

Ref. No. 13091

22 September 2021

Subject: Information of Transactions Relating to Acquisition of Assets and Related Transactions in the Amendment to the Terms of Use of the State Property  
To: President,  
The Stock Exchange of Thailand

In the Airports of Thailand Public Company Limited (AOT) Board of Directors' Meeting No.12/2021 convened on 22<sup>nd</sup> September 2021, the Meeting passed its resolution to acknowledge as per the approval of the Ministry of Finance on the amendment to the Terms of Use of the State Property for the operation of all 6 airports of AOT (Terms of Use) with the Department of Airports (DOA) and the Royal Thai Air Force (RTAF) in the capacity of the utilization provider as per the Terms of Use, and the supervisor and user of the State Property as per the related regulations of the Ministry of Finance; provided that, for determination of the period of use of the State Property in accordance with the Airport Development Plan and for creation of the added value in the management of the State Property and for motivation and participation in the investment of the private sector in order to increase the potential of service provision of AOT's airports.

Whereas, regarding the amendment to such Terms of Use, there are essences of adjustment of period of use of the State Property and the entry into contracts to acquire the rights in the State Property, it is regarded as operation to acquire the rights of land utilization; therefore, it is within the scope of entry into transactions relating to acquisition of assets as per the Notification of the Capital Market Supervisory Board No.TorJor.20/2008; Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and is the transactions relating to type of assets or services as per the Notification of the Capital Market Supervisory Board No.TorJor.21/2008; Re: Rules on Connected Transactions. Since it is the amendment to the Terms of Use, therefore, DOA and RTAF, in the capacity of representatives of the Ministry of Finance, the holder of ownership of the State Property as per the State Property Act B.E.2562 (2019) and the majority shareholder and the regulator of AOT, the AOT Board of Directors' Meeting as above-mentioned has passed its resolution to approve the entry into transactions relating to the acquisition of assets and the related transactions in the amendment to the Terms of Use and disclosure of information on entry into such transactions to the Stock Exchange of Thailand (SET) and has issued a circular letter to the shareholders for acknowledgment.

Therefore, AOT hereby reports the information relating to the acquisition or disposal of assets and the related transactions as above-mentioned with essences as follows:

#### 1. Transaction Date

The AOT Board of Directors' Meeting No.12/2021 convened on 22<sup>nd</sup> September 2021 passed its resolution to acknowledge as per the approval of the Ministry of Finance on the amendment to the Terms of Use of the State Property with DOA and RTAF and approval of entry into transactions to acquire assets and the related transactions. In this regard, AOT is proposing the same to DOA and RTAF to sign the amendment to such Terms of Use between AOT with DOA and RTAF, in the capacity of representatives of the Ministry of Finance, which is expected to be completed within the first quarter of the fiscal year 2022.

## 2. Related Parties to the Case and Nature of Interests

User: AOT  
 Utilization Provider: (1) DOA  
 (2) RTAF  
 Relationship: DOA and RTAF, in the capacity of the utilization provider as per the Terms of Use, and the supervisor and user of the State Property as per the related regulations of the Ministry of Finance, shall be regarded as representatives of the Ministry of Finance, the holder of ownership of the State Property as per the State Property Act B.E.2562 (2019) and the majority shareholder representing 70% of the total shares, and as the AOT regulator.

## 3. Nature of Entry of Transaction

### 3.1 Background

AOT operates airport business including other businesses related to or affiliated with the airport business in Thailand with 6 airports under its responsibilities including Suvarnabhumi Airport (BKK), Don Mueang International Airport (DMK), Chiang Mai International Airport (CNX), Phuket International Airport (HKT), Hat Yai International Airport (HDY) and Mae Fah Luang- Chiang Rai International Airport (CEI); whereby, all 6 airports are located on plots of land of the State Property under the supervision and utilization of DOA and RTAF; whereby, the Ministry of Finance is the holder of ownership thereof, and the Treasury Department is the supervisor and keeper under the State Property Act B.E.2562 (2019); whereas, regarding such AOT utilization of the State Property, there are 3 related regulations of the Ministry of Finance (Regulations of the Ministry of Finance) and the Terms of Use made between AOT with DOA and RTAF, totaling 4 copies, as per Table 1:

Table 1: Relationship of Regulations of the Ministry of Finance and Execution of the Terms of Use

Airport	Regulations of the Ministry of Finance (3 Copies)	Terms of Use (4 Copies)
BKK	Regulations of the Ministry of Finance and the Department of Commercial Aviation Governing Permission to the Airports Authority of Thailand (AAT) for use of the State Property under the supervision and use of the Department of Aviation Relating to the Suvarnabhumi Airport B.E.2545 (2002) Dated 30 <sup>th</sup> September 2002.	Terms of Use Dated 30 <sup>th</sup> September 2002; and Amendments, totaling 2 copies, Dated 28 <sup>th</sup> September 2004 and Dated 4 <sup>th</sup> March 2019; between the Department of Aviation (currently DOA) and AOT; Total Area: 19,251 rai;
DMK	Regulations of the Ministry of Finance and RTAF Governing Permission to the Airports Authority of Thailand (AAT) for use of the State Property under the supervision and use of RTAF Relating to Don Mueang International Airport (Partial) and Chiang Mai International Airport (Partial) B.E.2545 (2002) Dated 30 <sup>th</sup> September 2002.	Terms of Use Dated 30 <sup>th</sup> September 2002; and Amendments, totaling 4 copies, dated 12 <sup>th</sup> October 2004, Dated 17 <sup>th</sup> January 2007, Dated 9 <sup>th</sup> January 2009 and Dated 14 <sup>th</sup> March 2019; between DOA and AOT; Total Area: 3,869 rai, 1 ngan, 45 square wah;
CNX		Terms of Use Dated 30 <sup>th</sup> September 2002; and Amendments, totaling 3 copies, Dated 12 <sup>th</sup> October 2004, Dated 14 <sup>th</sup> March 2019 and 25 <sup>th</sup> June 2019; between RTAF and AOT; Total Area: 1,099 rai, 1 ngan, 19.29 square wah;
CNX, CEI, HKT, HDY	Regulations of the Ministry of Finance and the Department of Aviation Governing Permission to the Airports Authority of Thailand (AAT) for use of the State Property under the supervision and use of the Department of Aviation Relating to the Regional Licensed Aerodrome B.E.2545 (2002) Dated 30 <sup>th</sup> September 2002.	Terms of Use Dated 30 <sup>th</sup> September 2002; and Amendments, totaling 2 copies, Dated 28 <sup>th</sup> September 2004 and Dated 4 <sup>th</sup> March 2019; between the Department of Aviation (currently DOA) and AOT, as follows: 1. CNX; Area: 505 rai, 1 ngan, 8 square wah 2. CEI; Area: 3,075 rai, 2 ngan, 87.9 square wah 3. HKT; Area: 1,338 rai, 1 ngan, 52 square wah 4. HDY; Area: 2,970 rai

The Regulations of the Ministry of Finance, Clause 8, has determined the time frame for AOT's use of the State Property, totaling not exceeding 50 years as from the date of execution of the Terms of Use (as from 30<sup>th</sup> September 2002 to 29<sup>th</sup> September 2052) and as per Clause 1 and Clause 3 of each Terms of Use, the initial period of use of AOT shall not be exceeding 30 years; whereby, upon expiry of such period, AOT may apply for extension of the period of use for 2 times, each not exceeding 10 years.

### 3.2 Amendment to the Terms of Use

Since the period of use; Phase 1: 30 years, shall expire on 29<sup>th</sup> September 2032 (approximately 11 years from now); therefore, AOT requests the Treasury Department to consider the possibility and guidelines for AOT's use of the State Property for a period of 30 years by starting the term of the Agreement as from the current year so that the period of time shall be continuous and adequate for participation in the investment of the private sector and for joint development of management efficiency of airports under the responsibilities of AOT; whereby, the Treasury Department has initially considered the matter and agreed that it may be operated under the original time frame of 50 years.

Then, on 10<sup>th</sup> September 2021, the Treasury Department issued a letter to AOT that the Ministry of Finance has approved the draft of the Terms of Use of the State Property (6 Airports) as the related agencies including the Treasury Department, DOA, RTAF and AOT, have jointly considered the draft of the Terms of Use (Revised Version), totaling 4 copies, to amend the original prescribed period from 30 years (30<sup>th</sup> September 2002 – 29<sup>th</sup> September 2032) to 19 years (30<sup>th</sup> September 2002 – 29<sup>th</sup> September 2021) and has executed new draft of the Terms of Use, totaling 4 copies with the prescribed period of 30 years (30<sup>th</sup> September 2021 – 29<sup>th</sup> September 2051) as audited by the Office of the Attorney General. The adjustment of the periods under the Terms of Use can be summarized in Table 2, as follows:

Table 2: Adjustment of the Periods under the Terms of Use under the Original Time Frame of 50 Years

Phase	Terms of Use, totaling 4 Copies	
	Before the Amendment	After the Amendment
1	30 <sup>th</sup> Sept. 2002 – 29 <sup>th</sup> Sept. 2032 (30 years)	30 <sup>th</sup> Sept. 2002 – 29 <sup>th</sup> Sept. 2021 (19 years) (4 Original Copies to be Amended)
2	30 <sup>th</sup> Sept. 2032 – 29 <sup>th</sup> Sept. 2042 (10 years)	30 <sup>th</sup> Sept. 2021 – 29 <sup>th</sup> Sept. 2051 (30 years) (4 Copies to be Executed)
3	30 <sup>th</sup> Sept. 2042 – 29 <sup>th</sup> Sept. 2052 (10 years)	30 <sup>th</sup> Sept. 2051 – 29 <sup>th</sup> Sept. 2052 (1 year)

### 4. Total Consideration Value

Regarding the assets of the State Property under the responsibilities of AOT, i.e., 6 airports, AOT has used the present value of minimum compensation for use of the State Property of 2022-2051, approximately 85,447 million Baht, as approved by the Treasury Department; whereby, AOT has applied the Standard of Financial Reporting No.16 (TFRS 16); Subject: Lease Agreement for the first time on 1<sup>st</sup> October 2020 and has recognized the lease of all 6 airports of the State Property, as follows:

4.1 Record in the Statement of Financial Position; Section: Assets; Account Name: "Assets and Rights of Use" with the minimum amount of compensation for use of the State Property payable under the Terms of Use, consisting of:

(1) Minimum compensation for use of the State Property of BKK shall be calculated from the method of Returns on Assets (ROA); 2021-2022, and the method of revenue shares as per the minimum amount of compensation for use of the State Property (2023-2032) (equal to 6.744% of the estimated revenue of BKK as proposed by AOT).

(2) Minimum compensation for use of the State Property of DMK and regional airports including HKT, CNX, HDY and CEI shall be calculated from the method of revenue shares as per the minimum amount of compensation for use of the State Property (2021-2032) (equal to 5.5% of the estimated revenue of DMK and HKT as proposed by AOT).

4.2 Record in the Statement of Income; Section: Expenses; Account Name: “State Property Rental”, consisting of:

(1) Compensation for use of the State Property shall be calculated from the method of revenue shares of BKK (2021-2022) (equal to 5% of the total revenue of BKK without deduction of any expenses during 2021-2022);

(2) Compensation for use of the State Property shall be calculated from the method of revenue shares exceeding the minimum compensation for use of the State Property under Sub-clause 4.1 (6.744% of the total revenue of BKK without deduction of any expenses during 2023-2032 and 5.5% of the total revenue of DMK and HKT without deduction of any expenses during 2021-2032);

#### 5. Expected Outcome

The assets of the State Property under the responsibilities of AOT, i.e., 6 airports, are essential assets of AOT's business operations. The amendment to the Terms of Use shall be the adjustment of the period of use of the State Property in accordance with the Airport Development Plan of AOT. This would create stability in the right of asset utilization and motivation and participation in the investment of the private sector in order to enhance the potentials of service provision of airports, increase the proportion of Non-Aeronautical Revenue, provide opportunities for business expansion for AOT's future growth, and create the added value and for the long-term benefits of AOT and its shareholders.

#### 6. Sources of Fund for Compensation Payment by AOT

AOT shall use cash flow from operating activities for compensation payment relating to the rights of use of the State Property as per the Terms of Use.

#### 7. Size of Transactions

7.1 Regarding the calculation of size of transactions as per the criteria for acquisition of assets, AOT has considered all 4 methods of calculation of size of transactions as per the criteria for calculation of value of transactions prescribed in 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) and found that the proper method is the method of the Total Consideration Value, with details of calculation as per Table 3:

Table 3: Calculation of Size of Transactions as per the Criteria for Acquisition of Assets

Criteria for Calculation	Calculation (Million Baht)	Size of Transactions (%)
Method of Total Compensation Value	$= \frac{\text{Total Minimum Compensation Value} \times 100}{\text{Total Assets of the Listed Company}}$ $= \text{Approximately } \frac{85,477^{(1)}}{196,224^{(2)}}$	43.55

**Notes:**

- (1) The present value of the minimum compensation for use of the State Property (2022-2051) shall be approximately 85,447 million Baht, which has been approved by the Treasury Department.
- (2) The total value of assets shall be approximately 196,224 million Baht as per the latest Financial Statements as of 30<sup>th</sup> June 2021, which has been reviewed by the Certified Public Accountant.

According to the result of calculation, the size of transactions shall be approximately 43.55% which was within the criteria that the size of transaction shall have the value equal to 15% or higher but lower than 50%; as a result, AOT shall take actions, as follows:

- (1) Notify the data thereof to SET;
- (2) Send a circular letter to its shareholders within 21 days as from the date of notification of data thereof to SET; whereby, the minimum information shall be notified as per the prescribed criteria.

7.2 Regarding the calculation of size of transactions as per the criteria for the related transactions in the category of assets or services, it shall have details of calculation, as per Table 4:

Table 4: Calculation of Size of Transactions as per the Criteria for the Related Transactions

Size of Transactions	Calculation by Selecting the Maximum Value of Size of Transactions (X) between	
	$X \geq 20$ (Million Baht)	$X \geq 3\%NTA^{(2)}$ (Million Baht)
Assets or Services (Large Transactions)	Approximately $85,447^{(1)} > 20$	Approximately $85,447^{(1)} > 3\% * 117,517^{(2)}$ Approximately $85,447 > 3,526$

**Notes:**

- (1) The present value of the minimum compensation for use of the State Property (2022-2051) shall be approximately 85,447 million Baht, which has been approved by the Treasury Department.
- (2) Net Tangible Asset (NTA) means the total assets – intangible assets – total liabilities – non-controlling interests (if any) equal to approximately 117,517 million Baht as per the latest Financial Statements as of 30<sup>th</sup> June 2021, which has been reviewed by the Certified Public Accountant.

According to the result of calculation, the value of the size of transactions shall be approximately 85,447 million Baht categorized as major transactions which value more than 20 million Baht and higher than 3% of the Net Tangible Asset (NTA) equal to 3,526 million Baht; as a result, AOT shall take actions, as follows:

- (1) Disclose the data thereof to SET;
- (2) Request for approval from the AOT Board of Directors' Meeting;
- (3) Request for approval from the Shareholder's Meeting;

However, for the case under (3), since the related parties in the transaction are the Ministry of Finance, DOA and RTAF, in the capacity of government agencies and are regarded as state agencies; therefore, AOT has been exempted from asking for approval from the Shareholder's Meeting for entry into transactions, in case, such transactions have been approved by AOT Board of Directors under Sub-clause 3/1 of the Notification of the Capital Market Supervisory Board No.TorJor.21/2008 Re: Rules on Connected Transactions.

#### **8. Transactions which must be approved by the related agencies**

Since the amendment to the Terms of Use to be executed by AOT between DOA and RTAF is related to the acquisition of rights of use of the State Property which is the real property; whereby, the Ministry of Finance is the holder of ownership thereof, and the Treasury Department shall be obliged to supervise and maintain the State Property as per the State Property Act B.E.2562 (2019); therefore, the matter shall be approved by the Ministry of Finance; whereby, the Treasury Department issued a letter dated 10<sup>th</sup> September 2021 to notify that the Ministry of Finance has already approved the matter.

#### **9. Approval of the Board of Directors relating to Agreements on Entry into Transactions**

In the AOT Board of Directors' Meeting No.12/2021 convened on 22<sup>nd</sup> September 2021, the Meeting has considered the matter and agreed that the amendment to the Terms of Use for business operation of all 6 airports of AOT is the determination of the period of use of the State Property to be proper and in accordance with the Airport Development Plan, creation of stability in the right of asset utilization, creation of the added value in the management of the State Property and for motivation and participation in the investment of the private sector in order to enhance the potentials of service provision of AOT's airports, increase the proportion of non-aeronautical revenue, provide opportunities for business expansion for AOT's future growth for long-term benefits of AOT and its shareholders. Therefore, the Meeting has issued its resolutions, as follows:

9.1 To acknowledge the matter as approved by the Ministry of Finance relating to the amendment to the Terms of Use of the State Property for business operation of all 6 airports of AOT as per the Letter of the Treasury Department (Most Urgent) No.GorKor.0309/13791 Dated 10<sup>th</sup> September 2021.

9.2 To acknowledge the resolutions of the Audit Committee in the Meeting No.1/2021 convened on 20<sup>th</sup> January 2021 which has approved the transactions of acquisition of assets and the related transactions in case of the amendment to the Terms of Use; and it was considered that the matter was reasonable and for the benefits of AOT and its shareholders because it would help create motivation for investors to invest with AOT; as a result, AOT shall be able to effectively enhance the potentials of operational development relating to commercial activities and would also help increase the non-aeronautical revenue and create opportunities for business expansion and growth of AOT in the future.

9.3 To approve the transactions of acquisition of assets and the related transactions between AOT and DOA and RTAF, in the capacity of representatives of the Ministry of Finance in case of the amendment to the Terms of Use of the State Property and disclosure of information of such transactions to SET; and to issue a circular letter to all shareholders for acknowledgment thereof.

Moreover, for independent consideration of the AOT Board of Directors, Mr. Phantong Loykulnanta, the director/representative of the Ministry of Finance, and Mr. Sarawut Songsivilai, directors/representatives of the Ministry of Transport, who are stakeholders, requested to leave the Meeting Room and did not participate in the consideration of the matter nor cast their votes for this Agenda. In this meeting, Mr. Krichthep Simlee, directors/representatives of the Ministry of Transport, left the meeting.

**10. Opinions of the Audit Committee and/or the Company's Directors which are different from those of the Board of Directors under Clause 9:**

- None

Please be informed accordingly.

Yours sincerely,



SHANALAI CHAYAKUL  
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Authorized Person

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