. The board of directors are of the opinion that the transaction is appropriate and results in the best interests of the Company and shareholders.

11. Opinion of the Audit Committee and/or the Company's directors which is different from the opinion of the board of directors under Item 10.

-None-

The Company hereby certifies that the information contained in this information memorandum is correct and true in all respects and it is written with due diligence and acted in the best interests of the shareholders.