

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE PLAN ADMINISTRATOR

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

### **Disclaimer of Opinion**

We were engaged to audit the consolidated financial statements of Thai Airways International Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thai Airways International Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated and separate financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

### **Basis for Disclaimer of Opinion**

As we considered the conditions of uncertainty that had impact to the Group’s and the Company’s operations as follows:

#### 1. Lack of financial liquidity

As disclosed in Note 1 to the financial statements regarding the financial position of the Group and the Company, as at December 31, 2021, the Group had significant current liabilities in excess of current assets by Baht 22,552 million and had capital deficiency of Baht 71,250 million in the consolidated financial statements, and the Company had current liabilities in excess of current assets by Baht 19,375 million and had capital deficiency of Baht 66,658 million in the separate financial statements. The Group and the Company had incurred losses from operations since year 2013 which resulted in capital deficiency and lack of financial liquidity.

In the second quarter of year 2020, the Company was under the Automatic Stay status according to the Order to accept the rehabilitation petition of the Central Bankruptcy Court on May 27, 2020. As a result, the Company has triggered the event of default of outstanding liabilities and has not paid liabilities when due, including trade account payables, short-term borrowings, long-term borrowings, debentures and lease liabilities. Subsequently, on June 15, 2021, the Central Bankruptcy Court issued an Order approving the rehabilitation plan (see No. 3 of Basis for Disclaimer of Opinion). The Company is currently in the process of implementing the rehabilitation plan.

2. Effect of Coronavirus Disease 2019 Pandemic to operations of the Group

As disclosed in Note 1 to the financial statements, the Coronavirus disease 2019 (“COVID-19”) pandemic has affected in an economic slowdown impacting most businesses and industries, especially aviation industry. Since March 23, 2020 and March 25, 2020, Thai Smile Airways Company Limited, a subsidiary, and the Company temporarily suspended domestic and international flight operations, respectively. However, Thai Smile Airways Company Limited resumed some domestic flight services in June 2020 and reviewed the frequency of flight service to increase and reduce the number of flight to be consistent with the demand, including launching new domestic routes. Since August 2020, the Company resumed some international flight services, including chartered flights but not yet operated as normal. Subsequently from July 21, 2021 to August 3, 2021, Thai Smile Airways Company Limited temporarily suspended all domestic flight operations due to the new wave of COVID-19 pandemic. However, Thai Smile Airways Company Limited has since resumed to serve both domestic and international flight in accordance with each country Government’s measures to control the spread of COVID-19.

3. Entering into the rehabilitation process

As disclosed in Note 5 to the financial statements, on May 26, 2020, the Company submitted a petition to enter into a business rehabilitation process and propose the rehabilitation planners to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483. On May 27, 2020, the Central Bankruptcy Court issued an Order to accept the rehabilitation petition of the Company. On September 14, 2020, the Central Bankruptcy Court granted the Company’s business rehabilitation petition and appointed the Planners as nominated by the Company, resulting to the Company entered into the rehabilitation process. On March 2, 2021, the Planners submitted the rehabilitation plan to the Official Receiver. On May 19, 2021, the creditors’ meeting passed a resolution in accordance with Section 90/46 of the Bankruptcy Act B.E. 2483.

Subsequently, on June 15, 2021, the Central Bankruptcy Court issued an Order approving the rehabilitation plan and plan amendment petitions as per the resolution of the creditors’ meeting on May 19, 2021, including the approval of the nominated Plan Administrator. The essential parts of the business rehabilitation plan are capital restructuring, debt repayment of each class of the creditors, and the completion of the business rehabilitation plan. The Company is currently in the process of implementing the rehabilitation plan. However, completion of the rehabilitation plan depends on the ability to implement the plan, and must meet all conditions as specified in the rehabilitation plan.

The aforementioned conditions disclosed in No.1 to No.3. have impact on and are inter-related reflecting in the material uncertainty to the ability to continue as going concern of the Group and the Company which may affect the valuation of significant assets and liabilities in the consolidated and separate financial statements for the year ended December 31, 2021.

In addition, the consolidated financial statements of Thai Airways International Public Company Limited and its subsidiaries and the separate financial statements of Thai Airways International Public Company Limited for the year ended December 31, 2020 (before reclassification as disclosed in Note 37 to the financial statements), presented herein as comparative information, were audited by us, we expressed a disclaimer of opinion on the consolidated and the Company's separate financial statements for the year ended December 31, 2020 in our report dated February 24, 2021.

### **Emphasis of Matter**

We draw attention to Notes 5.3, 13, 18, 19, 20, 23 and 27, to the financial statements. On June 15, 2021, the Central Bankruptcy Court issued an Order to approve the business rehabilitation plan which has affected the adjustments of the valuation of assets and liabilities of the consolidated and separate financial statements for the year ended December 31, 2021 to be in accordance with the condition as stated in the rehabilitation plan. The Company's liabilities will be adjusted upon receiving an Order from the Official Receiver, except all debentures had been adjusted since the Company assessed that it is probable that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver. However, such matter did not affect our disclaimer of opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company 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 Consolidated and Separate Financial Statements**

Our responsibility is to conduct an audit of the consolidated and separate financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**BANGKOK**  
February 25, 2022

Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7.1	5,514,653,800	8,673,722,750	5,121,813,222	7,960,503,517
Trade and other current receivables	6, 8	10,022,226,844	6,075,476,423	12,536,138,839	9,451,970,868
Inventories and supplies	9	4,131,546,294	4,241,134,448	4,114,052,208	4,213,271,229
Current tax assets		204,702,448	201,895,995	204,687,687	201,882,897
Other current assets		601,419,991	265,919,016	601,370,481	530,955,175
Non-current assets classified as held for sale	10	4,320,962,383	792,846,134	4,320,962,383	163,734,283
<b>Total Current Assets</b>		<b>24,795,511,760</b>	<b>20,250,994,766</b>	<b>26,899,024,820</b>	<b>22,522,317,969</b>
<b>NON-CURRENT ASSETS</b>					
Other non-current financial assets	22, 34.5	3,314,741,146	4,236,732,139	3,308,383,171	4,231,208,497
Investments in associates	11.1	515,307,376	909,946,301	383,334,000	419,334,000
Investments in subsidiaries	11.2	-	-	10,209,920	10,209,920
Non-current receivable under lease agreements	6.3	-	-	7,086,677,261	4,631,398,222
Property, plant and equipment	12	34,493,245,202	42,127,357,923	34,442,683,416	42,093,144,508
Right-of-use assets	13	69,651,695,912	116,822,249,908	62,326,397,358	110,920,641,441
Intangible assets	14	213,376,966	274,432,026	176,961,857	222,298,705
Deferred tax assets	15	8,274,742,579	6,069,727,161	8,258,409,755	6,056,018,128
Maintenance reserves	16	15,489,511,397	14,120,597,124	15,426,952,515	14,120,597,124
Other non-current assets	17	4,471,121,630	4,484,776,937	4,340,400,133	4,261,399,368
<b>Total Non-Current Assets</b>		<b>136,423,742,208</b>	<b>189,045,819,519</b>	<b>135,760,409,386</b>	<b>186,966,249,913</b>
<b>TOTAL ASSETS</b>		<b>161,219,253,968</b>	<b>209,296,814,285</b>	<b>162,659,434,206</b>	<b>209,488,567,882</b>

Notes to the financial statements form an integral part of these statements

( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions	7.3, 18.1	-	3,729,636,949	-	3,729,636,949
Trade and other current payables	6, 20	28,076,044,447	51,843,422,620	27,359,944,841	51,396,375,948
Deferred revenue	21	17,753,074,488	16,157,609,346	17,416,845,556	15,917,523,991
Current portion of long-term liabilities					
Long-term borrowings from financial institutions	7.3, 18.2	-	8,511,346,154	-	8,511,346,154
Long-term borrowings from related parties	6.2, 7.3	-	14,895,615,294	-	14,895,615,294
Leases liabilities	7.3, 19	605,964,141	123,796,110,048	593,972,474	123,787,169,909
Debentures	7.3, 18.3	-	71,608,000,000	-	71,608,000,000
Short-term borrowings from related parties	6.2, 7.3	-	11,260,725,630	-	11,260,725,630
Corporate income tax payable		-	12,813	-	-
Accrued dividends		54,473,562	54,420,926	54,228,762	54,237,326
Other current liabilities		858,742,679	239,293,514	849,105,210	239,257,261
<b>Total Current Liabilities</b>		<b>47,348,299,317</b>	<b>302,096,193,294</b>	<b>46,274,096,843</b>	<b>301,399,888,462</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term liabilities					
Long-term borrowings from financial institutions	7.3, 18.2	10,575,571,433	-	10,575,571,433	-
Long-term borrowings from related parties	6.2, 7.3	18,559,461,364	-	18,559,461,364	-
Leases liabilities	7.3, 19	74,595,455,465	5,235,159	74,592,636,469	-
Debentures	7.3, 18.3	35,538,679,443	-	35,538,679,443	-
Trade and other non-current payables	6, 20	19,560,109,462	-	19,560,109,462	-
Staff pension fund	22	1,028,854,319	1,963,280,618	1,028,854,319	1,963,280,618
Non-current provisions for employee benefit	23	5,172,907,152	15,316,156,975	5,083,353,215	15,241,643,847
Other non-current provisions	24	20,071,788,288	18,454,442,656	16,129,323,670	16,028,286,283
Other non-current liabilities		18,606,004	126,368,564	1,975,264,816	2,091,204,230
<b>Total Non-Current Liabilities</b>		<b>185,121,432,930</b>	<b>35,865,483,972</b>	<b>183,043,254,191</b>	<b>35,324,414,978</b>
<b>TOTAL LIABILITIES</b>		<b>232,469,732,247</b>	<b>337,961,677,266</b>	<b>229,317,351,034</b>	<b>336,724,303,440</b>

Notes to the financial statements form an integral part of these statements

.....  
 ( Mr.Suvadhana Sibunruang )  
 Senior Chief  
 Acting Chief Executive Officer

.....  
 ( Mr.Chai Eamsiri )  
 Senior Chief  
 Acting Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
<b>SHARE CAPITAL</b>					
Authorized share capital					
2,182.77 million ordinary shares of Baht 10 each	5.3.1	21,827,719,170		21,827,719,170	
2,698.90 million ordinary shares of Baht 10 each			26,989,009,500		26,989,009,500
Issued and paid-up share capital					
2,182.77 million ordinary shares of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Share premium on ordinary shares		1,862,979,154	1,862,979,154	1,862,979,154	1,862,979,154
<b>DEFICIT</b>					
Unappropriated (deficit)		(104,673,778,434)	(161,898,334,024)	(100,007,567,657)	(160,389,548,126)
Other components of shareholders' equity		9,659,970,951	9,465,142,956	9,658,952,505	9,463,114,244
<b>Total shareholders' equity arributable to owners of the Company (capital deficiency)</b>		<b>(71,323,109,159)</b>	<b>(128,742,492,744)</b>	<b>(66,657,916,828)</b>	<b>(127,235,735,558)</b>
<b>Non-controlling interests</b>		<b>72,630,880</b>	<b>77,629,763</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)</b>		<b>(71,250,478,279)</b>	<b>(128,664,862,981)</b>	<b>(66,657,916,828)</b>	<b>(127,235,735,558)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>161,219,253,968</b>	<b>209,296,814,285</b>	<b>162,659,434,206</b>	<b>209,488,567,882</b>

Notes to the financial statements form an integral part of these statements

( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>Revenues</b>	32.1, 32.2				
Revenues from sales or services	25,30				
Passenger and excess baggage		5,528,478,386	34,162,870,829	3,278,227,439	30,830,752,880
Freight and mail		10,928,144,157	6,892,792,058	10,905,174,586	6,874,005,517
Other business		5,115,564,667	6,660,792,421	5,528,571,580	7,838,973,989
<b>Total revenues from sales or rendering of services</b>		<b>21,572,187,210</b>	<b>47,716,455,308</b>	<b>19,711,973,605</b>	<b>45,543,732,386</b>
Other income					
Interest income		21,793,772	120,142,758	20,949,350	116,904,033
Gain on changes in ownership interest		-	205,606,044	-	-
Gain on sales of investments	26.1	2,833,995,048	-	3,452,826,293	-
Gain on debt restructuring	5.3.1	61,807,531,743	-	61,807,531,743	-
Other income - others	26.2	3,745,498,501	594,658,938	3,958,659,360	677,257,205
<b>Total other income</b>		<b>68,408,819,064</b>	<b>920,407,740</b>	<b>69,239,966,746</b>	<b>794,161,238</b>
<b>Total Revenues</b>		<b>89,981,006,274</b>	<b>48,636,863,048</b>	<b>88,951,940,351</b>	<b>46,337,893,624</b>
<b>Expenses</b>					
Aircraft fuel expenses		5,925,995,708	12,386,470,504	5,182,947,122	11,163,696,763
Employee benefits expenses		6,410,708,578	20,545,806,773	5,933,995,638	19,966,548,821
Flight service expenses		2,414,749,132	6,726,875,952	2,225,169,015	6,185,871,454
Crew expenses		614,805,003	1,552,405,251	480,665,182	1,263,023,740
Aircraft repair and maintenance costs		5,704,148,369	7,872,278,019	3,432,651,328	5,679,687,580
Depreciation and amortization expenses		12,544,140,777	27,704,277,826	11,940,055,210	26,420,465,970
Lease of aircraft and spare parts		1,265,078,604	218,838,293	966,320,246	2,013,211,778
Inventories and supplies expenses		490,613,298	2,111,050,175	414,612,112	1,944,917,890
Selling and advertising expenses		837,204,401	1,952,068,751	568,420,119	1,458,276,264
Impairment loss on aircrafts, right-of-use assets and rotatable aircraft spare parts (reversal)	27	(20,012,894,944)	82,702,523,715	(20,012,894,944)	82,702,523,715
Net foreign exchange loss		7,617,838,853	894,693,377	8,472,005,931	948,184,877
Impairment loss on investment in subsidiary and associate		-	-	-	1,975,553,600
Other expenses		4,387,995,221	5,873,592,962	4,006,817,683	5,627,863,407
<b>Total Expenses</b>		<b>28,200,383,000</b>	<b>170,540,881,598</b>	<b>23,610,764,642</b>	<b>167,349,825,859</b>
<b>Profit (loss) from operating activities</b>		<b>61,780,623,274</b>	<b>(121,904,018,550)</b>	<b>65,341,175,709</b>	<b>(121,011,932,235)</b>
Finance costs		9,489,834,715	12,193,849,066	9,371,302,348	11,909,511,581
Impairment loss determined in accordance with TFRS 9 (reversal)	28	(169,949,931)	261,088,704	472,610,579	7,939,242,471
Share of loss of associates using the equity method		127,203,254	511,502,758	-	-
Hedging loss for hedge of group of items with offsetting risk positions	34.2	-	5,226,749,217	-	5,226,749,217
<b>Profit (loss) before income tax expense</b>		<b>52,333,535,236</b>	<b>(140,097,208,295)</b>	<b>55,497,262,782</b>	<b>(146,087,435,504)</b>
Income tax expense	29	2,779,768,097	(1,082,689,203)	2,777,338,740	(1,080,933,219)
<b>PROFIT (LOSS) FOR THE YEARS</b>		<b>55,113,303,333</b>	<b>(141,179,897,498)</b>	<b>58,274,601,522</b>	<b>(147,168,368,723)</b>

Notes to the financial statements form an integral part of these statements

.....  
(Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
(Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
Gains (losses) on cash flow hedges		-	(3,767,359,414)	-	(3,767,359,414)
Income tax relating to gains on cash flow hedges		-	163,825,627	-	163,825,627
Total components of other comprehensive income that will be reclassified to profit or loss		-	(3,603,533,787)	-	(3,603,533,787)
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
Gains on revaluation of assets	12, 31	1,709,185,596	3,451,354,141	1,709,185,597	3,451,354,141
Income tax relating to revaluation of assets		(341,837,119)	(690,270,828)	(341,837,120)	(690,270,828)
Gains (losses) on investment in equity designated at fair value through other comprehensive income		2,418,525	1,659,600	3,428,760	(367,961)
Income tax related to investment in equity designated at fair value through other comprehensive income		(31)	(44)	-	-
Actuarial gains on employee benefit obligations		1,164,516,201	35,693,488	1,165,549,964	32,721,669
Income tax related to actuarial gains on employee benefit obligations		(233,109,993)	(7,138,698)	(233,109,993)	(6,544,334)
Share of other comprehensive income of associates using the equity method		-	158,789	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss		2,301,173,179	2,791,456,448	2,303,217,208	2,786,892,687
<b>Other comprehensive income (loss) for the years - net of tax</b>		<b>2,301,173,179</b>	<b>(812,077,339)</b>	<b>2,303,217,208</b>	<b>(816,641,100)</b>
<b>Total comprehensive income (loss) for the years</b>		<b>57,414,476,512</b>	<b>(141,991,974,837)</b>	<b>60,577,818,730</b>	<b>(147,985,009,823)</b>
<b>Profit (loss) attributable to</b>					
Owners of the parent		55,118,210,406	(141,170,736,793)	58,274,601,522	(147,168,368,723)
Non-controlling interests		(4,907,073)	(9,160,705)	-	-
		<b>55,113,303,333</b>	<b>(141,179,897,498)</b>	<b>58,274,601,522</b>	<b>(147,168,368,723)</b>
<b>Total comprehensive income (loss) attributable to</b>					
Owners of the parent		57,419,383,585	(141,983,883,986)	60,577,818,730	(147,985,009,823)
Non-controlling interests		(4,907,073)	(8,090,851)	-	-
		<b>57,414,476,512</b>	<b>(141,991,974,837)</b>	<b>60,577,818,730</b>	<b>(147,985,009,823)</b>
<b>Profit (loss) per share</b>					
Number of ordinary shares (shares)		2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic earnings (loss) per share (Baht per share)		25.25	(64.67)	26.70	(67.42)

Notes to the financial statements form an integral part of these statements

.....  
( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

UNIT : BAHT

Notes	Consolidated financial statements										
	Owners of the Company				Other Components of shareholders' equity				Total Owners of the Company	Non-controlling Interests	Total Shareholders' Equity
	Issued and Paid-up Share Capital	Share premium on Ordinary Shares	Retained Earnings (deficit)		Gain (loss) on cash flow hedges - net of tax	Other Comprehensive income (loss)					
			Appropriated Legal reserve	Unappropriated		Gain on revaluation of assets - net of tax	Gains (losses) on investment in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity			
<b>Balance as at January 1, 2020</b>	21,827,719,170	1,862,979,154	-	(20,755,240,956)	3,603,533,787	6,696,714,412	5,685,675	10,305,933,874	13,241,391,242	106,383,044	13,347,774,286
<b>Changes in Shareholders' Equity</b>											
Dividends paid	-	-	-	-	-	-	-	-	-	(20,570,630)	(20,570,630)
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-	-	(91,800)	(91,800)
Total comprehensive income (loss) for the year	-	-	-	(141,143,093,068)	(3,603,533,787)	2,761,083,313	1,659,556	(840,790,918)	(141,983,883,986)	(8,090,851)	(141,991,974,837)
<b>Balance as at December 31, 2020</b>	<b>21,827,719,170</b>	<b>1,862,979,154</b>	<b>-</b>	<b>(161,898,334,024)</b>	<b>-</b>	<b>9,457,797,725</b>	<b>7,345,231</b>	<b>9,465,142,956</b>	<b>(128,742,492,744)</b>	<b>77,629,763</b>	<b>(128,664,862,981)</b>
<b>Balance as at January 1, 2021</b>	21,827,719,170	1,862,979,154	-	(161,898,334,024)	-	9,457,797,725	7,345,231	9,465,142,956	(128,742,492,744)	77,629,763	(128,664,862,981)
<b>Changes in Shareholders' Equity</b>											
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-	-	(91,810)	(91,810)
Transfer of gain on selling assets revaluation	-	-	-	1,174,938,976	-	(1,174,938,976)	-	(1,174,938,976)	-	-	-
Total comprehensive income (loss) for the year	-	-	-	56,049,616,614	-	1,367,348,477	2,418,494	1,369,766,971	57,419,383,585	(4,907,073)	57,414,476,512
<b>Balance as at December 31, 2021</b>	<b>21,827,719,170</b>	<b>1,862,979,154</b>	<b>-</b>	<b>(104,673,778,434)</b>	<b>-</b>	<b>9,650,207,226</b>	<b>9,763,725</b>	<b>9,659,970,951</b>	<b>(71,323,109,159)</b>	<b>72,630,880</b>	<b>(71,250,478,279)</b>

Notes to the financial statements form an integral part of these statements

.....  
(Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
(Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

Notes	Issued and Paid-up Share Capital	Share premium on Ordinary Shares	Separate financial statements						Total Shareholders' Equity
			Retained Earnings (deficit)		Other Components of shareholders' equity				
			Appropriated Legal reserve	Unappropriated	Other Comprehensive income (loss)			Total other components of shareholders' equity	
					Gain (loss) on cash flow hedges - net of tax	Gain on revaluation of assets - net of tax	Gains (losses) on investment in equity designated at fair value through other comprehensive income		
<b>Balance as at January 1, 2020</b>	21,827,719,170	1,862,979,154	-	(13,247,356,738)	3,603,533,787	6,696,714,412	5,684,480	10,305,932,679	20,749,274,265
<b>Changes in Shareholders' Equity</b>									
Total comprehensive income (loss) for the year	-	-	-	(147,142,191,388)	(3,603,533,787)	2,761,083,313	(367,961)	(842,818,435)	(147,985,009,823)
<b>Balance as at December 31, 2020</b>	<b>21,827,719,170</b>	<b>1,862,979,154</b>	<b>-</b>	<b>(160,389,548,126)</b>	<b>-</b>	<b>9,457,797,725</b>	<b>5,316,519</b>	<b>9,463,114,244</b>	<b>(127,235,735,558)</b>
<b>Balance as at January 1, 2021</b>	21,827,719,170	1,862,979,154	-	(160,389,548,126)	-	9,457,797,725	5,316,519	9,463,114,244	(127,235,735,558)
<b>Changes in Shareholders' Equity</b>									
Transfer of gain on selling assets revaluation 31	-	-	-	1,174,938,976	-	(1,174,938,976)	-	(1,174,938,976)	-
Total comprehensive income (loss) for the year	-	-	-	59,207,041,493	-	1,367,348,477	3,428,760	1,370,777,237	60,577,818,730
<b>Balance as at December 31, 2021</b>	<b>21,827,719,170</b>	<b>1,862,979,154</b>	<b>-</b>	<b>(100,007,567,657)</b>	<b>-</b>	<b>9,650,207,226</b>	<b>8,745,279</b>	<b>9,658,952,505</b>	<b>(66,657,916,828)</b>

Notes to the financial statements form an integral part of these statements

.....  
( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) for the years		55,113,303,333	(141,179,897,498)	58,274,601,522	(147,168,368,723)
Adjustment to reconcile profit and loss					
Income tax expense (income)		(2,779,768,097)	1,082,689,203	(2,777,338,740)	1,080,933,219
Depreciation and amortization expense		12,544,140,777	27,704,277,826	11,940,055,210	26,420,465,970
Dividend received		(1,420,207)	(906,376)	(22,420,207)	(203,499,032)
Share of loss from associates using the equity method		127,203,254	511,502,758	-	-
Gain on changes in ownership interest		-	(205,606,044)	-	-
Interest income		(21,793,774)	(120,142,758)	(20,949,350)	(116,904,033)
Finance costs		9,489,834,715	12,193,849,066	9,371,302,348	11,909,511,581
Gain on disposal of assets		(1,592,512,125)	(124,055)	(1,592,661,953)	(110,223)
Gain on sale of investments		(2,833,995,048)	-	(3,452,826,293)	-
(Gain) loss arising from financial asset designated at fair value through profit or loss		95,355,169	(559,791,515)	95,355,169	-
Gain on reclassification of investments		(326,880,595)	-	(546,587,135)	-
Unrealized loss on foreign exchange rates		11,649,228,756	637,670,561	13,154,594,295	427,240,001
Provisions for pension fund	22	45,153,644	126,706,175	45,153,644	126,706,175
(Reversal) provisions for employee benefits	23	(4,353,749,684)	1,440,282,567	(4,373,561,289)	1,194,836,154
(Reversal) provision for long-term aircraft maintenance		123,711,875	2,188,093,842	(1,392,596,370)	2,018,915,853
Loss on inventories and supplies obsolescence		199,133,494	280,560,793	199,133,494	280,560,793
Impairment loss on investments		-	-	-	1,975,918,706
(Reversal) credit loss on financial assets	28	(169,949,931)	261,088,704	472,610,579	7,939,242,471
Loss on right-of-use contract termination		64,052,244	-	64,052,244	-
Gain on offsetting obligation of service and engine maintenance fee		(1,457,095,281)	-	(1,457,095,281)	-
Gain on debt restructuring		(61,807,531,743)	-	(61,807,531,743)	-
(Reversal) impairment loss on aircraft, right-of-use assets and rotatable aircraft's spare part	27	(20,012,894,944)	82,702,523,715	(20,012,894,944)	82,702,523,715
Loss from operating before changes in operating assets and liabilities		(5,906,474,168)	(12,937,223,036)	(3,839,604,800)	(11,412,027,373)
<b>Operating assets decrease (increase)</b>					
Trade and other current receivables		(2,407,768,380)	10,232,029,319	(2,266,040,105)	5,145,739,939
Lease receivables		-	-	(1,115,189,480)	1,718,354,165
Inventories and supplies		(89,545,341)	174,975,862	(99,914,474)	162,130,396
Other current assets		(61,388,810)	723,102,513	(61,612,824)	721,881,590
Maintenance reserves		(181,875,822)	(1,345,302,454)	(181,875,822)	(1,393,378,469)
Other non-current financial assets		1,239,344,116	253,163,415	1,241,188,716	253,163,415
Other non-current assets		(45,219,709)	5,083,208,493	(7,289,956)	5,147,272,081

Notes to the financial statements form an integral part of these statements

( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
<b>Operating liabilities increase (decrease)</b>					
Trade and other payables		(3,114,997,911)	3,741,139,479	(3,843,161,050)	5,061,855,135
Deferred revenues		1,595,471,523	(13,531,534,668)	1,499,327,946	(13,076,628,933)
Other current liabilities		614,271,644	(258,255,151)	614,276,397	(253,145,567)
Staff pension fund		(962,293,919)	(367,435,135)	(962,293,919)	(367,435,135)
Employee benefit paid		(236,284,183)	(724,781,161)	(236,284,183)	(705,705,325)
Other non-current provisions		-	(2,410,647,231)	-	(2,410,647,231)
Other non-current liabilities		(79,053,754)	305,737,480	(110,345,861)	308,533,012
<b>Net cash used in operations</b>		<b>(9,635,814,714)</b>	<b>(11,061,822,275)</b>	<b>(9,368,819,415)</b>	<b>(11,100,038,300)</b>
Income tax paid		(211,377,116)	(215,803,624)	(204,687,687)	(201,882,897)
Income tax refunded		-	1,463,164,678	-	1,463,164,678
<b>Net cash flows used in operating activities</b>		<b>(9,847,191,830)</b>	<b>(9,814,461,221)</b>	<b>(9,573,507,102)</b>	<b>(9,838,756,519)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash paid for purchase of property, plant and equipment		(116,611,697)	(446,599,833)	(91,405,212)	(436,221,588)
Cash paid for purchase of intangible assets		(18,993,369)	(6,105,367)	(6,739,785)	(6,090,700)
Cash received from sales of non-current assets classified as held for sale		3,842,274,804	3,248,357	3,842,230,983	3,167,329
Cash received from sales of investments		3,709,609,670	-	3,709,609,670	-
Interest received		19,437,892	236,572,824	18,593,469	233,334,099
Dividend received		1,979,678	177,769,158	1,979,678	203,499,032
<b>Net cash flows provided by (used in) investing activities</b>		<b>7,437,696,978</b>	<b>(35,114,861)</b>	<b>7,474,268,803</b>	<b>(2,311,828)</b>

Notes to the financial statements form an integral part of these statements

.....  
( Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
( Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from short-term borrowings					
from financial institutions	7.3	-	4,000,000,000	-	4,000,000,000
Cash paid for short-term borrowings from financial institutions	7.3	-	(270,363,051)	-	(270,363,051)
Cash received from short-term borrowings from related parties	7.3	-	15,500,000,000	-	15,500,000,000
Cash paid for short-term borrowings from related parties	7.3	-	(7,739,274,370)	-	(7,739,274,370)
Cash paid for long-term borrowings from financial institutions	7.3	-	(362,019,231)	-	(362,019,231)
Cash paid for long-term borrowings from related parties	7.3	-	(725,022,629)	-	(725,022,629)
Cash paid for lease liabilities	7.3	(494,513,897)	(6,810,200,741)	(483,967,706)	(6,795,549,253)
Cash paid for repayment of debentures	7.3	-	(2,500,000,000)	-	(2,500,000,000)
Interest paid		(263,040,774)	(4,361,593,304)	(263,040,774)	(4,361,593,304)
Dividend paid		(8,564)	(23,367)	(8,564)	(23,367)
Dividend of subsidiary paid to non-controlling interests		-	(23,195,625)	-	-
<b>Net cash flows used in financing activities</b>		<b>(757,563,235)</b>	<b>(3,291,692,318)</b>	<b>(747,017,044)</b>	<b>(3,253,845,205)</b>
Net decrease in cash and cash equivalents before effect of exchange rate		(3,167,058,087)	(13,141,268,400)	(2,846,255,343)	(13,094,913,552)
Effect of exchange rate changes on cash and cash equivalents		6,579,675	156,875,617	6,155,586	187,420,897
Effects of changes in credit loss on cash and cash equivalents		1,409,462	(5,091,694)	1,409,462	(5,091,694)
Cash and cash equivalents at beginning of the years	7.1	8,673,722,750	21,663,207,227	7,960,503,517	20,873,087,866
<b>Cash and cash equivalents at ending of the years</b>	7.1	<b>5,514,653,800</b>	<b>8,673,722,750</b>	<b>5,121,813,222</b>	<b>7,960,503,517</b>

Notes to the financial statements form an integral part of these statements

.....  
(Mr.Suvadhana Sibunruang )  
Senior Chief  
Acting Chief Executive Officer

.....  
(Mr.Chai Eamsiri )  
Senior Chief  
Acting Chief, Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Notes</b>	<b>Contents</b>
1	General information and operations
2	Basis of preparation and presentation of the financial statements
3	Significant accounting policies
4	Critical accounting judgements and key source of estimation uncertainty
5	Rehabilitation plans
6	Related parties transactions
7	Additional cash flow information
8	Trade and other current receivables
9	Inventories
10	Non-current assets classified as held for sale
11	Investments
12	Property, plant and equipment
13	Right-of-use assets
14	Intangible assets
15	Deferred taxes assets
16	Maintenance reserves
17	Other non-current assets
18	Interest-bearing liabilities
19	Lease liabilities
20	Trade and other payables
21	Deferred revenue
22	Staff pension fund
23	Non-current provisions for employee benefits
24	Other non-current provisions
25	Revenues
26	Gain on sale of investments and other income
27	Impairment loss on aircrafts, right-of-use asset and rotatable aircraft spareparts (reversal)
28	Impairment loss determined in accordance with TFRS 9 (reversal)
29	Income tax expense
30	Promotional privileges
31	Revaluation surplus
32	Operating segment
33	Provident fund
34	Financial instruments
35	Commitments and contingent liabilities
36	Dispute and significant litigations
37	Reclassification
38	Events after the reporting period
39	Approval of the financial statements

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. GENERAL INFORMATION AND OPERATIONS**

Thai Airways International Public Company Limited (the “Company”) was registered as a Public Limited Company in Thailand and was listed on the Stock Exchange of Thailand on July 19, 1991. The registered address is located at 89 Vibhavadi Rangsit Road, Chom Phon, Chatuchak District, Bangkok, Thailand.

As at December 31, 2021 and 2020, the Company’s major shareholder and ultimate parent company is the Ministry of Finance by holding 47.86% of the Company’s issued and paid-up shares.

The Company’s principal activities are the operation of airline business and business units which related directly with transportation. As at December 31, 2021, the Company had the routes network servicing to 22 destinations in 16 countries all over the world, whereas 1 destinations were domestic (excluding Bangkok). As at December 31, 2020, the Company had the routes network servicing to 58 destinations in 30 countries all over the world, whereas 2 destinations were domestic (excluding Bangkok). Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 14 domestic destinations (excluding Bangkok).

As at December 31, 2021, the Company and its subsidiaries (the “Group”) had significant current liabilities in excess of current assets by Baht 22,552 million and had capital deficiency of Baht 71,250 million in the consolidated financial statements, and the Company had current liabilities in excess of current assets by Baht 19,375 million and had capital deficiency of Baht 66,658 million in the separate financial statements.

As at December 31, 2020, the Company and its subsidiaries (the “Group”) had significant current liabilities in excess of current assets by Baht 281,845 million and had capital deficiency of Baht 128,665 million in the consolidated financial statements, and the Company had current liabilities in excess of current assets by Baht 278,878 million and had capital deficiency of Baht 127,236 million in the separate financial statements. The Group and the Company had loss from operations since year 2013 which resulted in the Group and the Company having a capital deficiency and lack of financial liquidity.

In addition, the Coronavirus disease 2019 (“COVID-19”) pandemic that is still spreading, resulting in an economic slowdown, and adversely impacting most businesses and industries, especially aviation industry. Since March 23, 2020 and March 25, 2020, Thai Smile Airways Company Limited, a subsidiary, and the Company has suspended domestic and international flights, respectively. However, Thai Smile Airways Company Limited resumed certain domestic flight services in June 2020 and reviewed the frequency of flight services to increase or decrease the number of flights to be corresponding with the demand, including launching new domestic routes. In August 2020, the Company resumed certain international flight services, including chartered flights, but has not yet operated as normal.

Later, On July 21, 2021 to August 3, 2021, Thai Smile Airways Company Limited, stopped serving domestic routes all routes are temporarily due to the new wave of the Coronavirus 2019 epidemic. However, Thai Smile Airways Company Limited, resumed to operate certain domestic and overseas routes from such period in accordance with the government's measures to control the spread of COVID-19 in each country.

The Company's management has closely monitored the progress of the situation and assessed the impact on business operations and the financial impact on the value of assets and provisions.

On May 26, 2020, the Company submitted a petition to enter into a business rehabilitation process and proposed the rehabilitation planner (“the Planners”) to the Central Bankruptcy Court. On May 27, 2020, the Central Bankruptcy Court accepted the business rehabilitation petition for further consideration. As a result, the Company is under the automatic stay provisions status under the Bankruptcy Act B.E. 2483. Such situation may affect the Company having to maintain automatic stay status and unable to repay debt, which is considered as debt payment default conditions. Therefore, the Company recorded the default interest at the rate of 1.25% to 23.00% per annum according to the terms of each contract, which consisted of loan agreements, debentures, and finance lease.

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors’ meeting on May 19, 2021. As a result, the nomination of the Plan Administrator, whose names were proposed according to the business rehabilitation plan and the amendment petitions became the Plan Administrators. The two of the Plan Administrators are authorized to jointly sign to bind the Company. The Plan Administrators is authorized to operate the business, manage the Company’s assets, and implement the business rehabilitation plan. The essential parts of the business rehabilitation plan are capital restructuring, debt repayment of each class of the creditors, and the completion of the business rehabilitation plan.

Major assets and liabilities recorded as at December 31, 2021 have been adjusted as a result of the approved rehabilitation plan. Right-of-use assets was remeasured from lease modification, and maintenance reserves was adjusted as specified in Letter of Intent (“LOI”) or new lease agreement with lessors. Accrued interest expenses from the loans, debentures, and finance leases have adjusted default interest rate at the rate of 1.25% - 23.00% per annum to interest rate in accordance with the rehabilitation plan. For financial liabilities, the Company remeasured liabilities that received an Order from the Official Receiver for the application of debt repayment in business reorganization except debenture creditors. The Company adjusted all debenture payables in accordance with the business rehabilitation plan as the Company assessed as there is material certainty that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver (see Note 5).

The Company’s management is in process to consider the impact of assets and liabilities recorded as at December 31, 2021 which may significantly change when the verifications of the liabilities are completed. The Company’s management believes that the preparation of financial statements on going concern basis is still appropriate because the Company is in the process of business rehabilitation. During this period, the Company is able to continue its necessary activities for operation as usual in order to enable the Company to continue as a going concern for at least 12 months from the date in the statements of financial position. However, the financial position and the Company’s ability to continue as a going concern

depends on several factors of business management, including the successful implementation of the rehabilitation plan and the Company's ability to operate the business.

## 2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. In the event of any conflict or different interpretation in the two languages, the Thai version of the financial statements, in accordance with Thai laws will prevail.

2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 The consolidated and separate statements of financial position for the year ended December 31, 2020 (before reclassification), presented herein for comparison, have been derived from the consolidated and separate financial statements of the Group and the Company for the year then ended which have been audited.

2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The subsidiaries are as follows:

Company's Name	Type of business	Main location of incorporation	Ownership percentage	
			As at December 31, 2021	As at December 31, 2020
<b>Held by the Company:</b>				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology for travel services	Thailand	55	55
2. WingSpan Services Company Limited	Providing specialized personnel services to the Company	Thailand	49 <sup>(1)</sup>	49 <sup>(1)</sup>
3. Thai Smile Airways Company Limited	Air transportation services	Thailand	100	100
<b>Held by the Company and subsidiary</b>				
Thai Flight Training Company Limited	Aviation training services	Thailand	74	74
<b>Held by the subsidiary of the Company</b>				
A subsidiary held by WingSpan Services Company Limited				
Tour Eurng Luang Company Limited	Tourism Business	Thailand	49 <sup>(1)</sup>	49 <sup>(1)</sup>

- <sup>(1)</sup> The Group has interest in the ownership and voting rights in these companies, more than one half in accordance with the Articles of Association of these companies and has control and command over the relevant operating and financing activities of such companies. Therefore, the Group classifies these companies as subsidiaries of the Group in accordance with Thai Financial Reporting Standard No. 10.

2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.7 Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting period beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021. The Group's management is in the process to assess the impact of this interest rate benchmark reform on the financial statements of the Group in the period of initial application.

In addition, the amendment to TFRS 16 - Phase 2 has been announced in the Royal Gazette on May 13, 2021, which permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. A lessee shall apply this amendment for annual reporting periods beginning on or after April 1, 2021 with earlier application is permitted.

The Group's has been adopted the practical expedient regarding COVID-19-related rent concessions of this TFRS16 in the preparation of the financial statements for the year ended December 31, 2021. However, the effect from adoption the practical expedient does not have any significant impact on the financial statements. Therefore, the Company did not retrospective adjustment for such impact.

## 2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

The Group’s management will adopt the relevant Thai financial reporting standards to the Company’s financial statement when the Thai financial reporting standards are effective. The Group’s management is in the process to assess the impact of these Thai financial reporting standards on the financial statements of the Group in the period of initial application.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of preparation of the consolidation financial statements

The consolidated financial statements comprise the Company and its subsidiaries’ financial statements and the Group’s interest in associates.

Transactions eliminated on the consolidation financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2021 and 2020 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

### 3.2 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

### 3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

### 3.4 Trade and other current receivables

Trade receivables and other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses (“ECL”) has disclosed in Note 3.7.

### 3.5 Inventories and supplies

Inventories and supplies consisting of aircraft spare parts, aircraft fuel, cabin and catering supplies, inventories for sales as well as stationery and office supplies, are presented at the lower of moving average cost and net realizable value, and inventories in transit are presented at cost on the purchase date.

- 1) Active aircraft spare parts are recognized the provision for obsolescence at 10% of the ending balance of aircraft spare parts.
- 2) Slow moving aircraft spare parts and spare parts for sales are spare parts not moving over two years or spare parts for aircraft not existed in the fleet. Allowance for obsolescence is recognized at 33.33% of its cost until fully devaluated.
- 3) Allowance for obsolete and damaged inventories are recognized at the full amount. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

### 3.6 Non-current assets held for sale

Non-current assets and disposal asset groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Gains or losses on sale of assets are recognized as other income or expense by the date of the sale of assets.

Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell.

### 3.7 Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets 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 principle and interest on the principle amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Group may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met conditions of (2) below;

#### 1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “Interest income” line item.

2) Equity instruments designated as at fair value through other comprehensive income (“FVTOCI”)

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “Other income” line item in profit or loss.

3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (1) to (2) above) are measured at FVTPL. Specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item. Fair value is determined in the manner described in Note 34.



## Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### (1) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### (2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date. The Group understands the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining

the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 “Leases”.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of profit or loss and other comprehensive income.

#### Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Furthermore, derecognized financial liabilities are measured subsequently at the market rate is recognized at the market rate.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Group has considered the market interest rate from reference interest rates in countries with risk levels similar to those of the group. The reference interest rate is adjusted for other factors that are comparable to the company's risk, such as the contract's remaining term, industry risk adjusted for country risk, and the difference between secured and unsecured loan risk.

#### Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

#### Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet 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 does not dominate the value changes that result from that economic relationships; and
- The hedged 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.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "Other gain or loss" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

### 3.8 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

An associate is an entity which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as asset held-for-sale.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss for the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest in the statement of profit or loss and other comprehensive income if that gain or loss would be reclassified to profit or loss upon the disposal of the related assets or liabilities.

When a group entity transacts with an associate, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

If the Group disposes of a partial of its holding investment, the deemed cost of the sold investment is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

### 3.9 Property, plant and equipment

#### Recognition and measurement

Land is presented at a revalued amount using market approach method. The revaluation was done by the independent appraiser. The revaluation shall be made every five years or considered if there is any changes that affect the fair value of land significantly. The revaluation surplus is recognized in other comprehensive income. Any decrease in revaluation is recognized directly against prior appraisal price for the particular asset. The residual decrement in appraisal is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land is transferred directly to retained earnings and is not taken into account in calculating the profit or loss on disposal.

Building, building improvement, leasehold buildings under land lease agreement, aircraft and aircraft overhaul costs (D-check), aircraft under leases agreement, aircraft improvement, rotatable aircraft's spare parts including machine, engine and passenger seat, tools and plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses.

In 2021, building is presented at a revalued amount using Cost Approach method. The revaluation was done by the independent appraiser. The revaluation shall be made every five years or considered if there is any changes that affect the fair value of building significantly. The revaluation surplus is recognized in other comprehensive income. Any decrease in revaluation is recognized directly against prior appraisal price for the particular asset. The residual decrement in appraisal is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land is transferred directly to retained earnings and is not taken into account in calculating the profit or loss on disposal.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net as profit or loss in the statement of profit or loss and other comprehensive income.

#### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

#### Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings, building improvement and building under land lease agreement	10 - 50 years
Aircraft	20 years
Aircraft under lease agreement	20 years
Aircraft overhaul	4 - 7 years
Aircraft improvement	5 - 20 years
Rotable aircraft's spare part	5 - 20 years
Tools, plant and equipment	5 - 20 years

The Group do not depreciate land.

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

### 3.10 Intangible assets

Intangible assets are computer software that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

## Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, from the date that they are available for use. The estimated useful lives are 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

### 3.11 Impairment of non-financial asset

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of profit or loss and other comprehensive income.

#### Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairment

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

### 3.12 Provision

Provisions are recognized 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.

### 3.13 Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the statement of comprehensive income on a straight-line basis until the benefits become vested. To the extent that the benefits is vested, the expense is recognized immediately in the statement of and comprehensive income.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of profit or loss and comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

#### Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is assessed by an independent actuary and based on actuarial assumption using projected unit credit method to determine present value of cash flow of employee benefit to be paid in the future. Any actuarial gains and losses are recognized as profit or loss in the statement of profit or loss and other comprehensive income in the period which they incur.

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## 3.14 Revenue recognition

### 3.14.1 Passenger and excess baggage revenue

Income from air ticket sales and service orders is recorded as unearned transportation revenue and recognized as revenue when the passenger redeems the air ticket with the company. For passengers who redeem the services with other airlines, the Company recognizes revenue by the difference between the selling price charged by the Company and the amount billed to the Company by those performing airline.

Unused tickets sales are recognized as revenue by percentage estimation of unused ticket from statistics and historical data and recorded the deviation of estimation after 15 months from the ticket issuing date.

#### Loyalty program

The Company has operated a Royal Orchid Plus (“ROP”) frequent flyer program since year 1993 that provide travel awards to program member based on accumulated mileage to exchange accumulated mileage air ticket or other awards as specified condition. The Company calculates fair value of frequent flyer miles by average stand-alone selling price of air ticket redemption and fair value of other awards redemption, then weight by overall redemption. The Company recognizes the frequent flyer miles by the redemption estimation and deducts the revenue from passenger and excess baggage together with the unearned transportation revenue and recognizes as the revenue from award redemption when the program member utilizes air ticket and service provide by the Company. For the breakage of ROP member will be recognized as revenue by the percentage breakage of the unredeemed calculated from the historical data and the Company’s award redemption policy.

The fair value of air ticket award redemption is calculated from the average fare prize in each route divided by the number of miles redeemed for awards in that route then weighted by each route redemption. Fair value of other awards redemption is calculated from the selling price divided by the average number of miles redeemed for other awards as a value per mile of the Royal Orchid Plus.

### 3.14.2 Freight and mail revenue

Freight and mail revenue is recognized as revenue when the Company issues its Air Waybill and provides the freight and mail services. For freight carry by other air carriers will recognize the revenue by the difference between selling price and the contract amount charged by other carrier when the service is provided. The Air Waybill issues by the Company and operate by other carrier is recognized as revenue when the other carrier provide the services.

#### 3.14.3 Revenue from other business units

Revenue from maintenance service is recognized as revenue over time of the services are provided. Revenue from ground and equipment service and warehouse service are recognized when services are provided. Revenue from catering service and supporting activities such as Duty free sale on board and THAI shop are recognized when the Company transfer the control of goods to the customer or delivers goods to the customer, excludes value-added tax. Revenue from dispatch services are recognized when services are provided.

#### 3.14.4 Dividend income

Dividend received is recognized on the date the Group's right to receive the dividend.

#### 3.14.5 Interest income and other income

Interest income and other income are recognized in the statement of comprehensive income on an accrual basis.

#### 3.15 Expense recognition

Expenses are recognized on an accrual basis.

#### 3.16 Finance costs

Finance costs consist of interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

#### 3.17 Leases

##### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets i.e. tablets and personal computers, small items such as office furniture and telephones. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified or/and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

In 2020, the Group decided not to take the rental discount from the lessor due to the COVID-19 situation as a lease modification. The Group gradually discounted the lease liabilities which are on due in proportion to the discount. Moreover, the Group reversed the depreciation of right-of-use asset and interest on lease liability that is still recognized each period in proportion to the discount rental and the difference was recognized in profit or loss.

In 2021, the Group adopted a practical relief in cases of rental discount directly resulting from the coronavirus disease 2019 (COVID-19) epidemic situation. The lease payment affected only payment that were originally due on or before June 30, 2022. In such cases, the lease liabilities were revalued by discounting the revised lease payment by using the original discount rate. The Company considers not to retroactively adjust the financial statements because the effect of applying the waivers is insignificant on the financial statements.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use assets is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

1. The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.
2. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Lease of aircraft and spare part” in profit or loss.
3. As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

#### The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and

arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

### 3.18 Income tax expense

Income tax expense for the year comprises current income tax and deferred tax. Current income tax and deferred tax are recognized as income or expenses in the statement of comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current income tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized by calculated the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill in the consolidated financial statement; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and the differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current income tax and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company

recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

### 3.19 Earnings (loss) per share

The calculations of basic loss per share for the year are based on the loss for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted loss per share for the year are based on the weighted-average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.20 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

## 4. JUDGEMENTS ON ACCOUNTING ESTIMATION AND KEY SOURCE OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with TFRS requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

The interpretation of judgements on critical accounting estimation and significant risky assumptions which may cause future adjustment to assets and liabilities outstanding balances are as follows:

#### 4.1 Aircraft and right-of-use asset and rotatable aircraft's spare part impairment

At the end of each reporting period, the Group's aircraft, right-of-use asset and rotatable aircraft spare part are tested for impairment when there is an indicator that the asset may be impaired. The Group and Company recognize impairment loss when recoverable amount of asset is lower than carrying amount whereas, recoverable amount is the higher of fair value less cost to sale of asset or value in use.

The independent appraiser assesses fair value less cost to sale by desktop appraisal method adjusted by fair value of inflation 2% which is assessed from information and maintenance record, including appraiser database. In case there is no damage record, the aircraft is assumed to be in the good condition and meet the maintenance standard. The appraiser also considers the market condition and buying and selling record within 12 months, including other factors such as the aircraft usage period and the significant tools element for assessing its fair value.

The value in use of asset is calculated from expected future cash inflow using weighted average cost of capital as discount rate to present value.

The source of assumption using in the calculation consists of flight plan, estimated cost and related expenses. Such estimates are based on management's reasonable consideration of current events, which require management to exercise their judgement to reflect the best estimate at that time to forecast the future result. Accordingly, actual results may differ from this estimate.

#### 4.2 Recognition of deferred tax assets associated with tax losses carried forward

The Group recognizes deferred tax assets for deductible temporary differences and unused tax losses when it is probable that the Group and the Company have sufficient future taxable profits to utilize the temporary differences and unused tax losses. For this purpose, the management is required to estimate the deferred tax assets that the Group should recognize, by considering the expected future taxable profits in each period.

The source of expected future taxable profit is an estimated future cash inflow which is calculated from flight plan, expected cost and operating expense. Such estimates are based on management's reasonable consideration of current events, the actual result may differ from this estimate.

#### 4.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 23

4.4 Allowance for obsolete and slow-moving inventories

The Group has provided allowance for obsolete and slow-moving inventories based on management's best estimate on net realizable value considering obsolete, damaged, or deteriorated inventories and analyzing the inventories aging at the end of each reporting period.

4.5 Incremental borrowing rate using for discount lease liability - The Group as the lessee

The Group could not readily determine the interest rate implicit in the lease. Therefore, the management is required to exercise judgement in estimating its incremental borrowing rate ("IBR") to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

4.6 Market interest rate for discounting cash flows for the write-off of financial liabilities.

The Group uses judgment to use the market interest rate in discounting cash flows for the write-off of financial liabilities to measure the fair value of each contract after debt restructuring under the rehabilitation plan. This market interest rate reflects the company's current financial cost. The reference interest rate is adjusted with other factors that are comparable to the Company's risk, i.e. the remaining term of the contract, Aviation industry risk adjusted for country risk and the difference between secured and unsecured loan risk.

4.7 Fair value appraisal of land

The Group's fair value of land is appraised by an independent appraiser using Market Approach.

The sources of key assumptions used in the valuation are consisted of yield rate, inflation rate, estimates incremental rental rate and occupancy rate, as well as other parameters such as the duration of the leases.

4.8 Fair valuation of buildings and structures

The fair value of the Company's buildings and structures was assessed by an independent appraiser using the Cost Approach method.

Independent building appraiser analyzed by using key principles which are cost estimation for the construction of a new replacement building in accordance with the construction price as of the appraisal date, minus the depreciation over the period of use of the property, as well as consider various factors related to the assessment such as nature of legal rights, property characteristics, suitability for usage. Inflation, market conditions and economic conditions affect the projected construction cost per unit used in calculation of asset value. Physical deterioration of an asset depends on the structure of the asset, different environments and usage, including building maintenance that affects the useful life of the building.

## 5. REHABILITATION PLANS

### 5.1. Entering into the business rehabilitation process

On May 20, 2020, The Extraordinary Meeting of the Board of Directors No. 10/2020, and the Extraordinary Meeting of the Board of Directors No. 10-1/2020, held on May 25, 2020, passed a resolution to the Company to submit a petition to enter into a business rehabilitation process and propose the rehabilitation planners (“the Planners”) to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483. On May 26, 2020 the Company submitted a petition to enter into a business rehabilitation and proposed the rehabilitation planners to the Central Bankruptcy Court and on May 27, 2020, the Central Bankruptcy Court has issued an order to accept the business rehabilitation petition and set the hearing date on rehabilitation petition of the Company. The summarized details of the actions relating to the filing for rehabilitation of the Company are as follows:

- The Company, as the debtor, has filed for rehabilitation with the Central Bankruptcy Court.
- The Company has proposed to appoint EY Corporate Advisory Services Limited together with ACM Chaiyapruk Didyasarin, Mr. Chakkrit Parapuntakul, Mr. Pirapan Salirathavibhaga, Mr. Boontuck Wungcharoen, Mr. Piyasvasti Amranand, and Mr. Chansin Treenuchagron, the Company’s directors to jointly be the Planners. In this connection, once the Court renders the business rehabilitation order and appoint the Planners, the appointed Planners will have the authority and duty in managing the business and assets of the Company.
- This rehabilitation process is supported by the laws, which provides equitable protection to relevant parties. The Company is still able to operate normal business during the business rehabilitation process, including passenger or freight transportation services to Thai Airways’ destinations in various countries.

On September 14, 2020, the Central Bankruptcy Court granted the Company’s business rehabilitation petition and appointed the Planners as nominated by the Company. Subsequently, the Official Receiver has announced the Court Order of the Company’s business rehabilitation petition and appointed the Planners in the Royal Gazette on October 2, 2020.

During the rehabilitation process, the Company entered into a Letter of Intent (“LOI”) with 21 aircraft lessors during the period from December 2020 to March 2021 for 57 aircrafts, which consisted of 42 aircrafts under operating lease and 15 aircrafts under finance lease, presenting the intention of the counterparty to amend the current operating lease and financial lease to be in accordance with the terms set out in the LOI. In this regard, the LOI also set up the payment condition based on the actual usage of the aircraft (Power by the Hour) during the period as stated in the LOI. The revision of agreement will be subjected to the condition under the business rehabilitation plan.

On March 2, 2021, the Planner submitted the rehabilitation plan to the Official Receiver and on May 7, 2021, the Planners submitted a petition to amend the rehabilitation plan to the Official Receiver. The Official Receiver scheduled the meeting with the creditors to consider the rehabilitation plan on May 12, 2021. Then, on May 19, 2021, the creditors' meeting passed a resolution in accordance with the Section 90/46 of the Bankruptcy Act B.E. 2483, accepted the rehabilitation plan dated March 2, 2021 and the plan as amended per 3 plan amendment petitions, which were proposed by the Planner and two creditors, as well as nominated five plan administrators, i.e., Mr. Piyasvasti Amranand, Mr. Pornchai Thiravet, Mr. Siri Jirapongphan, Mr. Kraisor Barameeauychai, and Mr. Chansin Treenuchagron. The Central Bankruptcy Court held the hearing to consider the rehabilitation plan on May 28, 2021.

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors' meeting on May 19, 2021 which resulted in the nominated plan administrator in accordance with the business rehabilitation plan and the amendment petitions of 5 persons became the Plan Administrator. The two of the Plan Administrators are authorized to jointly sign to bind the Company. The Plan Administrator is authorized to operate the business, manage the Company's assets, and implement the business rehabilitation plan.

## 5.2 Essential parts of the business rehabilitation plan

Summary of essential parts of the business rehabilitation plan were as follows:

### 5.2.1 Capital restructuring

- The capital reduction by write-off the unissued and unsold registered share capital of 516,129,033 shares within 60 days of the date on which the Central Bankruptcy Court issued an order approving the business rehabilitation plan.
- The increment of register share capital for share allocation and share issuance according to the share option agreement ("share option") by 19,644,947,252 shares at Baht 10 per share, in amount of Baht 196,449,472,520 to certain group of creditors and/or assignee as specified condition in the business rehabilitation plan.
- The increment of register share capital in the 4<sup>th</sup> year (year 2025) from the date on which the Central Bankruptcy Court issued an order approving the business rehabilitation plan for debt-to-equity conversion from suspense interest of certain group of creditors by 1,903,608,176 shares at Baht 10 per share, in amount of Baht 19,036,081,760. Share allocation to certain group of creditors had conditions as specified in the business rehabilitation plan.
- Subsequent to the completion of capital restructuring and the allocation of incremental share capital, if the Company has remained unallocated incremental share capital and/or issued shares, the Plan Administrator will have authority to decrease the share capital for write-off the unallocated and/or unissued shares.

### 5.2.2 Debt repayment of each class of the creditors

The Business Rehabilitation Plan classified creditors into 36 groups, consisting of one group of secured creditors and 35 groups of unsecured creditors. Each class of the creditors had different payment method, term, debt repayment period and related interest as specified in the business rehabilitation plan. Such debt may alter, depending on the final order for debt repayment from the Official Receiver and/or the Court (as the case may be) and the business rehabilitation plan specified the debt repayment shall be made in compliance with the final order of the Official Receiver, the Central Bankruptcy Court, the Court of Appeal for Specialized Case, or the Supreme Court (as the case may be).

Interest arising from loans from certain groups of creditors and debentures during the first 3 years from the date of the court's order approving the rehabilitation plan will be suspended (new suspended interest), whereby the creditor can choose to convert such new suspended interest to the Company's ordinary shares. The debt-to-equity conversion rate is at price Baht 2.5452 per share according to the conditions specified in the rehabilitation plan.

### 5.2.3 Completion of the business rehabilitation plan

The rehabilitation process of the Company shall be considered as completion when archived all conditions as follows:

- (1) The Company registers the capital increase and obtains new credit facility as specified conditions stated in the business rehabilitation plan.
- (2) The Company implements the business rehabilitation plan without any default for five years consecutive period from the date on which the Central Bankruptcy Court approves the business rehabilitation plan.
- (3) The Company has earnings before interest, tax, depreciation and amortization (“EBITDA”) from operation after deducting cash outflow for aircraft lease liabilities repayment under the aircraft leases agreement, in an average amount not less than Baht 20,000 million per annum for two years prior to the successful outcome of the business rehabilitation plan being reported to the Court whereby the EBITDA in the latter year shall not be lower than Baht 20,000 million.
- (4) The Company appoints new directors, in case there is a change in shareholders as specified conditions stated in the business rehabilitation plan.

The period for the implementation of the business rehabilitation plan shall not exceed 5 years from the date of the Court issued an order approving the business rehabilitation plan, unless the Court grants an order for extension of time in accordance with the provisions of the Bankruptcy Act B.E. 2483.

### 5.3 Implementation of the business rehabilitation plan

#### 5.3.1 Impact on the financial statements from the implementation of the business rehabilitation plan

After the Central Bankruptcy Court had issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors' meeting on May 19, 2021. The Company processed the adjustment of financial liabilities measured at amortize cost, using the effective interest rate and determined whether the financial liabilities prior to the adjustment has material difference from the financial liabilities after the adjustment.

For financial liabilities that have material difference, will recognize as the new financial liabilities at fair value by discount cash flow method, using market rate, interest expense is recognized by market rate. Different amount between carrying amount of original financial liabilities and present value of new financial liabilities will be recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income. If, such new financial liabilities do not have material restructuring difference, the Company will recognize the modified financial liabilities by discount cash flow, using original effective interest rate, including the recognition of gain on debt restructuring and interest expense, using original effective interest rate in the statement of profit or loss and other comprehensive income.

Assets and liabilities recorded as at December 31, 2021 have been adjusted in accordance with the business rehabilitation plan as follow:

- (1) On July 8, 2021, the Plan Administrator's meeting No. 5/2021 passed the resolution to approve the decrease of registered share capital of Baht 26,989,009,500 to Baht 21,827,719,170 by writing-off the unissued and unsold share of 516,129,033 shares as stipulated in the rehabilitation plan. The Company submitted a petition to the Central Bankruptcy Court for requesting the Central Bankruptcy Court's approval to the Plan Administrators to decrease the Company's registered share capital and completed the registration with the Department of Business Development, Ministry of Commerce, on August 17, 2021.
- (2) The Company adjusted interest and maturity dates of borrowings, debentures and lease liabilities in accordance with the business rehabilitation plan (see Notes 6.2 and 18), resulting the Company had gain on debt restructuring in amount of Baht 7,612 million in the consolidated and separate statements of profit or loss and other comprehensive income.
- (3) The Company received an order from the Official Receiver to pay debt to some loan creditors. The Company adjusted loan creditors according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Notes 6.2 and 18), and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 10,621 million for the substantial modification in value of liabilities as the recognition of new financial liabilities, including recognized gain on modification of financial liabilities measured at amortized cost in amount of Baht 83 million in the consolidated and separate statement of profit or loss and other comprehensive income.

- (4) The Company received an order from the Official Receiver to pay debt to certain debenture holders. The Company adjusted debenture liabilities according to an order from the Official Receiver, resulting the Company had gain on debt restructuring in amount of Baht 4 million. The Company also adjusted maturity date and interest rate of debentures in accordance with the business rehabilitation plan. Moreover , the Company adjusted all debenture payables measured at amortized cost in accordance with the business rehabilitation plan as the Company assessed as there is material certainty that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver. The Company recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 38,963 million (see Note 15.3) in the consolidated and separate statement of profit or loss and other comprehensive income.
- (5) The Company received an order from the Official Receiver to pay debt to certain trade payables and other payables. The Company adjusted trade payable and other payable according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Note 20), resulting the Company recognized expense in amount of Baht 560 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 2,223 million for the substantial modification in value of liabilities as the recognition of new financial liabilities in the consolidated and separate statements of profit or loss and other comprehensive income.
- (6) The Company adjusted the liabilities from the major creditor of engine maintenance service agreements who was necessary for business operation in accordance with the business rehabilitation plan, resulting the Company had gain on debt restructuring in amount of Baht 2,766 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 413 million for the substantial modification in value of liabilities as the recognition of new financial liabilities in the consolidated and separate statements of profit or loss and other comprehensive income.
- (7) The Company adjusted the finance leases and operating leases by changing the rental rate, reference interest rate and terms and conditions for payment in accordance with LOI, resulting changing in value of right of use assets and lease liabilities (see Notes 13 and 19). As at December 31, 2021, the Company has amendment agreement with lessor for 6 aircrafts under finance lease and 11 aircrafts under operating lease.

In addition, the company adjusted maintenance reserve, security deposit, lease liabilities that incurred before September 14, 2020 for the 9 amended operating lease agreements. Some lessors have filed the withdraw debt repayment request to the Official Receiver for 7 aircrafts. The 2 remaining aircrafts, the Company has received the orders to pay the debt from the Official Receiver, and recognized loss from debt restructuring of Baht 761 million. For the remaining 2 aircrafts under the operating lease agreement, the Company has not received an order from the Official Receiver. Therefore, the Company has not considered the adjustment the transaction.

The Company has terminated the Declaration of onerous contracts of 3 aircrafts under the Financial Lease Agreement by adjusting the items arising from the termination of such contract. As a result, the Company recognized gain from debt restructuring of Baht 443 million.

Gains on debt restructuring for the year ended December 31, 2021 (2020: Nil) in the consolidated and separate financial statements are as follow:

	<b>Unit : Million Baht</b>
Gain on reversal of default interest (see Note 5.3.1 (2))	7,612
Gain on derecognition of financial liabilities measured at amortized cost (see Notes 5.3.1 (3) - (6))	52,220
Gain on modification of financial liabilities measured at amortized cost (see Note 5.3.1 (3))	83
Gain on debenture adjustment (See note 5.3.1 (4))	4
Recognize expense (see Note 5.3.1 (5))	(560)
Gain on adjusting liabilities under engine maintenance service agreements (see Note 5.3.1 (6))	2,766
Loss from amendment agreement (see Note 5.3.1 (7))	(761)
Gain from termination of onerous contract (see Note 5.3.1 (8))	443
<b>Total</b>	<u>61,807</u>

#### 5.3.2 Items in progress of implementation in accordance with the business rehabilitation plan

Trade and other account payables, certain loan creditors, shareholder creditors, aircraft lease creditors, aircraft finance lease creditors, and creditors who issued letter of guarantee and person who placed letter of guarantee. The Company is in the debt's verification process with the Official Receiver and will be adjusted upon receiving an order from the Official Receiver. The Company's management is in the process to consider the impact to liabilities which may be materially changed when complete the debt verification with the Official Receiver

## 6. RELATED PARTIES TRANSACTIONS

Related person or related parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions with related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties other than subsidiaries and associates as at December 31, 2021 were as follows:

	<b>Name of entities</b>	<b>Type of business</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
1.	Ministry of Finance	Regulate the country's monetary policy	Thailand	Major shareholders
2.	Government Savings Bank	Commercial Bank	Thailand	Common shareholders
3.	Export-Import Bank of Thailand	Commercial Bank	Thailand	Common shareholders
4.	Islamic Bank of Thailand	Commercial Bank	Thailand	Common shareholders
5.	Krungthai Bank Co., Ltd.	Commercial Bank	Thailand	Common shareholders
6.	Thailand Post Co., Ltd.	Postal Business	Thailand	Related party
7.	PTT Public Company Limited	Energy & Utilities	Thailand	Related party
8.	Tourism Authority of Thailand	Tourism	Thailand	Related party
9.	Airports of Thailand Public Company Limited	Airport of Thailand	Thailand	Related party
10.	MCOT Public Company Limited	Communication	Thailand	Related party
11.	Civil Aviation Training Center	Aviation Training	Thailand	Related party
12.	Aeronautical Radio of Thailand Ltd.	Air Traffic Control	Thailand	Related party
13.	CAT Telecom Public Company Limited	Telecommunications	Thailand	Related party
14.	TOT Public Company Limited	Telecommunications	Thailand	Related party

6.1 Significant transactions with related parties for the years ended December 31, were as follows:

	<b>Consolidated financial statements</b>		<b>Unit : Million Baht Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Major shareholder</b>				
Sales and rendering of services	-	3	-	3
Purchases of goods and receiving of services	3	10	3	10
Interest expenses	565	1,689	565	1,689
<b>Subsidiaries</b>				
Sales and rendering of services	-	-	1,346	5,057
Purchases of goods and receiving of services	-	-	521	3,052
Dividend received	-	-	-	26
<b>Associates</b>				
Sales and rendering of services	-	233	-	233
Purchases of goods and receiving of services	33	232	33	232
Dividend received	21	177	21	177
<b>Related party</b>				
Sales and rendering of services	4	30	4	30
Purchases of goods and receiving of services	8,791	4,985	8,791	4,985
<b>Remuneration of Directors and executives</b>				
Short-term executives Compensation	26	32	18	26
Board of Directors 'remuneration	15	9	14	8
Employee benefit obligation	7	2	7	2

Management remuneration considered in accordance with the Securities and Exchange Law, whereby the executive is the managing director of the Company. The first 4 level of executives of the Company and all positions equivalent to the 4<sup>th</sup> management level, following the Company's managing director, including some executive management of Accounting and Finance.

6.2 Balances as at December 31, with related parties are as follows:

	Consolidated		Unit : Million Baht Separate	
	financial statements 2021	2020	financial statements 2021	2020
<b>Trade and other current receivables</b>				
Subsidiaries	-	-	10,782	10,263
Associates	14	13	14	13
<b>Total</b>	<u>14</u>	<u>13</u>	<u>10,796</u>	<u>10,276</u>

Trade and other current receivables presented balances before deducted expected credit loss as at December 31, (see Note 8).

	Consolidated		Unit : Million Baht Separate	
	financial statements 2021	2020	financial statements 2021	2020
<b>Trade account payable and other current liabilities (See Note 20)</b>				
Subsidiaries	-	-	129	142
Associates	2	45	2	45
Related party	78	1,018	78	1,018
<b>Total</b>	<u>80</u>	<u>1,063</u>	<u>209</u>	<u>1,205</u>
<b>Trade account payable and other non- current payables (see Note 20)</b>				
Subsidiaries	-	-	-	-
Associates	17	-	17	-
Related party	938	-	938	-
<b>Total</b>	<u>955</u>	<u>-</u>	<u>955</u>	<u>-</u>

Borrowings from related parties as at December 31 are consisted of:

	Unit : Million Baht Consolidated and separate financial statements	
	2021	2020
<b>Short-term borrowings from related parties</b>		
From domestic financial institutions controlled by major shareholder	-	11,261
<b>Long-term borrowing from related parties</b>		
From foreign a financial institution through major shareholder	6,082	12,497
From domestic financial institutions controlled by major shareholder	12,477	2,399
<b>Total</b>	<u>18,559</u>	<u>26,157</u>

During the year ended December 31, 2021, the Company did not make any repayment of principle or addition borrowing from related parties. On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of borrowing from related parties to be in accordance with the business rehabilitation plan. Accordingly, the Company classified the borrowing from related parties as a long-term borrowing from related parties.

As at December 31, 2021, the Company adjusted outstanding debt to repay of the borrowing from foreign financial institution through major shareholder and borrowing from domestic financial institution controlled by major shareholder which the Company received an order from the Official Receiver. However, the remaining borrowings from domestic financial institution controlled by major shareholder are in the process of debt verification with the Official Receiver (see Note 5.3).

During the year ended December 31, 2020, the company has addition short-term loan from related party with amount 15,500 Million and repayment with amount 7,739 Million.

Details of borrowings from related parties as at December 31 are as follows:

Unit : Million Baht						
Consolidated and Separated Financial Statement						
	Maturity Date		Interest rate (% per annum)		Amount	
	2021	2020	2021	2020	2021	2020
<b>Current Liabilities</b>						
<b>Short-term borrowing from</b>						
From domestic financial institution controlled by the major shareholder <sup>(1)</sup>	-	at call	-	1.14 - 3.40	-	11,261
<b>Long-term borrowing from related parties</b>						
<b>Current Portion</b>						
From foreign financial institution through major shareholder <sup>(2)</sup>	-	at call	-	2.31	-	12,497
From domestic financial institution controlled by the major shareholder <sup>(3)</sup>	-	at call	-	1.92	-	399
From domestic financial institution controlled by the major shareholder <sup>(4)</sup>	-	at call	-	1.83	-	2,000
					-	26,157
<b>Non-current Liabilities</b>						
From domestic financial institution controlled by the major shareholder <sup>(1)</sup>	December 30, 2035	-	1.00 - 1.50	-	10,714	-
From foreign financial institution through major shareholder <sup>(2)</sup>	December 30, 2032	-	1.50	-	6,082	-
From domestic financial institution controlled by the major shareholder <sup>(3)</sup>	June 15, 2035	-	5.75 - 18.00	-	568	-
From domestic financial institution controlled by the major shareholder <sup>(4)</sup>	December 30, 2035	-	1.06 - 1.50	-	1,195	-
					18,559	-
<b>Total</b>					18,559	26,157

(1) On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of short-term borrowing from related parties to be in accordance with the business rehabilitation plan. Therefore, as at December 31, 2021, the Company reclassified the short-term borrowings to be long-term borrowing in the whole amount and adjusted the outstanding debt from certain financial institution according to the order from the Official Receiver.

- (2) Borrowings from foreign financial institutions through major shareholder was the borrowings that the Ministry of Finance entered into the borrowings agreements with foreign financial institution and the Ministry of Finance had given such borrowings to the Company in Euro currency. The Company agreed to make repayment of such borrowings and interest to the major shareholder in the borrowed currency. On May 22, 2020, the Ministry of Finance sent the notice of request to make the debt payment to the Company, including fee relating to such borrowings. Therefore, the Company classified the borrowings due over one year to be the current portion as at December 31, 2020. Subsequently on June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of such long-term borrowing to be in accordance with the business rehabilitation plan. Therefore, as at December 31, 2021, the Company adjusted the outstanding debt according to the order from the Official Receiver and classified as long-term borrowing.
- (3) Borrowings from domestic financial institution controlled by the major shareholder was the borrowings in Yen currency, having the requirement to register the aircraft (A330-300, 2 aircrafts) as business collateral, with the total credit of Yen 4,200 million as a repayment collateral (see Note 11). As at December 31, 2020, the Company was in the business rehabilitation process which caused the default of payment. The Company classified long-term borrowings as current-liabilities due within one year. Later, on June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in repayment currency, maturity date and interest rate of such long-term borrowing to be in accordance with the business rehabilitation plan. Therefore, as at December 31, 2021, the Company adjusted the outstanding debt according to the order from the Official Receiver, remeasured the debt and classified as long-term borrowings.
- (4) On May 18, 2020, the debtor sent the notice of request to make the repayment of the principle of the promissory note and its interest to the Company on May 22, 2020. Therefore, as at December 31, 2020, the Company reclassified such long-term borrowings to be the liabilities due within one year. On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of such long-term borrowing to be in accordance with the business rehabilitation plan. Therefore, as at December 31, 2021, the Company reclassified the short-term borrowings with the same lender to be long-term borrowing in the whole amount and adjusted the outstanding debt from certain financial institution according to the order from the Official Receiver

### 6.3 Significant agreements with related parties

#### Aircraft leases

The Company entered into A320-200 aircraft sublease agreements with Thai Smile Airways Company Limited with lease period of 3 - 12 years, totaling 20 aircrafts, consisted of 15 aircrafts which were under operating lease agreements with monthly lease payment and 5 aircrafts which were under finance lease agreements with quarterly lease payment.

During the year end 2021, the company has adjustment sublease agreement which term and condition follow on new lease agreement as the result, the company recognized receivable amount 894 million.

	<b>Unit : Million Baht</b>	
	<b>Minimum lease payments</b>	
	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	<b>2021</b>	<b>2020</b>
<b>Amounts receivable under finance leases:</b>		
Year 1	1,108	1,501
Year 2-5	4,769	4,721
Year 5 Onwards	4,954	155
Undiscounted lease payments	<u>10,831</u>	<u>6,377</u>
Less unearned finance income	<u>(3,244)</u>	<u>(545)</u>
Net investment in the lease	<u><u>7,587</u></u>	<u><u>5,832</u></u>
Undiscounted lease payments analyzed as:		
Recoverable within 12 months	1,108	1,501
Recoverable after 12 months	<u>9,723</u>	<u>4,876</u>
	<u><u>10,831</u></u>	<u><u>6,377</u></u>
Net investment in the lease analyzed as:		
Recoverable within 12 months	500	1,201
Recoverable after 12 months	<u>7,087</u>	<u>4,631</u>
	<u><u>7,587</u></u>	<u><u>5,832</u></u>

## Services agreement

The Company entered into services agreement with Thai Smile Airways Company Limited for providing maintenance service and repair aircraft and aircraft's equipment which Thai Smile Airways Company Limited leased from the Company under the price and conditions stated in the agreements.

## Leasing Space Agreement and license to operate business

The Company entered into leasing space agreement and license to operate business agreement with Airports of Thailand Public Company Limited under the price and conditions stated in the agreements (see Notes 12 and 36.3).

## 7. ADDITIONAL CASH FLOWS INFORMATION

### 7.1 Cash and Cash Equivalents

Cash and cash equivalents as at December 31, consist of:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2021	2020	2021	2020
Cash on hand - Domestic	11	13	9	10
Cash on hand - Foreign	3	4	3	4
Cash at banks - Domestic	3,181	6,222	2,822	5,532
Cash at banks - Foreign	2,324	2,440	2,292	2,420
Total cash and cash equivalents	5,519	8,679	5,126	7,966
Less Loss allowance	(4)	(5)	(4)	(5)
Total cash and cash equivalents	5,515	8,674	5,122	7,961

As of December 31, 2021, the Company had domestic cash at banks from selling investment of Bangkok Aviation Fuel Services Public Company Limited and Nok Airlines Public Company Limited remaining in amount of Baht 21.36 million which had restricted purpose for reimbursement direct expenses related to passenger flight operation, reimburse expenses related to cargo flight and expenses related to Mutual Separation Plan (MSP) according to the Central Bankruptcy Court order for rehabilitation.

### 7.2 Non-cash items for the years ended December 31, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2021	2020	2021	2020
Payable for purchase of assets	397	707	397	707
Lease payables	2,889	7,282	2,889	7,282
Offsetting maintenance reserves and other payables	55	-	55	-
Offsetting deposits and other payables	252	1,587	252	1,587
Adjustment Right-of-use assets by LOI	54,661	-	54,661	-
Reclassify accrued employee benefits	4,400	3,766	4,400	3,766
Right-of-use assets <sup>(1)</sup>	-	191,382	-	191,360
Lease liabilities <sup>(1)</sup>	-	94,318	-	94,296
Estimated expenses after contract expiration <sup>(1)</sup>	-	178	-	178
Prepaid expenses <sup>(1)</sup>	-	590	-	590
Reclassified asset held under finance lease <sup>(1)</sup>	-	96,296	-	96,296

<sup>(1)</sup> List of the impact of non-cash items as at January 1, 2020, from the initial adoption of TFRS 16

### 7.3 Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities, including cash items and non-cash items that are classified as financing activities in the statements of cash flow, are as follows:

**Unit : Million Baht**

As at December 31, 2021	Consolidated financial statements						Balance as at December 31, 2021
	Balance as at January 1, 2021	Cash flows from financing activities	Classification of non-current portion	Exchange rate	Effect from TFRS 16 <sup>(1)</sup>	Others	
Short-term borrowings from financial institutions	3,730	-	(3,730)	-	-	-	-
Short-term borrowings from related parties	11,261	-	(11,261)	-	-	-	-
Long-term borrowings from financial institutions	8,511	-	3,730	-	-	(1,666) <sup>(2)</sup>	10,575
Long-term borrowings from related parties	14,896	-	11,261	932	-	(8,530) <sup>(2)</sup>	18,559
Lease liabilities	123,801	(495)	-	7,191	(53,726)	(1,570) <sup>(3)</sup>	75,201
Debentures	71,608	-	-	-	-	(36,069) <sup>(4)</sup>	35,539
<b>Total</b>	<b>233,807</b>	<b>(495)</b>	<b>-</b>	<b>8,123</b>	<b>(53,726)</b>	<b>(47,835)</b>	<b>139,874</b>

**Unit : Million Baht**

As at December 31, 2020	Consolidated financial statements					Balance as at December 31, 2020
	Balance as at January 1, 2020	Cash flows from financing activities	Exchange rate	Effect from TFRS 16 <sup>(1)</sup>	Initial adoption TFRS 16 <sup>(5)</sup>	
Short-term borrowings from financial institutions	-	3,730	-	-	-	3,730
Short-term borrowings from related parties	3,500	7,761	-	-	-	11,261
Long-term borrowings from financial institutions	8,873	(362)	-	-	-	8,511
Long-term borrowings from related parties	14,415	(725)	(1,206)	-	-	14,896
Lease liabilities	-	(6,810)	(1,297)	(8,866)	140,774	123,801
Debentures	74,108	(2,500)	-	-	-	71,608
<b>Total</b>	<b>100,896</b>	<b>1,094</b>	<b>(91)</b>	<b>(8,866)</b>	<b>140,774</b>	<b>233,807</b>

<sup>(1)</sup> Effect of the adjustment of liabilities from the lease modification and remeasurement of lease liabilities from the change in variable payments based on the reference interest rate (see Note 19).

<sup>(2)</sup> Changing in the financial liabilities measured at amortized cost (see Note 5.3.1) and the recognition of finance lost measured at amortized cost.

<sup>(3)</sup> Reclassification of lease payables and other lease modification (see Note 19).

<sup>(4)</sup> Effect of the adjustment of debenture in accordance with business rehabilitation plan (see Note 5.3.1 and 18.3) and the recognition of finance cost measured at amortized cost.

<sup>(5)</sup> Financial impact as at January 1, 2020 from the initial adoption of TFRS 16

**Unit : Million Baht**

As at December 31, 2021	Balance as at January 1, 2021	Cash flows from financing activities	Separate financial statements			Balance as at September 30, 2021
			Classification of non- current portion	Exchange rate	Effect from TFRS 16 <sup>(1)</sup>	
Short-term borrowings from financial institutions	3,730	-	(3,730)	-	-	-
Short-term borrowings from related parties	11,261	-	(11,261)	-	-	-
Long-term borrowings from financial institutions	8,511	-	3,730	-	-	(1,666) <sup>(2)</sup>
Long-term borrowings from related parties	14,896	-	11,261	932	-	(8,530) <sup>(2)</sup>
Lease liabilities	123,787	(484)	-	7,191	(53,726)	(1,581) <sup>(3)</sup>
Debentures	71,608	-	-	-	-	(36,069) <sup>(4)</sup>
<b>Total</b>	<b>233,793</b>	<b>(484)</b>	<b>-</b>	<b>8,123</b>	<b>(53,726)</b>	<b>(47,846)</b>

**Unit : Million Baht**

As at December 31, 2020	Balance as at January 1, 2020	Cash flows from financing activities	Separate financial statements			Balance as at September 30, 2020
			Exchange rate	Effect from TFRS 16 <sup>(1)</sup>	Initial adoption TFRS 16 <sup>(5)</sup>	
Short-term borrowings from financial institutions	-	3,730	-	-	-	3,730
Short-term borrowings from related parties	3,500	7,761	-	-	-	11,261
Long-term borrowings from financial institutions	8,873	(362)	-	-	-	8,511
Long-term borrowings from related parties	14,415	(725)	1,206	-	-	14,896
Lease liabilities	-	(6,796)	(1,297)	(8,872)	140,752	123,787
Debentures	74,108	(2,500)	-	-	-	71,608
<b>Total</b>	<b>100,896</b>	<b>1,108</b>	<b>(91)</b>	<b>(8,872)</b>	<b>140,752</b>	<b>233,793</b>

<sup>(1)</sup> Effect of the adjustment of liabilities from the lease modification and remeasurement of lease liabilities from the change in variable payments based on the reference interest rate (see Note 19).

<sup>(2)</sup> Changing in the financial liabilities measured at amortized cost (see Note 5.3.1) and the recognition of finance lost measured at amortized cost.

<sup>(3)</sup> Reclassification of lease payables and other lease modification (see Note 19).

<sup>(4)</sup> Effect of the adjustment of debenture in accordance with business rehabilitation plan (see Note 5.3.1 and 18.3) and the recognition of finance cost measured at amortized cost.

<sup>(5)</sup> Financial impact as at January 1, 2020 from the initial adoption of TFRS 16

## 8. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, are as follows:

	Consolidated		Unit : Million Baht Separate	
	financial statements 2021	financial statements 2020	financial statements 2021	financial statements 2020
Trade receivables				
Related parties (see Note 6.2)	14	13	1,623	1,480
Other parties	6,597	4,143	6,290	3,815
<u>Less</u> Loss allowance	(1,465)	(1,553)	(2,927)	(2,896)
Total trade receivables	<u>5,146</u>	<u>2,603</u>	<u>4,986</u>	<u>2,399</u>
Other receivables				
Related parties (see Note 6.2)	-	-	9,173	8,796
Other parties	1,806	1,476	1,415	1,010
<u>Less</u> Loss allowance	(187)	(188)	(6,929)	(6,487)
Total other receivables	<u>1,619</u>	<u>1,288</u>	<u>3,659</u>	<u>3,319</u>
	<u>6,765</u>	<u>3,891</u>	<u>8,645</u>	<u>5,718</u>
Current receivable under finance lease agreement (see Note 6.3)	-	-	500	1,201
Accrued income	1,103	1,590	1,202	1,795
Receivable - the Revenue Department	202	-	202	-
Prepaid expenses and deposits	1,952	595	1,987	738
<b>Total</b>	<u>10,022</u>	<u>6,076</u>	<u>12,536</u>	<u>9,452</u>

As at December 31, 2021 and 2020, the Company recognized expected credit loss in separate financial statements in accordance with TFRS 9. Most of the expected credit loss were credit loss of trade and other current receivables of Thai Smile Airways Company Limited, a subsidiary, of Baht 8,256 million and 7,678 million and other receivables of Baht 1,600 million and 1,705 million respectively.

Aging analysis for trade receivables as at December 31, consisted of the following:

	Consolidated		Unit : Million Baht Separate	
	financial statements 2021	financial statements 2020	financial statements 2021	financial statements 2020
<b>Related parties</b>				
Within credit terms	-	-	93	85
Overdue:				
Less than 6 months	-	-	57	110
6 - 12 months	9	4	97	721
1 - 2 years	5	9	821	564
Over 2 years	-	-	555	-
	<u>14</u>	<u>13</u>	<u>1,623</u>	<u>1,480</u>
<u>Less</u> Loss allowance	-	-	(1,515)	(1,379)
	<u>14</u>	<u>13</u>	<u>108</u>	<u>101</u>
<b>Other parties</b>				
Within credit terms	2,528	1,518	2,291	1,332
Overdue:				
Less than 6 months	1,664	758	1,658	680
6 - 12 months	885	383	885	349
1 - 2 years	321	240	320	239
Over 2 years	1,199	1,244	1,136	1,215
	<u>6,597</u>	<u>4,143</u>	<u>6,290</u>	<u>3,815</u>
<u>Less</u> Loss allowance	(1,465)	(1,553)	(1,412)	(1,517)
	<u>5,132</u>	<u>2,590</u>	<u>4,878</u>	<u>2,298</u>
<b>Total</b>	<u>5,146</u>	<u>2,603</u>	<u>4,986</u>	<u>2,399</u>

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The Group has recognized a loss allowance of 100% against all receivables past due because historical experience has indicated that these receivables are generally not recoverable.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in TFRS 9.

	Consolidated financial statements		Separate financial statements	
	Unit: Million Baht			
	2021	2020	2021	2020
<b>Balance as at January 1,</b>	1,553	1,233	2,896	1,203
Net remeasurement of loss allowance (Reverse)	(88)	422	31	1,795
Amount Recovered	-	(102)	-	(102)
<b>Balance as at December 31,</b>	<u>1,465</u>	<u>1,553</u>	<u>2,927</u>	<u>2,896</u>

## 9. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated financial statements		Separate financial statements	
	Unit : Million Baht			
	2021	2020	2021	2020
Aircraft spare parts	3,433	3,221	3,433	3,221
Slow moving aircraft spare parts and held for sale	4,782	4,884	4,782	4,884
Vehicle spare parts and ground support equipment	292	318	292	318
Fuel and oil for aircraft	60	37	60	37
Inventories for sales	153	205	150	200
Cabin and catering supplies	178	202	172	186
Supplies and other consumables	17	22	16	21
Inventories and spare parts for flight simulator and other supplies	107	109	100	103
Inventories and spare parts in transit	83	47	83	47
Obsolete and damaged inventories for disposal	128	99	128	99
Total inventories and supplies	<u>9,233</u>	<u>9,144</u>	<u>9,216</u>	<u>9,116</u>
<u>Less</u> Allowance for diminution in value of inventories	<u>(5,102)</u>	<u>(4,903)</u>	<u>(5,102)</u>	<u>(4,903)</u>
<b>Total inventories and supplies - net</b>	<u>4,131</u>	<u>4,241</u>	<u>4,114</u>	<u>4,213</u>

For the years ended December 31, 2021 and 2020 the Company recognized allowance for diminution in value of inventories in the consolidated and separate statements of profit or loss and other comprehensive income, consist of the following:

	Consolidated financial statements	
	Unit : Million Baht	
	2021	2020
Loss on inventory diminution	199	278

## 10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale as at December 31, are as follows:

As at December 31, 2021	Consolidated financial statement				Balance as at December 31, 2021
	Balance as at January 1, 2021	Addition	Impairment	Disposal	
Aircraft	85	3,246	(172)	(49)	3,110
Engine	-	107	60	(44)	123
Investment in equity	708	-	-	(708)	-
Land	-	3,155	-	(2,074)	1,081
Other Assets	-	44	-	(36)	7
<b>Total</b>	<b>793</b>	<b>6,552</b>	<b>(112)</b>	<b>(2,912)</b>	<b>4,321</b>

Unit : Million Baht

As at December 31, 2020	Consolidated financial statement				Balance as at December 31, 2020
	Balance as at January 1, 2020	Addition	Impairment	Disposal	
Aircraft	23	13	51	(2)	85
Investment in equity	-	708	-	-	708
Other Assets	-	1	-	(1)	-
<b>Total</b>	<b>23</b>	<b>722</b>	<b>51</b>	<b>(3)</b>	<b>793</b>

Unit : Million Baht

As at December 31, 2021	Separate financial statement				Balance as at December 31, 2021
	Balance as at January 1, 2021	Addition	Impairment	Disposal	
Aircraft	85	3,246	(172)	(49)	3,110
Engine	-	107	60	(44)	123
Investment in equity	79	-	-	(79)	-
Land	-	3,155	-	(2,074)	1,081
Other Assets	-	44	-	(37)	7
<b>Total</b>	<b>164</b>	<b>6,552</b>	<b>(112)</b>	<b>(2,283)</b>	<b>4,321</b>

Unit : Million Baht

As at December 31, 2020	Separate financial statement				Balance as at December 31, 2021
	Balance as at January 1, 2020	Addition	Impairment	Disposal	
<b>Aircraft</b>	23	13	51	(2)	85
Investment in equity	-	79	-	-	79
Other Assets	-	1	-	(1)	-
<b>Total</b>	<b>23</b>	<b>93</b>	<b>51</b>	<b>(3)</b>	<b>164</b>

Unit : Million Baht

Significant Movement During the year 2021 as follows:

- On January 20, 2021, the Planners approved to sell Laksi training center, which consists of land and buildings. The Company classified land and building of Laksi training center from property, plant and equipment (see Note12) to present as non-current assets held for sale in the amount of Baht 1,387 million. Then, the Company transferred the ownership of land and building of Laksi training center to the buyer (Non - related party) and recognized gain on sale of assets in the amount of Baht 415 million in the consolidated and separate financial statements.

- The Company classified land and building of Phuket office from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 118 million. The Company entered into sales and purchase agreement with the buyer (Non - related party) with the selling price in amount of Baht 179 million and the company also received a land deposit in amount of Baht 18 million on 10 September 2021. Afterwards, October 7, 2021, the Company transferred the ownership of land and building of Phuket Office
- The Company classified land and building of Larn Luang office from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 475 million. The Company entered into sales and purchase agreement with the buyer (Non - related party) with the selling price in amount of Baht 957 million ,on October 8, 2021, the Company transferred the ownership of land and building of Larn Luang office to the buyer.
- The Company classified land and building of Silom office from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 160 million. The Company entered into sales and purchase agreement with the buyer (Non – related party) with the selling price in amount of Baht 205 million, on December 23, 2021, the Company received deposit of Silom office in amount of Baht 21 million.
- The Company classified land and building of Khon Kaen and Udon Thani office from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 27 million. The buyer paid in full amount and will transfer the ownership on February 10, 2022.
- The Company classified land and office building of Chiangmai from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 101 million. The Company is in the process of selling and buyer consideration.
- The Company classified land and building of Rak Kun Tao Fah from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 494 million. The Company entered into sale and purchase agreement of land and building of Rak Kun Tao Fah dated January 20, 2022. The buyer paid in full amount of Baht 550,210,000 million and transferred the ownership of Rak Kun Tao Fah on February 15, 2022.
- The Company classified land, sale building and London residence in England from property, plant and equipment (see Note 12) to present as non-current assets held for sale in the amount of Baht 243 million. The Company is in the process of selling and buyer consideration.
- The Company classified aircraft and engine from property, plant and equipment (see Note 12) to present as non-current assets held for sale which consist of 24 aircrafts in amount of Baht 3,246 million and 17 engines in amount of Baht 107 million. The Company is in the process of selling and buyer consideration.
- The Company recorded impairment loss in amount of Baht 112 million, which were impairment loss of aircraft of Baht 172 million and reversal of impairment loss of engine of Baht 60 million.

## 11. INVESTMENTS

### 11.1 Investments in associates

Investments in associates as at December 31, and dividends received from those investments for the year ended December 31, 2021 and 2020, and the equity method for consolidated financial statements are as follows:

Associates	Country of incorporation	Nature of business	Percentage of shareholding		Paid up capital		Consolidated financial statements		C
			2021	2020	2021	2020	Equity method	2020	
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40.00	40.00	120	120	53	88	3
Bangkok Aviation Fuel Services Public Company Limited <sup>(1)</sup>	Thailand	Fuel service in the airport	-	7.06	637	637	-	322	3
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30.00	30.00	100	100	154	191	3
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30.00	30.00	1,018	1,018	308	309	3
Total							<u>515</u>	<u>910</u>	<u>3</u>

<sup>(1)</sup> During the period from September 21, 2021 to December 31, 2021, the Company disposed investment in Bangkok Aviation Fuel Services Public Company Limited and recognized gain on disposal of investment for Bath 710 million and Bath 700 million in the consolidated and separate financial statements, sequentially (see Note 2) from Bangkok Aviation Fuel Services Public Company Limited's Board of Director. As a result, the Company did not have significant influence. Therefore, the Company presented these investments that presented as other non-current financial assets as at December 31, 2021.

## 11.2 Investments in subsidiaries

Investments in subsidiaries recognized by cost method in the separate financial statements and dividend received for the years ended December 31, are as follows:

Unit : Million Baht

Subsidiaries	Country of incorporation	Nature of business	Percentage of shareholding		Paid up capital		Separate financial statements				Dividend income			
			2021	2020	2021	2020	Cost Method		Allowance for impairment		Cost Method - net		2021	2020
							2021	2020	2021	2020	2021	2020		
Thai-Amadeus Southeast Asia Company Limited	Thailand	Integrated travel information technology service	55.00	55.00	15	15	8	8	-	-	8	8	-	25
WingSpan Services Company Limited	Thailand	Specialized personnel services for companies	49.00	49.00	2	2	1	1	-	-	1	1	-	-
Thai Flight Training Company Limited	Thailand	Training service aviation	49.00	49.00	2	2	1	1	-	-	1	1	-	1
Thai Smile Airways Company Limited <sup>(1)</sup>	Thailand	Air transportation services	100.00	100.00	1,800	1,800	1,800	1,800	(1,800)	(1,800)	-	-	-	-
Total							1,810	1,810	(1,800)	(1,800)	10	10	-	26

<sup>(1)</sup> As at December 31, 2021 and December 31, 2020, the Company had assessed the performance of Thai Smile Airways Company Limited which continuously had accumulated loss and capital deficiency and considered the impact of the COVID-19 pandemic to airline business. The Company assessed as there had the impairment indicator in investment in Thai Smile Airways Company Limited and had the recoverable amount of such investment was less than net carrying amount. Therefore, the Company recognized an allowance for impairment of such investment of Baht 1,800 million in the statement of profit or loss and other comprehensive income.

## 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consisted of the following:

As at December 31, 2021	Consolidated financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in/ (out)	
<b>Unit : Million Baht</b>					
<b>Cost</b>					
Lands	12,624	-	-	(3,054)	9,570
Buildings	2,566	1,709	-	(2,561)	1,714
Building improvement	5,356	-	(121)	(578)	4,657
Building under land lease agreement	8,868	-	-	(115)	8,753
Aircrafts	163,474	-	(291)	(63,817)	99,366
Aircraft improvement	14,724	-	(627)	-	14,097
Rotable aircraft's spare parts	37,963	45	(2)	(1,371)	36,635
Tools, plant and equipment	31,627	4	(103)	(1,674)	29,854
<b>Total cost</b>	<b>277,202</b>	<b>1,758</b>	<b>(1,144)</b>	<b>(73,170)</b>	<b>204,646</b>
<b>Accumulated depreciation</b>					
Buildings	(2,547)	(2)	-	2,549	-
Building improvement	(4,790)	(92)	120	578	(4,184)
Building under land lease agreement	(5,611)	(205)	-	115	(5,701)
Aircrafts	(126,300)	(656)	147	52,061	(74,748)
Aircraft improvement	(10,593)	(773)	627	-	(10,739)
Rotable aircraft's spare parts	(25,463)	(1,042)	2	1,285	(25,218)
Tools, plant and equipment	(29,098)	(678)	99	1,655	(28,022)
<b>Total accumulated depreciation</b>	<b>(204,402)</b>	<b>(3,448)</b>	<b>995</b>	<b>58,243</b>	<b>(148,612)</b>
Construction in process	183	24	-	(26)	181
<u>Less</u> Allowance for impairment	(30,856)	(530)	802	8,862	(21,722)
<b>Total property, plant and equipment</b>	<b>42,127</b>				<b>34,493</b>

Unit : Million Baht							
Consolidated financial statements							
As at December 31, 2020	Balance as at January 1, 2020	Consequence From initial apply to TFRS 16	Increase	Decrease	Transfer in/ (out)	Balance as at December 31, 2020	
<b>Cost</b>							
Lands	9,035	-	3,589	-	-	12,624	
Buildings	2,125	-	-	-	441	2,566	
Building improvement	4,783	-	72	-	501	5,356	
Building under land lease agreement	10,809	-	-	(10)	(1,931)	8,868	
Aircrafts	156,827	-	47	(194)	6,794	163,474	
Aircraft improvement	5,940	-	-	-	8,784	14,724	
Rotable aircraft's spare parts	36,616	-	428	(76)	995	37,963	
Aircraft under lease agreements	150,154	(134,474)	-	-	(15,680)	-	
Tools, plant and equipment	31,547	-	373	(1)	(292)	31,627	
<b>Total cost</b>	<b>407,836</b>	<b>(134,474)</b>	<b>4,509</b>	<b>(281)</b>	<b>(388)</b>	<b>277,202</b>	
<b>Accumulated depreciation</b>							
Buildings	(2,097)	-	(4)	-	(446)	(2,547)	
Building improvement	(4,625)	-	(79)	-	(86)	(4,790)	
Building under land lease agreement	(6,939)	-	(215)	10	1,533	(5,611)	
Aircrafts	(117,348)	-	(5,457)	194	(3,689)	(126,300)	
Aircraft improvement	(1,941)	-	(541)	-	(8,111)	(10,593)	
Rotable aircraft's spare parts	(24,152)	-	(1,370)	56	3	(25,463)	
Aircraft under lease agreements	(49,577)	38,178	(753)	-	12,152	-	
Tools, plant and equipment	(28,694)	-	(734)	1	329	(29,098)	
<b>Total accumulated depreciation</b>	<b>(235,373)</b>	<b>38,178</b>	<b>(9,153)</b>	<b>261</b>	<b>1,685</b>	<b>(204,402)</b>	
Construction in process	333	-	56	-	(206)	183	
<u>Less</u> Allowance for impairment	(884)	-	(29,972)	-	-	(30,856)	
<b>Total property, plant and equipment</b>	<b>171,912</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,127</b>	
<b>Depreciation for the years ended December 31,</b>							
2021						Million Baht	3,448
2020						Million Baht	9,153

Unit : Million Baht

As at December 31, 2021	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in/ (out)	
<b>Cost</b>					
Lands	12,624	-	-	(3,054)	9,570
Buildings	2,566	1,709	-	(2,561)	1,714
Building improvement	5,314	-	(122)	(578)	4,614
Building under land lease agreement	8,868	-	-	(115)	8,753
Aircrafts	163,474	-	(291)	(63,817)	99,366
Aircraft improvement	14,724	-	(627)	-	14,097
Rotable aircraft's spare parts	37,963	45	(2)	(1,371)	36,635
Tools, plant and equipment	31,519	2	(76)	(1,677)	29,768
<b>Total cost</b>	<b>277,052</b>	<b>1,756</b>	<b>(1,118)</b>	<b>(73,173)</b>	<b>204,517</b>
<b>Accumulated depreciation</b>					
Buildings	(2,547)	(2)	-	2,549	-
Building improvement	(4,760)	(88)	120	582	(4,146)
Building under land lease agreement	(5,611)	(205)	-	115	(5,701)
Aircrafts	(126,300)	(656)	147	52,061	(74,748)
Aircraft improvement	(10,592)	(773)	627	-	(10,738)
Rotable aircraft's spare parts	(25,464)	(1,042)	2	1,285	(25,219)
Aircraft under lease agreements	-	-	-	-	-
Tools, plant and equipment	(29,003)	(673)	73	1,644	(27,959)
<b>Total accumulated depreciation</b>	<b>(204,277)</b>	<b>(3,439)</b>	<b>969</b>	<b>58,236</b>	<b>(148,511)</b>
Construction in process	174	1	-	(16)	159
<u>Less</u> Allowance for impairment	<u>(30,856)</u>	<u>(530)</u>	<u>802</u>	<u>8,862</u>	<u>(21,722)</u>
<b>Total property, plant and equipment</b>	<b>42,093</b>				<b>34,443</b>

As at December 31, 2020	Separate financial statements					Unit : Million Baht
	Balance as at January 1, 2020	Consequence from initial apply to TFRS 16	Increase	Decrease	Transfer in/ (out)	Balance as at December 31, 2020
<b>Cost</b>						
Lands	9,035	-	3,589	-	-	12,624
Buildings	2,125	-	-	-	441	2,566
Building improvement	4,742	-	72	-	500	5,314
Building under land lease agreement	10,809	-	-	(10)	(1,931)	8,868
Aircrafts	156,827	-	47	(194)	6,794	163,474
Aircraft improvement	5,940	-	-	-	8,784	14,724
Rotable aircraft's spare parts	36,616	-	428	(76)	995	37,963
Aircraft under lease agreements	150,154	(134,474)	-	-	(15,680)	-
Tools, plant and equipment	31,440	-	372	(1)	(292)	31,519
<b>Total cost</b>	<b>407,688</b>	<b>(134,474)</b>	<b>4,508</b>	<b>(281)</b>	<b>(389)</b>	<b>277,052</b>
<b>Accumulated depreciation</b>						
Buildings	(2,097)	-	(4)	-	(446)	(2,547)
Building improvement	(4,595)	-	(79)	-	(86)	(4,760)
Building under land lease agreement	(6,939)	-	(215)	10	1,533	(5,611)
Aircrafts	(117,349)	-	(5,457)	194	(3,688)	(126,300)
Aircraft improvement	(1,941)	-	(541)	-	(8,110)	(10,592)
Rotable aircraft's spare parts	(24,153)	-	(1,370)	56	3	(25,464)
Aircraft under lease agreements	(49,577)	38,178	(753)	-	12,152	-
Tools, plant and equipment	(28,608)	-	(725)	1	329	(29,003)
<b>Total accumulated depreciation</b>	<b>(235,259)</b>	<b>38,178</b>	<b>(9,144)</b>	<b>261</b>	<b>1,687</b>	<b>(204,277)</b>
Construction in process	333	-	47	-	(206)	174
<u>Less</u> Allowance for impairment	(884)	-	(29,972)	-	-	(30,856)
<b>Total property, plant and equipment</b>	<b>171,878</b>					<b>42,093</b>
<b>Depreciation for the years ended December 31,</b>						
2021					Million Baht	3,439
2020					Million Baht	9,144

As at December 31, 2021, the Company had 87 aircrafts in operation, consisting of 20 Company's aircrafts which presented as property, plant and equipment, and 67 aircrafts under lease agreements which presented as right of used assets (see Note 13).

As at December 31, 2020, the Company had 103 aircrafts in operation, consisting of 33 Company's aircrafts which presented as property, plant and equipment, and 70 aircrafts under lease agreements which presented as right of used assets (see Note 13).

As at December 31, 2020, such 33 Company's aircrafts consisted of 2 own aircrafts with the carrying amount of Baht 3,903 million were pledged as business collateral (see Note 6.2) and 31 aircrafts under finance lease with the carrying amount of Baht 90 million were pledged as collateral for Asset-based Financing. The ownership of these aircrafts under finance lease will be transferred to the Company when the conditions, terms and payments are paid and fulfilled by the end of lease term. During the year ended December 31, 2020, the Company transferred 1 aircraft under finance lease with the carrying amount of Baht 1,954 million to present as the Company's own aircraft.

As at December 31, 2021 and 2020, property, plant and equipment included the building on leased land which were leased from Airports of Thailand Public Company Limited (“AOT”) at Suvarnabhumi Airport with the carrying amount of Baht 3,039 million and Baht 3,243 million, respectively, with a lease term of 30 years starting from September 28, 2006 to September 27, 2036 and will renew the contract period for 4 years from September 28, 2036 to September 27, 2040. At the end of the contract, the ownership of the buildings and their component parts will be transferred to the Ministry of Finance. Moreover, the Company had building on leased land which are leased from Airports of Thailand Public Company Limited at Don Mueang Airport, which were fully depreciated. The lease agreement at Don Mueang Airport is currently under the negotiation with Airports of Thailand Public Company Limited (see Notes 6.3 and 36.3).

For the year ended December 31, 2021, the Company's owned domestic buildings were revalued, which are all located in Bangkok. The revaluation was assessed by an independent appraiser approved by the Securities and Exchange Commission (“SEC”) by using Cost Approach. The Company adjusted the carrying amount of buildings amount of Baht 5 million to be revalued amount of Baht 1,714 million by eliminating the accumulated depreciation against the gross carrying amount of the buildings and recognizing the revaluation surplus amount of Baht 1,709 million.

The Company did not adjust fair value on buildings which have been constructed under lease agreement with Airports of Thailand Public Company Limited (“AOT”) on the space at Suvarnabhumi and Don Mueang Airports which the carrying amount of building is Baht 3,039 million as the ownership on such buildings have been transferred to the Ministry of Finance because the Company ended status as a state-owned enterprise in accordance with The Law on Budgeting Method as specific requirement in lease agreement. However, the Company still has the right of use such buildings and structure in its operations until the lease agreements expire or terminate. In addition, building which has been constructed on Don Mueang Airport, is being negotiated on the lease disputed and the business license agreement as the rental fee and minimum payment are higher than the rate as specific in the previous agreement. The condition, rental fee and minimum payment in the new lease agreement is being negotiated.

For the year ended December 31, 2020, land in Thailand and foreign countries were revalued from historical cost of Baht 9,035 million to the amount of Baht 12,624 million, which consisted of land in Bangkok in the amount of 12,087 million, land in upcountry in the amount of Baht 370 million and land in foreign countries in the amount of Baht 167 million. Land excluded land presented under other non-current assets of Baht 101 million were appraised by an independent appraiser approved by the Securities and Exchange Commission (“SEC”) in September 2020, using market approach method.

For the year ended December 31, 2021, the Company recorded an impairment loss of Baht 530 million, which consisted of impairment of 17 aircrafts in the amount of Baht 453 million, impairment relating to rotatable aircraft's spare parts in the amount of Baht 77 million, and the reversal of the impairment loss on engine spare parts amounting to Baht 802 million (see Note 27).

For the year ended December 31, 2020, the Company recorded an impairment loss of Baht 29,972 million, which consisted of impairment of 33 aircrafts in the amount of Baht 26,540 million and an impairment loss on related current aviation equipment amounting to Baht 3,432 million (see Note 27).

As at December 31, 2021 and 2020, the Group's certain buildings and equipment have been fully depreciated but are still in use. The cost of those assets amounted to Baht 34,744 million and Baht 38,841 million.

### 13. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, consists of the following:

As at December 31, 2021	Consolidated financial statements				Unit : Million Baht
	Balance as at January 1, 2021	Increase	Decrease	Adjustment/ Transfer	Balance as at December 31, 2021
<b>Cost</b>					
Land and Buildings	8,636	57	(502)	(2,581)	5,610
Aircrafts	215,446	-	(9,987)	(52,669)	152,790
Equipment	182	13	(92)	-	103
<b>Total cost</b>	<b>224,264</b>	<b>70</b>	<b>(10,581)</b>	<b>(55,250)</b>	<b>158,503</b>
<b>Accumulated depreciation</b>					
Land and Buildings	(941)	(599)	252	-	(1,288)
Aircrafts	(56,811)	(8,418)	3,901	-	(61,328)
Equipment	(60)	(16)	10	-	(66)
<b>Total accumulated depreciation</b>	<b>(57,812)</b>	<b>(9,033)</b>	<b>4,163</b>	<b>-</b>	<b>(62,682)</b>
Less Allowance for impairment	(49,630)	-	23,769	(308)	(26,169)
<b>Total Right-of-use assets</b>	<b>116,822</b>				<b>69,652</b>

As at December 31, 2020	Consolidated financial statements				Unit : Million Baht	
	Balance as at January 1, 2020	Consequence from initial apply to TFRS 16	Increase	Decrease	Adjustment/ Transfer	Balance as at December 31, 2020
<b>Cost</b>						
Land and Buildings	-	8,623	71	(55)	(3)	8,636
Aircrafts	-	216,806	-	-	(1,360)	215,446
Equipment	-	168	31	(17)	-	182
<b>Total cost</b>	<b>-</b>	<b>225,597</b>	<b>102</b>	<b>(72)</b>	<b>(1,363)</b>	<b>224,264</b>
<b>Accumulated depreciation</b>						
Land and Buildings	-	-	(950)	9	-	(941)
Aircrafts	-	(36,032)	(18,396)	-	(2,383)	(56,811)
Equipment	-	-	(65)	5	-	(60)
<b>Total accumulated depreciation</b>	<b>-</b>	<b>(36,032)</b>	<b>(19,411)</b>	<b>14</b>	<b>(2,383)</b>	<b>(57,812)</b>
Less Allowance for impairment	-	-	(49,630)	-	-	(49,630)
<b>Total Right-of-use assets</b>	<b>-</b>					<b>116,822</b>

<b>Depreciation for the year ended December 31,</b>		
2021	Million Baht	9,033
2020	Million Baht	19,411

Unit : Million Baht

As at December 31, 2021	Balance as at January 1, 2021	Separate financial statements			Balance as at December 31, 2021
		Increase	Decrease	Adjustment/ Transfer	
<b>Cost</b>					
Land and Buildings	8,603	57	(500)	(2,581)	5,579
Aircrafts	207,687	-	(9,987)	(54,661)	143,039
Equipment	173	-	(92)	-	81
<b>Total cost</b>	<b>216,463</b>	<b>57</b>	<b>(10,579)</b>	<b>(57,242)</b>	<b>148,699</b>
<b>Accumulated depreciation</b>					
Land and Buildings	(932)	(589)	252	-	(1,269)
Aircrafts	(54,927)	(7,857)	3,901	-	(58,883)
Equipment	(53)	(9)	10	-	(52)
<b>Total accumulated depreciation</b>	<b>(55,912)</b>	<b>(8,455)</b>	<b>4,163</b>	<b>-</b>	<b>(60,204)</b>
Less Allowance for impairment	(49,630)	-	23,769	(308)	(26,169)
<b>Total Right-of-use assets</b>	<b>110,921</b>				<b>62,326</b>

As at December 31, 2020	Balance as at January 1, 2020	Separate financial statements			Balance as at December 31, 2020	
		Consequence from initial apply to TFRS 16	Increase	Decrease		Adjustment/ Transfer
<b>Cost</b>						
Land and Buildings	-	8,602	58	(54)	(3)	8,603
Aircrafts	-	209,047	-	-	(1,360)	207,687
Equipment	-	147	31	(5)	-	173
<b>Total cost</b>	<b>-</b>	<b>217,796</b>	<b>89</b>	<b>(59)</b>	<b>(1,363)</b>	<b>216,463</b>
<b>Accumulated depreciation</b>						
Land and Buildings	-	-	(940)	8	-	(932)
Aircrafts	-	(36,032)	(16,512)	-	(2,383)	(54,927)
Equipment	-	-	(54)	1	-	(53)
<b>Total accumulated depreciation</b>	<b>-</b>	<b>(36,032)</b>	<b>(17,506)</b>	<b>9</b>	<b>(2,383)</b>	<b>(55,912)</b>
Less Allowance for impairment	-	-	(49,630)	-	-	(49,630)
<b>Total Right-of-use assets</b>	<b>-</b>					<b>110,921</b>

**Depreciation for the year ended December 31,**

2021	<b>Million Baht</b>	<u>8,455</u>
2020	<b>Million Baht</b>	<u>17,182</u>

As at December 31, 2021, the Company remeasured right-of-use assets as a result of rent concession related to COVID-19 from lessors in the amount of Baht 400 million.

As at December 31, 2021, the Company adjusted right-of-use assets according to the rental and lease period conditions as specified in the LOI or new lease agreements with lessors of each lease agreement which was effective since the Central Bankruptcy Court issued an order to approve the business rehabilitation on date June 15, 2021. The Company applied discounted rate by using the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum (As at December 31, 2020 : 2.38% to 4.10% per annum), for lease remeasurement and resulted to decrease of right-of-use assets in amount of Baht 53,504 million and Baht 54,661 million in consolidated and separate, respectively for leased aircrafts of 39 operating leases and 15 finance leases and adjusted right-of-use assets by remeasurement lease liabilities from the change in variable payments based on the reference interest rate.

During the year ended December 31, 2021 and 2020, the Company recognized (reversed) impairment loss of right-of-use assets in the amount of Baht (19,841) million and Baht 49,630 million, respectively in statement of profit or loss and other comprehensive income (see Note 27). In addition, during 2021, the Company adjusted allowance for impairment loss, resulting from the termination of aircraft lease agreement, which caused by declaration of onerous contracts (see Note 5.3).

Revenues and expense related to lease agreements for the year ended December 31, 2021, are as follows:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2021	2020	2021	2020
<b>Amounts recognized in profit or loss</b>				
Interest expense relating to lease liabilities	3,534	2,471	3,416	2,470
Expense relating to short-term leases	446	24	446	24
Expense relating to leases of low value assets	6	12	-	1
Expense relating to variable lease payments not included in the measurement of the lease liability	1,265	12	966	11
(Reversal) Income from sub-lease of right-of-use assets	-	-	(69)	493

For the year ended December 31, 2021 and 2020, the total cash outflow for leases amount is equaled to Baht 4,866 million and Baht 9,277 million, respectively.

For the year ended December 31, 2021 and 2020, lease agreement of the Group are fixed lease payment in the amount of Baht 484 million and Baht 6,796 million, respectively.

#### 14. INTANGIBLE ASSETS

Intangible assets as at December 31, are as follows:

As at December 31, 2021	Balance as at January 1, 2021	Consolidated financial statements			Balance as at December 31, 2021
		Increase	Decrease	Transfer in/ (transfer out)/ adjustment	
<b>Cost</b>					
Computer software	3,823	7	(6)	(11)	3,813
<b>Total cost</b>	<b>3,823</b>	<b>7</b>	<b>(6)</b>	<b>(11)</b>	<b>3,813</b>
<b>Accumulated amortization</b>					
Computer software	(3,554)	(63)	6	11	(3,600)
<b>Total accumulated amortization</b>	<b>(3,554)</b>	<b>(63)</b>	<b>6</b>	<b>11</b>	<b>(3,600)</b>
Computer software under installation	5	-	-	(5)	-
<b>Total intangible assets</b>	<b>274</b>				<b>213</b>

Unit : Million Baht					
As at December 31, 2020	Consolidated financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Increase	Decrease	Transfer in/ (transfer out)/ adjustment	
<b>Cost</b>					
Computer software	3,607	214	-	2	3,823
<b>Total cost</b>	<b>3,607</b>	<b>214</b>	<b>-</b>	<b>2</b>	<b>3,823</b>
<b>Accumulated amortization</b>					
Computer software	(3,409)	(148)	-	3	(3,554)
<b>Total accumulated amortization</b>	<b>(3,409)</b>	<b>(148)</b>	<b>-</b>	<b>3</b>	<b>(3,554)</b>
Computer software under installation	86	5	-	(86)	5
<b>Total intangible assets</b>	<b>284</b>				<b>274</b>
<b>Amortization for the years ended December 31,</b>					
2021				Million Baht	63
2020				Million Baht	148

Unit : Million Baht					
As at December 31, 2021	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in/ (transfer out)/ adjustment	
<b>Cost</b>					
Computer software	3,707	7	(1)	(11)	3,702
<b>Total cost</b>	<b>3,707</b>	<b>7</b>	<b>(1)</b>	<b>(11)</b>	<b>3,702</b>
<b>Accumulated amortization</b>					
Computer software	(3,490)	(47)	1	11	(3,525)
<b>Total accumulated amortization</b>	<b>(3,490)</b>	<b>(47)</b>	<b>1</b>	<b>11</b>	<b>(3,525)</b>
Computer software under installation	5	-	-	(5)	-
<b>Total intangible assets</b>	<b>222</b>				<b>177</b>

Unit : Million Baht					
As at December 31, 2020	Separate financial statements				Balance as at December 31, 2020
	Balance as at January 1, 2020	Increase	Decrease	Transfer in/ (transfer out)/ adjustment	
<b>Cost</b>					
Computer software	3,491	214	-	2	3,707
<b>Total cost</b>	<b>3,491</b>	<b>214</b>	<b>-</b>	<b>2</b>	<b>3,707</b>
<b>Accumulated amortization</b>					
Computer software	(3,363)	(130)	-	3	(3,490)
<b>Total accumulated amortization</b>	<b>(3,363)</b>	<b>(130)</b>	<b>-</b>	<b>3</b>	<b>(3,490)</b>
Computer software under installation	85	5	-	(85)	5
<b>Total intangible assets</b>	<b>213</b>				<b>222</b>
<b>Amortization for the years ended December 31,</b>					
2020				Million Baht	47
2019				Million Baht	130

As at December 31, 2021 and 2020, the Group had intangible assets were fully amortized but are still in use. The net book value amounts before deducting accumulated amortization of those assets amounted to Baht3,338 million and Baht 3,315 million, respectively, in the consolidated and separate financial statements.

## 15. DEFERRED TAXES ASSETS

Movements of deferred tax assets and liabilities during the years were as follows:

As at December 31, 2021	Unit : Million Baht			
	As at January 1, 2021	Consolidated Recognized in profit or loss	Separate Recognized in other comprehensive income	As at December 31, 2021
Deferred taxes assets	8,454	12,362	(233)	20,583
Deferred taxes liabilities	(2,384)	(9,583)	(341)	(12,308)
Total	6,070	2,779	(574)	8,275

As at December 31, 2020	Unit : Million Baht			
	As at January 1, 2020	Consolidated Recognized in profit or loss	Separate Recognized in other comprehensive income	As at December 31, 2020
Deferred taxes assets	9,543	(1,083)	(6)	8,454
Deferred taxes liabilities	(1,857)	-	(527)	(2,384)
Total	7,686	(1,083)	(533)	6,070

As at December 31, 2021	Unit : Million Baht			
	As at January 1, 2021	Consolidated Recognized in profit or loss	Separate Recognized in other comprehensive income	As at December 31, 2021
Deferred taxes assets	8,440	12,360	(233)	20,567
Deferred taxes liabilities	(2,384)	(9,583)	(341)	(12,308)
Total	6,056	2,777	(574)	8,259

As at December 31, 2020	Unit : Million Baht			
	As at January 1, 2020	Consolidated Recognized in profit or loss	Separate Recognized in other comprehensive income	As at December 31, 2020
Deferred taxes assets	9,527	(1,081)	(6)	8,440
Deferred taxes liabilities	(1,857)	-	(527)	(2,384)
Total	7,670	(1,081)	(533)	6,056

As at December 31, 2021, the Group has deferred taxes assets (liabilities) in the amount of Baht 8,275 million in the consolidated financial statements resulting from, in 2021, the Group recognized deferred taxes assets in the amount of Baht 12,129 million in the consolidated statement of profit or loss by Baht 12,362 million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets, provision for employee benefit obligations and tax losses carried forward and utilized in the consolidated statement of other comprehensive income by Baht 233 million from changes in actuarial assumption of provision for employee benefit obligations. The Group recognized deferred taxes liabilities in the amount of Baht (9,924) million in the consolidated statement of profit or loss by Baht (9,583) million from changes in amortization of intangible assets and gain of remeasurement of financial liabilities and recognized in the consolidated statement of other comprehensive income by Baht (341) million from changes in surplus from revaluation of assets.

As at December 31, 2021, the Company has deferred taxes assets (liabilities) in the amount of Baht 8,259 million in the separate financial statements resulting from, in 2021, the Company recognized deferred taxes assets in the amount of Baht 12,127 million in the separate statement of profit or loss by Baht 12,360 million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets, provision for employee benefit obligations and tax losses carried forward and utilized in the separate statement of other comprehensive income by Baht 233 million from changes in actuarial assumption of provision for employee benefit obligations. The Company recognized deferred taxes liabilities in the amount of Baht (9,924) million in the separate statement of profit or loss by Baht (9,583) million which came from changes in amortization of intangible assets and gain of remeasurement of financial liabilities and recognized in the separate statement of other comprehensive income by Baht (341) million from changes in surplus from revaluation of assets.

As at December 31, 2020, the Group has deferred taxes assets (liabilities) in the amount of Baht 6,070 million in the consolidated financial statements resulting from, in 2020, the Group recognized deferred taxes assets in the amount of Baht 1,089 million in the consolidated statement of profit or loss by Baht 1,083 million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets, and provision for employee benefit obligations and utilized in the consolidated statement of other comprehensive income by Baht 6 million from changes in actuarial assumption of provision for employee benefit obligations. The Group recognized deferred taxes liabilities in the amount of Baht (527) million in the consolidated statement of other comprehensive income from effective portion of changes in fair value of cash flow hedges and surplus from revaluation of assets.

As at December 31, 2020, the Company has deferred taxes assets (liabilities) in the amount of Baht 6,056 million in the separate financial statements resulting from, in 2020, the Company recognized deferred taxes assets in the amount of Baht 1,087 million in the separate statement of profit or loss by Baht 1,081 million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets and provision for employee benefit obligations and utilized in the separate statement of other comprehensive income by Baht 6 million from changes in actuarial assumption of provision for employee benefit obligations. The Company recognized deferred taxes liabilities in the amount of Baht (527) million in the separate statement of other comprehensive income from effective portion of changes in fair value of cash flow hedges and surplus from revaluation of assets.

The Company recognized deferred tax assets by considering that it is probable that the Company will have future taxable profit sufficient to utilize the accumulated tax losses. The Company has carefully considered such future taxable profit with the assumption that the aviation industry will gradually recover and opening countries tends to be better. As a result, aviation business revenue will recover in line with the aviation industry situation. The company has more efficient flight management, including the facts about the cost reduction from the company's business reform plan that has already occurred which are the reduction of the number and personnel expenses, downsizing type and fleet of aircrafts, fuel efficiency improvement, optimizing scheduling and proper maintenance, and reductions in aircraft rental fees.

As at December 31, 2021 and 2020, the Company still had unused tax losses and deductible temporary differences in the amount of Baht 62,418 million and Baht 152,761 million, respectively, that were not recognized as deferred tax assets due to uncertainty in the adequacy of future taxable profits.

## 16. MAINTENANCE RESERVES

Maintenance reserves as at December 31, are as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Maintenance reserves				
at the beginning of the year	14,121	13,004	14,121	12,956
<u>Add</u> Increased	182	1,432	182	1,432
<u>Less</u> Claim	-	(38)	-	(38)
<u>Add(Less)</u> Adjusted from exchange rate	1,650	(267)	1,587	(219)
<u>Less</u> Adjusted from lease modification	(462)	-	(462)	-
<u>Less</u> Loss allowance	(1)	(10)	(1)	(10)
Maintenance reserves				
at the ending of the year	15,490	14,121	15,427	14,121

Maintenance reserve under lease agreement is a security deposit was collected by lessor as collateral for maintenance engines and aircrafts in accordance with flight condition and engine maintenance schedule which can be refunded when the aircraft was overhauled according to the maintenance plan under conditions specified in such agreements.

As at December 31, 2021, the Company adjusted lease modification in amount of Baht 462 million in consolidated and separate financial statements (see Note 5.3.1 (7)) because during the year 2021, the Company made Letter of intent (“LOI”) and amendment agreement with lessor. The LOI’s conditions stipulated that the Company would be exempt from payment of maintenance reserve of certain aircrafts during the period from the date the Central Bankruptcy Court approved the rehabilitation plan until the date the LOI became effective. In addition, certain LOI stipulated that the Company adjusted maintenance reserve with the lease liabilities that incurred before September 14, 2020.

## 17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of the followings:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Non-performing assets	236	370	236	370
Security deposits under aircraft				
lease agreement	1,874	3,270	1,874	3,270
Accrued income from passenger	1,598	-	1,598	-
(see Note 17.3)				
Others	767	848	636	624
<u>Less</u> Loss allowance	(4)	(3)	(4)	(3)
<b>Total</b>	4,471	4,485	4,340	4,261

## 17.1 Non-performing assets

As at December 31, 2021 and 2020, the Company had non-performing assets in the consolidated and separate financial statements in the amount of Baht 236 million and Baht 370 million, respectively, which presented in the net amount after deducting allowance for expected credit losses.

Movements of the non-performing asset on consolidated and separate financial statements, are as follows:

For the year ended December 31, 2021

	<b>As at January 1, 2021</b>	<b>Addition</b>	<b>Impairment</b>	<b>Adjustments/ Transfer</b>	<b>Unit : Million Baht As at December 31, 2021</b>
Aircraft (see Note 10)	153	3,205	12	(3,246)	124
Engines (flight equipment)	29	79	-	(107)	1
Land	101	3,054	-	(3,155)	-
Others assets	87	78	-	(54)	111
<b>Total</b>	<b>370</b>	<b>6,416</b>	<b>12</b>	<b>(6,562)</b>	<b>236</b>

For the year ended December 31, 2020

	<b>As at January 1, 2020</b>	<b>Addition</b>	<b>Impairment</b>	<b>Adjustments/ Transfer</b>	<b>Unit : Million Baht As at December 31, 2020</b>
Aircraft (see Note 10)	2,921	-	(2,756)	(12)	153
Engines (flight equipment)	424	-	(395)	-	29
Land	243	-	-	(142)	101
Others assets	62	26	-	(1)	87
<b>Total</b>	<b>3,650</b>	<b>26</b>	<b>(3,151)</b>	<b>(155)</b>	<b>370</b>

As at December 31, 2021, the Company had 2 non-performing aircrafts consisted of 2 B737-400 aircrafts, totaling amount of Baht 111 million.

As at December 31, 2020, the Company had 12 non-performing aircraft consisted of 1 A300-600, A340-500 3 aircrafts and B737-400 2 aircrafts with amount of 153 million

As at December 31, 2021, the Company reversed impairment loss on non-performing aircrafts foreclosed aircraft of Baht 12 million, which were consisted of reversal of impairment loss of 1 aircraft of Baht 15 million and recognized impairment loss of 1 aircraft in amount Baht 3 million (see note 27).

During the year ended December 31, 2020, the Company recognized impairment losses on non-performing aircraft and non-performing engines (flight equipment) of Baht 3,151 million which were consisted of impairment loss on 12 aircrafts of Baht 2,756 million and impairment loss on engines (flight equipment) with amount of Baht 395 million (see Note 27).

## 17.2 Aircraft Leasing Deposit

During the year ended December 31, 2021, the Company made Letter of Intent (“LOI”) and amendment agreement with lessor. The condition of certain LOI were described the debt waiver of some security deposit during the Central Bankruptcy Court issued an order to approve the business rehabilitation plan to amendment agreement. In addition, the condition of some amendment agreements was described that lease payable before September 14, 2020 could be adjusted by security deposit. Accordingly, the Company deduct security deposit in amount of Baht 1,832 million in consolidated and separate financial statements (see Note 5.3.1 (7)).

## 17.3 Accrued income from passenger

As at December 31, 2021, the Company is in the negotiation process with the agent for offsetting agents’ payable with accrued income from passenger. The agents’ payable will be follow the rehabilitation plan condition. Accordingly, the Company classified accrued income from passenger in amount of Baht 1,598 million as other non-current asset to be consistence with payment term (2020: Nil).

## 18. INTEREST BEARING LIABILITIES

### 18.1. Short-term borrowings from financial institutions

Short-term borrowings from financial institutions as at December 31, are as follows:

	Fix Interest rate		Unit : Million Baht	
	(% per annum)		Consolidated and separate	
	2021	2020	2021	2020
Short-term borrowings from financial institutions	-	2.15 - 2.85	-	3,730
<b>Total</b>			<u>-</u>	<u>3,730</u>

During the year ended December 31, 2021, the Company did not have additional short-term borrowings from financial institutions and did not make repayment of principle. On June 15, 2021, the Central Bankruptcy court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of short-term borrowings to be in accordance with the business rehabilitation plan. Therefore, the Company classified such short-term borrowings as long-term borrowings from financial institutions (see Note 18.2).

During the year ended December 31, 2020, the Company had additional 3-month borrowings from local financial institutions of Baht 4,000 million and repaid the principle amounting to Baht 270 million. The Company already recognized default interest (see Note 1).

During the year ended December 31, 2021 and 2020, the Company did not pledge fixed assets or other securities as collateral for any borrowings.

18.2. Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at December 31, are as follows:

Maturity Date	Principle repayment due date	Interest rate (% per annum)		Unit : Million Baht Consolidated and separate financial statements	
		2021	2020	2021	2020
		December 20, 2010	December 30, 2035	1.00 - 1.50	2.51
October 8, 2019	December 30, 2035	1.00 - 1.50	2.17	955	2,000
September 30, 2014 and August 27, 2018	December 30, 2035	1.00 - 1.50	2.11 - 3.56	570	1,191
July 10, 2018	December 30, 2035	1.00 - 1.50	2.76	2,400	2,400
Short-term borrowing from financial institutions	December 30, 2035	1.00 - 1.50		3,730	-
<b>Total</b>				10,575	8,511
<u>Less</u> Current portion				-	(8,511)
<b>Remaining portion of long-term borrowings</b>				10,575	-

	Unit : Million Baht Consolidated and separate financial statements	
	2021	2020
As at 31 December		
Principle	12,241	8,511
<u>Less</u> Deferred interest expenses	(1,666)	-
<u>Less</u> Current portion	-	(8,511)
<b>Total Long-term borrowings from financial institutions</b>	10,575	-

During the year ended December 31, 2021 and 2020, the Company did not have additional long-term borrowings from financial institutions and did not pledge fixed assets or other securities as collateral for any borrowings.

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate to be in accordance with the business rehabilitation plan. Therefore, as at December 31, 2021, long-term borrowings from financial institutions which previously classified as due within one year, were reclassified to long-term borrowings. The Company adjusted outstanding debt to repay which the Company received an order from the Official Receiver measured the fair value of financial liabilities by discount cash flow method using market rate. However, the remaining borrowings from financial institution controlled are in the process of debt verification with the Official Receiver (see Note 5.3).

18.3. Debentures

The Company issued and offered debentures in Thai Baht to investors which debenture type was name-registered, unsubordinated and unsecured as at December 31, are as follow:

	Unit : Million Baht	
	Consolidated and separate financial statements	
	2021	2020
Debenture due within 1 year	-	71,608
Long-term debentures	35,539	-
<b>Total</b>	<u>35,539</u>	<u>71,608</u>

  

	Unit : Million Baht	
	Consolidated and separate financial statements	
	2021	2020
As at 31 December		
Principle	71,604	71,608
<u>Less</u> deferred interest expenses	<u>(36,065)</u>	<u>-</u>
<b>Total Debentures</b>	<u>35,539</u>	<u>71,608</u>

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in payment condition and interest rate to be in accordance with the business rehabilitation plan. The debentures had maturity period from December 30, 2028 to December 30, 2036 while the value of issued debenture had remained unchanged. The Company adjusted total debenture liabilities since the Company assessed as there is probable that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver. As a result, the Company recognized gain from debenture adjustment in amount of Baht 4 million and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 38,963 million (See Note 5.3). The Company recognized new financial liabilities at fair value by discount cash flow method, using market rate at 8.07% - 8.86% per annum. As at December 31, 2021, the Company has debentures measured at amortized cost in amount of Baht 35,539 million and classified as non-current liabilities in the consolidated and separate financial statements.

Detail of unsecured debentures as at December 31 as follow:

Debenture	Unit : Million Baht							
	Amount		Interest Rate (% per annum)		Interest Due		Repayment schedulee	
	2021	2020	2021	2020	2021	2020	2021	2020
August 2013 No. 2 (Period 7 years)	1,250	1,250	1.50	4.88	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	August 2020
September 2015 No 2 (Period 5 years)	1,500	1,500	1.50	4.14	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	September 2020
June 2017 No.1 (Period 3 years)	1,000	1,000	1.50	2.74	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	June 2020
August 2018 No 2 (Period 2 years)	798	800	1.50	2.47	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	August 2020
May 2019 No.1 (Period 1 year)	-	-	1.50	2.35	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	May 2020
November 2019 No.1 (Period 1 year)	2,035	2,035	1.50	2.32	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2028	November 2020
May 2011 No.2 (Period 10 years)	833	833	1.50	4.25 (Year 1-4) 4.75 (Year 5-8) 5.35 (Year 9-10)	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	May 2021
No. 5 (Period 10 years)	2,167	2,167	1.50	4.62	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	May 2021
February 2012 No. 2 (Period 10 years)	2,000	2,000	1.50	4.75	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	February 2022
March 2012 No. 2 (Period 12 years)	1,500	1,500	1.50	4.98	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2032	March 2024
October 2012 No. 3 (Period 10 years)	1,500	1,500	1.50	4.90	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	October 2022
August 2013 No 3 (Period 10 years)	1,500	1,500	1.50	5.16	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2031	August 2023
February 2014 No 2 (Period 7 years)	1,000	1,000	1.50	5.14	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	February 2021
No 3 (Period 10 years)	1,000	1,000	1.50	5.58	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2032	February 2024
December 2014 No 2 (Period 7 years)	1,340	1,340	1.50	4.76	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	December 2021
No 3 (Period 10 years)	1,430	1,430	1.50	4.98	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2032	December 2024
April 2015 No 3 (Period 7 years)	1,999	2,000	1.50	4.62	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	April 2022
No 4 (Period 10 years)	2,299	2,300	1.50	4.92	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2033	April 2025
September 2015 No. 3 (Period 7 years)	2,500	2,500	1.50	4.44	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	September 2022
No 4 (Period 10 years))	3,000	3,000	1.50	4.74	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2033	September 2025
December 2016 No 2 (Period 5 years)	500	500	1.50	3.45	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	December 2021
No 3 (Period 7 years)	1,000	1,000	1.50	3.66	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2031	December 2023
No 4 (Period 10 years)	3,000	3,000	1.50	4.35	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2034	December 2026

Debenture	Unit : Million Baht							
	Amount		Interest Rate (% per annum)		Interest Due		Repayment schedulee	
	2021	2020	2021	2020	2021	2020	2021	2020
No 5 (Period 12 years) June 2017	2,000	2,000	1.50	4.66	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2536	December 2028
No 2 (Period 5 years)	1,000	1,000	1.50	3.06	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	June 2022
No 3 (Period 7 years)	1,000	1,000	1.50	3.57	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2032	June 2024
No 4 (Period 10 years)	3,000	3,000	1.50	4.04	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2035	June 2027
No 5 (Period 15 years) February 2018	2,000	2,000	1.50	4.68	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	June 2032
No 1 (Period 5 years)	1,200	1,200	1.50	2.74	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2031	February 2023
No 2 (Period 7 years)	1,000	1,000	1.50	3.19	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2033	February 2025
No 3 (Period 10 years)	2,400	2,400	1.50	3.76	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	February 2028
No 4 (Period 15 years)	1,400	1,400	1.50	4.18	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	February 2033
August 2018								
No 3 (Period 3 years)	500	500	1.50	2.70	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	August 2021
No 4 (Period 5 years)	500	500	1.50	3.23	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2031	August 2023
No 5 (Period 10 years)	2,200	2,200	1.50	4.04	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	August 2028
No 6 (Period 12 years)	1,200	1,200	1.50	4.42	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	August 2030
No 7 (Period 15 years) May 2019	1,300	1,300	1.50	4.62	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	August 2033
No 2 (Period 2 years)	1,000	1,000	1.50	2.65	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	May 2021
No 3 (Period 3 years)	1,970	1,970	1.50	3.06	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2030	May 2022
No 4 (Period 5 years)	910	910	1.50	3.55	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2032	May 2024
No 5 (Period 7 years)	610	610	1.50	3.87	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2034	May 2026
No 6 (Period 10 years)	2,320	2,320	1.50	4.20	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	May 2029
No 7 (Period 15 years) November 2019	2,190	2,190	1.50	4.65	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	May 2034
No 2 (Period 2 years)	634	634	1.50	2.43	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2029	November 2021
No. 3 (Period 3 years and 3 months)	2,453	2,453	1.50	3.00	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2031	November 2023
No 4 (Period 10 years)	1,899	1,899	1.50	3.72	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	November 2029
No 5 (Period 15 years)	1,767	1,767	1.50	3.98	First payment in 2024, paid by monthly basis	Every 6 months	Last workday of 2036	November 2034
<b>Total</b>	<b>71,604</b>	<b>71,608</b>						

## 19. LEASE LIABILITIES

Lease liabilities as at December 31, consisted of the following:

Maturity Analysis:	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Year 1	2,572	28,692	2,561	28,682
Year 2 - 5	51,109	74,761	51,106	74,756
Year 5 onwards	66,050	36,738	66,050	36,738
<u>Less deferred interest</u>	<u>(44,530)</u>	<u>(16,390)</u>	<u>(44,530)</u>	<u>(16,389)</u>
<b>Total</b>	<b>75,201</b>	<b>123,801</b>	<b>75,187</b>	<b>123,787</b>
Classification:				
Current				
Lease liabilities	606	123,796	594	123,787
Non-current				
Lease liabilities	74,595	5	74,593	-
<b>Total</b>	<b>75,201</b>	<b>123,801</b>	<b>75,187</b>	<b>123,787</b>

As at December 31, 2021, the Group and the Company has expenses related to the payment of variable rentals excluding the measurement of lease liabilities in amount of Baht 1,239 million and Baht 966 million, respectively, and in the consolidated financial statements and separate financial statements.

As at December 31, 2020, the Group and the Company has expense related to the payment of variable rentals excluding the measurement lease liabilities in amount of Baht 219 and Baht 2,013 million, respectively, expenses in the consolidated financial statements and separate financial statements

Changing in lease liabilities and liabilities under aircraft lease for the year ended December 31, are as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Balance at the beginning of years	123,801	-	123,787	-
Effect of TFRS 16 first-time	-	140,292	-	140,752
Increase	70	-	57	-
Remeasure lease liabilities from lease modification	(53,728)	(7,196)	(53,726)	(7,685)
Adjust Interest	4,118	3,485	4,118	3,485
Termination of contract	(2,867)	-	(2,867)	-
Reclassify to lease payables	(2,889)	(7,282)	(2,889)	(7,282)
Payment	(495)	(6,810)	(484)	(6,795)
Adjust from exchange rate	7,191	1,312	7,191	1,312
Balance at the end of years	<u>75,201</u>	<u>123,801</u>	<u>75,187</u>	<u>123,787</u>

On May 27, 2020, the Central Bankruptcy Court has issued an order to accept the business rehabilitation petition, caused the Company to enter into a business rehabilitation process, together with the default payment of outstanding lease liabilities and lease liabilities that will be due, which was met the default conditions of long-term lease liabilities which caused the lessors under the lease to have the rights to claim all lease liabilities immediately.

As a result, lease liabilities which will be due in more than one year of Baht 123,796 million and Baht 123,787 million have been classified as current liabilities in the consolidated financial statements and separate financial statements, respectively, according to the conditions in the agreement as at December 31, 2020.

As at December 31, 2021, the Company adjusted lease liabilities according to the rental and lease period conditions as specified in the LOI or new lease agreements with lessors of each lease agreement which was effective since the Central Bankruptcy Court issued an order to approve the business rehabilitation on date June 15, 2021. The Company applied discounted rate by using the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum (As at December 31, 2020 : 2.38% to 4.10% per annum) for lease remeasurement and resulted to decrease of lease liabilities in amount of Baht 54,661 million for leased aircrafts of 39 operating leases and 15 finance leases. The Company reclassified lease liabilities to be in accordance with the condition in LOI and amendment lease agreement and remeasured lease liabilities from the change in variable payments based on the reference interest rate

## 20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, are as follows:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2021	2020	2021	2020
<b>Current</b>				
Trade payables				
Related parties (see Note 6.2)	80	1,063	209	1,205
Others	4,493	18,435	4,137	18,096
Total trade payables	<u>4,573</u>	<u>19,408</u>	<u>4,346</u>	<u>19,301</u>
Other payables				
Airport fees payable	2,349	2,162	2,349	2,162
Others	11,447	15,338	11,374	15,257
Total other payables	<u>13,796</u>	<u>17,500</u>	<u>13,723</u>	<u>17,419</u>
Accrued expenses	2,627	2,510	2,258	2,301
Accrued interest expenses	1,014	8,431	1,014	8,431
Accrued flight service expenses	1,666	228	1,619	178
Accrued employee benefits (see Notes 22 and 23)	4,400	3,766	4,400	3,766
<b>Total Current portion</b>	<b><u>28,076</u></b>	<b><u>51,843</u></b>	<b><u>27,360</u></b>	<b><u>51,396</u></b>
<b>Non-current</b>				
Trade payables				
Related parties (see Note 6.2)	955	-	955	-
Others	10,902	-	10,902	-
Trade payable - other	7,703	-	7,703	-
<b>Total Non-current portion</b>	<u>19,560</u>	<u>-</u>	<u>19,560</u>	<u>-</u>
<b>Total trade and other payable</b>	<b><u>47,636</u></b>	<b><u>51,843</u></b>	<b><u>46,920</u></b>	<b><u>51,396</u></b>

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade and other non-current payables</b>				
Trade payables				
Related parties				
Principle	961	-	961	-
Less deferred interest expenses	(6)	-	(6)	-
Total trade payables - Related parties	955	-	955	-
Others				
Principle	12,989	-	12,989	-
Less deferred interest expenses	(2,087)	-	(2,087)	-
Total trade payables-others	10,902	-	10,902	-
Other payables				
Other payables - others				
Principle	8,074	-	8,074	-
Less deferred interest expenses	(371)	-	371	-
Total other payables-others	7,703	-	7,703	-
<b>Total trade and other non-current payable</b>	<b>19,560</b>	<b>-</b>	<b>19,560</b>	<b>-</b>

As at December 31, 2021, the Company received an order from the Official Receiver for debt payment to some trade payables and other payables. The Company adjust trade payables and other payables according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan, and order from the Official Receiver which have the first due date on June 30, 2024. Therefore, the Company adjusted liabilities and classified trade payables and other payables as non-current payables. The Company has financial impact from adjusted trade payables and other payables according to principal debt in amount of Baht 560 million. (see Note 5.3.1 (5)).

## 21. DEFERRED REVENUE

Deferred revenue as at December 31, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2021	2020	2021	2020
Unearned transportation revenue (see Note 21.1)	13,092	11,571	12,756	11,331
Customer Loyalty program (see Note 21.2)	4,661	4,587	4,661	4,587
	<b>17,753</b>	<b>16,158</b>	<b>17,417</b>	<b>15,918</b>

### 21.1 Unearned transportation revenue

Unearned transportation revenue are unearned revenue from selling ticket and freight at the end of reporting period and THAI Travel Voucher. The Group recognized as revenue from selling ticket and freight when the passengers used the ticket for flown or when providing the delivery of logistic and cargo. THAI Travel Voucher is a voucher that the Group gave to the passengers who had claimed for ticket refund in 2020. The passengers can use the voucher instead of cash when purchasing ticket and other services of the Group. The voucher's value is equal to paid ticket. The Group recognized as revenue when the passengers used the voucher for purchasing ticket and flew. The Group expanded the period of transportation for the passengers who got effect from COVID-19 until December 31, 2022.

During the year 2021, the increase of unearned transportation revenue mostly came from the passengers purchase tickets but not yet reached the flight schedule of the Company's flight plan. Unearned transportation revenue increased in amount of Baht 1,521 million and Baht 1,425 million in the consolidated financial statements and separate financial statements, respectively, because the Group sold the tickets and was paid for delivery of logistic and cargo in advance.

During the year 2020, the decrease of unearned transportation revenue mostly came from the passengers flew and received the delivery of logistic and cargo. Unearned transportation revenue increased of Baht 24,629 million because the Group sold tickets and was paid for delivery of logistic and cargo in advance.

## 21.2 Customer Loyalty Program

The Group has liabilities contract which is the customer loyalty program, the frequent flyer, "Royal Orchid Plus", which is a fair value amount from the customer loyalty program as at the end of reporting period. Points from the program will give benefits to customers when they redeemed for the services. Thus, giving special points to customers will be an obligation separated from fare revenue. Revenue relating to special points will be recognized as a liabilities from contract when the passengers redeemed the ticket, the Group will recognized revenue when the passengers redeemed for services.

During the year 2021 and 2020 the increasing of Customer Royalty Program mostly came from when the passengers redeemed their points before the COVID-19 pandemic and the Group expanded the expired date of the Royal Orchid Plus points from the year 2021 and 2022 to December 31, 2023.

The following table shows the amount of revenue recognized in the current period relating to the beginning balance in deferred income.

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>Separate</b>	<b>financial statements</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Unearned transportation revenue	173	12,344	107	11,964
Customer Loyalty Program	3	339	3	339

Customer loyalty program measured at fair value which calculated by using the lowest average revenue of each route divided by mileage redemption from the standard prize table, together with the contract cost with business partner divided by mileage redemption from the standard prize table which depended on the prize that customer redeemed. This fair value measurement was in level 3

## 22. STAFF PENSION FUND

The Company has established pension fund of Thai Airways International Public Company Limited. The Company contributed to the fund at a rate of 10% of employee salaries. The fund's assets, liabilities and fund balance are presented in the Company's statements of financial position. In addition, the Company recognized interest and operation expense as a revenue and expense as at December 31, are as follows:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	2021	2020
Cash at bank (Presented in other non-current financial assets)	34	1,271
Net pension receivable - THAI (Presented in other non-current financial assets)	959	2,331
Others current assets	53	50
<b>Total Assets</b>	<b>1,046</b>	<b>3,652</b>
Accrued payment for staff termination (Presented in trade and other current payables)	17	1,470
Other current liabilities	-	219
Staff pension fund	1,029	1,963
<b>Total Liabilities</b>	<b>1,046</b>	<b>3,652</b>

As at December 31, 2021 and 2020, the staff pension fund has remaining balances of Baht 1,029 million and Baht 1,963 million, respectively, equaled to the Company's obligations to pay for employees.

During the years ended December 31, 2021 and 2020, the Company paid the amount of Baht 975 million and Baht 367 million, respectively, paid to staff termination under early retirement project (MSP-A, MSP-B and MSP-C) and the employees who left provident fund in the amount of Baht 687 million (2020 : Nil) and recognized pension expense in the amount of Baht 45 million and Baht 127 million, respectively.

As at December 31, 2021, the Company had accrued payment for staff termination under early retirement project (MSP-C2 and MSP-D) and the employee who left the provident fund in amount of Baht 17 million presented as part of trade and other current payables (see Note 20).

As at December 31, 2020, the Company has accrued payment for staff termination under early retirement project (MSP-A) and the employees who left from provident fund in the amount of Baht 1,470 million, presented as a part of trade payables and other current payables which were already paid to the employees in January 2021.

As at December 31, 2021 and 2020 the balance of net pension receivable - THAI in amount of Baht 959 million and Baht 2,331 million, respectively, was resulted of the bank deposit of pension had temporarily seized by the bank in amount of Baht 2,331 million and adjusted interest of bank deposit in amount of Baht 5 million, totaling of Baht 2,336 million. As a result, the pension fund could not pay the employee, the amount was net of the bank deposit which the Company had contributed in excess of Baht 216 million. Therefore, the company has to reserve funds to pay for employees who have terminated and retired under the early retirement program in amount of Baht 1,161 million. (2020 : Nil)



## **23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS**

In 2021 and 2020 Non-current provisions for employee benefits are classified as follows:

### **23.1 Post-employment benefit**

The Company provided the defined benefit pension plan in accordance with the requirement of Thai Labor Protection Act B.E. 2541 and according to the Company's policy for providing retirement benefit to employees based on their rights and year of services.

### **23.2 Post-retirement medical benefits**

The Company provided benefits to the retired and early retired employees together with their spouses and unmarried children who age lower than 20 years with no expenses at all medical centers of the Company. However, the Company cancel this policy in 2021.

### **23.3 Encashment of unutilized holiday leaves**

The Company provided annual leaves benefit compensation to the retired and early retired employees who have outstanding annual leaves in each year, which can be accumulated not more than 3 consecutive years. However, the Company adjust annual leaves benefit compensation in 2021.

### **23.4 Long service awards (Pin/Ring)**

The Company rewarded to the employees who have been working with the Company for 15, 25 and 35 years. However, the Company cancel this policy in 2021.

### **23.5 Free air ticket**

The Company provided benefit to the employees who have been working with the Company for 15 years, rewarded for 1 free confirmed ticket on the Company's routes, and every next 5 years from the latest reward if employees continue working with the Company. The employees can accumulate and use these awards whenever they desire. However, the Company adjust such benefit in 2021.

As at December 31, 2021, the Company remeasured employee benefit obligations to reflect the revised employee benefit policy, number of employees, salary increase rate, discount rate and from the past experience of the actuary. The Company have adjusted the impact of these assumption in the consolidated and separate financial statements.

Non-current provisions for employee benefits as at December 31, are as follows:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2021	2020	2021	2020
<b>Present value of obligations</b>	<u>5,173</u>	<u>15,316</u>	<u>5,083</u>	<u>15,242</u>
<b>Items recognized in statement of profit or loss and other comprehensive income for the years ended December 31,</b>				
Recognized in profit or loss				
Post-employment benefits	(4,198)	1,161	(4,218)	1,181
Other long-term benefits	(156)	14	(156)	14
Recognized in other comprehensive income				
Actuarial gains	<u>(1,164)</u>	<u>(35)</u>	<u>(1,166)</u>	<u>(33)</u>
<b>Total</b>	<u>(5,518)</u>	<u>1,140</u>	<u>(5,540)</u>	<u>1,162</u>

Movements in the present value of the provision for employee benefits:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2021	2020	2021	2020
Defined benefit obligations at the beginning of the year	15,316	17,197	15,242	17,081
Defined benefit expense recognized in profit or loss				
Current service costs	445	610	426	634
Interest costs	160	462	159	461
Past service costs	(5,398)	(20)	(5,398)	(20)
Actuarial gain from other long-term benefit	439	123	439	120
Actuarial (gain) loss - recognized in other comprehensive income				
Arising from experience adjustments	(274)	(1,748)	(268)	(1,749)
Arising from demographic assumptions	-	(3)	-	-
Arising from financial assumptions	(890)	1,716	(898)	1,716
Classified as accrued employee benefits	(4,389)	(2,297)	(4,383)	(2,295)
Benefits paid by the plan	<u>(236)</u>	<u>(724)</u>	<u>(236)</u>	<u>(706)</u>
<b>Defined benefit obligations at the end of the year</b>	<u>5,173</u>	<u>15,316</u>	<u>5,083</u>	<u>15,242</u>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate (%)	1.21 - 2.38	1.40 - 2.32	2.30	1.40 - 2.20
Inflation rate (%)	1.25	1.25	1.25	1.25
Salary increasing rate (%)	0.00 - 5.00	1.50 - 6.50	0.00 - 1.70	2.50 - 6.50
Turnover rate (%)	0.00 - 35.00	0.00 - 34.00	0.00 - 2.50	0.00 - 9.00
Medical inflation rate (%)	-	6.00	-	6.00
Mortality	TMO17	TMO17	TMO17	TMO17

Significant actuarial assumptions for the determination of the defined employee benefit obligations consisted of discount rate, expected salary increase rate and medical inflation rate. The sensitivity analysis below was determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The impact on the employee benefit obligations increased (decreased) as at December 31, are as follows:

	<b>Consolidated</b>		<b>Unit: Million Baht</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Discount rate - increase by 1%	(4,556)	(1,709)	(4,550)	(1,702)
Discount rate - decrease by 1%	5,346	2,234	5,338	2,225
Salary rate - increase by 1%	5,390	1,142	5,380	1,136
Salary rate - decrease by 1%	(4,555)	(998)	(4,561)	(990)
Medical inflation rate - increase by 1%	-	1,062	-	1,062
Medical inflation rate - decrease by 1%	-	(726)	-	(726)

The sensitivity analysis presented above might not be representative of the actual change in the defined employee benefit obligations as it was unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions might be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation was calculated using the Projected Unit Credit Method at the end of the report period, which was the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

#### Early Retirement Program

On October 9, 2020, the Company announced an early retirement program which allow voluntary employees to express their intentions within October 28, 2020 which employees participated in the program approximately 4,000 persons by the Company's approval. Such program had 2 options which will result in an approved employee retiring from December 1, 2020 (MSP-A), or having the right to decide to leave the Company on May 1, 2021 (MSP-B). For both options, the Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in an average amount starting from June 2021 to June 2022.

On February 18, 2021, the Company announced Mutual Separation Plan C (MSP-C) for employees who has no intention to apply for positions in the new organizational structure or applies for positions in the new organizational structure but was not selected and intends to resign from the Company by receiving compensation according to the program. Employees should express their intention within April 19, 2021, which employees participated in the program approximately 2,500 persons by the Company's approval. Such program will result in an approved employee retiring from May 1, 2021. The Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in an average amount starting from September 2021 to December 2022.

On June 2, 2021, the Company announced the Early Retirement program (MSP-D) for employees who has no intention to apply for positions in the new organizational structure or applies for positions in the new organizational structure but was not selected and intends to resign from the Company by receiving compensation according to the program. Employees should express their intention within June 13, 2021 by the Company's approval. The program offers three options that will result in the termination of approved employees from 1 July 2021 (MSP-D1) or 1 January 2022 (MSP-D2 and MSP-D3). The Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in an average amount starting from January 2022 to December 2022.

As at December 31, 2021, the Company has approved the benefits paid for employees of the MSP-A MSP-B MSP-C and MSP-D. Resulting the Company has accrued employee benefit in amount of Baht 4,383 million, presented as part of the trade and other current payables (see Note 20).

#### 24. OTHER NON-CURRENT PROVISIONS

Other non-current provisions during the years ended December 31, are as follows:

	Consolidated		Unit : Million Baht	
	financial Statements	financial Statements	Separate	financial Statements
	2021	2020	2021	2020
Other non-current provisions at the beginning of the years	18,454	18,156	16,028	16,213
Movement during the years	2,120	268	603	(215)
Reversal estimate provision for maintenance reserve	(1,996)	-	(1,996)	-
Adjusts foreign exchange rate	1,494	30	1,494	30
Other non-current provisions at the ending of the years	<u>20,072</u>	<u>18,454</u>	<u>16,129</u>	<u>16,028</u>

Other non-current provisions consists of long-term provision for maintenance and overhaul of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others component of aircraft which has to pay maintenance in the future in accordance with the agreement. The Company has obligation under operating lease of aircraft maintenance, aircraft's engines and other components maintenance over the lease period including preparation of aircraft conditions before handover to lessors at the end of the lease. The Company estimates expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which are calculated along with usage time proportion.

During the year 2021, the Company reversed provision on non-operating engine maintenance in amount of Baht 1,996 million as a reduction of aircraft repair and maintenance cost because the Company considered these engines could not utilize with other aircraft fleets in accordance to the fleet plan of the rehabilitation plan and the Company considered that such engines will no longer have maintenance in the future.

## 25. REVENUES

### Disaggregation of revenue

The Group classified revenue from the sale of goods and services over time and at a point in time consistent with the disclosure of revenue by segment which under Thai Financial Reporting Standard No.8 “Operating Segments” (see Note 32).

Revenue from sales and services for the year ended December 31, were classified revenue by timing of revenue recognition and type of goods or services as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2021	2020	2021	2020
<b>Timing of revenue recognition</b>				
<b>At a point in time</b>				
Air transportation				
Revenue from passenger and excess baggage	5,528	34,163	3,278	30,831
Revenue from freight	10,928	6,893	10,905	6,874
Business unit				
Revenue from business units	4,493	5,592	4,999	6,735
Others				
Other service revenue	195	175	-	-
<b>Over time</b>				
Business unit				
Revenue from aircraft repair and maintenance services	428	893	530	1,104
<b>Total</b>	<u>21,572</u>	<u>47,716</u>	<u>19,712</u>	<u>45,544</u>

## 26. GAIN ON SALE OF INVESTMENTS AND OTHER INCOMES

### 26.1 Gain on sale of investments

Gain on sale of investments for the year ended December 31, 2021 and 2020 consisted of:

During the year 2021, on January 19, 2021, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited (BAFs) in amount of Baht 2,712 million and recognized gain on sale of investment in amount of Baht 2,004 million and Baht 2,633 million, in the consolidated and separate financial statements, respectively. Later on, during the period from September 21 to November 25, 2021, the Company sold additional investment in Bangkok Aviation fuel Service Public Company Limited at the prices of Baht 27.50 - 32.00 per share, totaling Baht 718 million, and recognized gain on sale of investments in amount of Baht 710 million and 700 million in the consolidated and separate financial statements (see Note 11.1).

- During the year 2021, the Company sold investment in Nok Airlines Public Company Limited at the price of Baht 1.04 - 2.68 per share, totaling Baht 279 million, and recognized gain on sale of investments in amount of Baht 120 million in the consolidated and separate financial statements.

## 26.2 Other income

Other income for the year ended December 31, 2021 and 2020 consisted of:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2021	2020	2021	2020
Other income from offsetting obligation of service and engine maintenance fee	1,457	-	1,457	-
Gain on disposal of fixed assets	1,593	-	1,593	-
Others	696	594	909	677
<b>Total</b>	<b>3,746</b>	<b>594</b>	<b>3,959</b>	<b>677</b>

During the year ended December 31, 2021, the Company made a dispute settlement agreement with a company (disputant). The High Court of Justice Business and Property Court of England and Wales Business List (ChD) had issued a dismissal order to the dispute of claim for engine damages. The disputant agreed to indemnify the Company by issuing credit notes to settle with the Company's liabilities. The Company had a right to utilize the credit notes to offset outstanding monthly service and maintenance fees under the contract and service fee for engine maintenance under the term of settlement agreement and the business rehabilitation plan. In consequence, the Company recognized other income from offsetting obligation of service and engine maintenance fee in amount of Baht 1,457 million in the consolidated and separate financial statements.

During the year ended December 31, 2021, the Company had gain on sale of land and Laksi Training Center buildings of Baht 415 million, gain on sale of land and office buildings at Lan Luang of Baht 441 million, gain on sale of land and office buildings in Phuket Baht 61 million (see note 10) and profit on sale of other assets of Baht 676 million in the consolidated and separate financial statements.

**27. IMPAIRMENT LOSS ON AIRCRAFT, RIGHT-OF-USE ASSET AND ROTABLE AIRCRAFT'S SPARE PART (REVERSAL)**

Impairment loss on aircraft, right-of-use asset and rotatable aircraft's spare part (reversal) for the years ended December 31, are as follows:

	<b>Unit : Million Baht</b>	
	<b>Consolidated and separate financial statements</b>	
	<b>2021</b>	<b>2020</b>
Aircraft and right-of-use asset (see Note 12, Note 13 and Note 17)	(19,228)	78,875
Engine	(862)	-
Rotable aircraft's spare parts	77	3,827
<b>Total</b>	<u>(20,013)</u>	<u>82,702</u>

For the year ended December 31, 2021, impairment loss on aircraft, right-of-use asset and rotatable aircraft's spare part (reversal) of Baht 20,013 million are as follows:

- Reversal of impairment loss on aircraft and right-of-use assets in amount of Baht 19,228 million consisted of reversal of impairment loss on right-of-use asset of 19,841 million (see Note 13), reversal of impairment loss on non-performing aircrafts in amount of Baht 12 million (see Note 17), impairment loss on aircraft which were included in property, plant and equipment in amount of Baht 453 million (see Note 12) and impairment loss on aircrafts which were classified as non-current asset held for sale of Baht 172 million (see Note 10).
- Reversal of Impairment loss on engine in the amount of Baht 862 million consisted of reversal of impairment loss on engine which were included in property, plant and equipment in amount of Baht 802 million (see Note 12), and reversal of impairment loss on engine which were classified as non-current asset held for sale of Baht 60 million (see Note 10).
- Impairment loss on rotatable aircraft's spare parts in the amount of Baht 77 million consisted of the impairment loss on rotatable aircraft's spare parts which were included in property, plant and equipment (see Note 12).

For the year ended December 31, 2020, impairment loss on aircraft, right-of-use asset and rotatable aircraft's spare part of Baht 82,702 million are as follows:

- Impairment loss on aircrafts and right-of-use assets in the amount of Baht 78,875 million consisted of the impairment loss on aircraft which were included in property, plant and equipment in amount of Baht 26,540 million (see Note 12), impairment loss on right-of-use aircraft in amount of Baht 49,630 million (see Note 13), impairment loss on non-performing aircrafts in amount of Baht 2,756 million (see Note 17) and reversal impairment loss on aircrafts which were classified as non-current asset held for sale of Baht 51 million (see Note 10).

- Impairment loss on rotatable aircraft's spare parts in the amount of Baht 3,827 million consisted of the impairment loss on rotatable aircraft's spare parts which were included in property, plant and equipment in amount of Baht 3,432 million (see Note 12), impairment loss on non-performing rotatable aircraft's spare parts in amount of Baht 395 million (see Note 17).

## 28. IMPAIRMENT LOSS DETERMINED IN ACCORDANCE WITH TFRS 9 (REVERSAL)

Impairment loss determined in accordance with TFRS 9 (Reversal) for the year ended December 31, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2021	2020	2021	2020
Expected credit loss of trade and other receivables -				
-Related company (see Note 8)	-	-	613	7,678
-Other company (see Note 8)	(171)	273	(141)	273
Reversal of expected credit loss of other financial assets	1	(12)	1	(12)
<b>Total</b>	<b>(170)</b>	<b>261</b>	<b>473</b>	<b>7,939</b>

## 29. INCOME TAX EXPENSE

Reconciliation of effective tax rate

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2021	2020	2021	2021
Income tax recognized in profit and loss				
Deferred income tax	2,780	(1,083)	2,777	(1,081)
<b>Total</b>	<b>2,780</b>	<b>(1,083)</b>	<b>2,777</b>	<b>(1,081)</b>

	Unit : Million Baht			
	Consolidated financial statements 2021		2020	
	Tax rate	Amount	Tax rate	Amount
Income tax using applicable tax rate				
Profit (loss) for the years		55,113		(141,180)
Income tax expense (income)		(2,780)		1,083
Profit (loss) before income tax		52,333		(140,097)
Income tax using applicable tax rate (tax rate 20%)	20	(10,467)	20	28,019
Tax effect of non-deductible (expense) benefit				
Revenue and expense from the Promotional Privileges		(4,479)		(17,053)
Revenue and expenses not deductible for tax purposes		11,884		(14,249)
Effect of taxable losses not recognized				
deferred tax asset		3,062		3,283
(Recognition) Utilization of deferred tax for the years		(2,780)		1,083
<b>Income tax expense (income)</b>	<b>5.27</b>	<b>(2,780)</b>	<b>-</b>	<b>1,083</b>

Unit : Million Baht

	Separate financial statements			
	2021		2563	
	Tax rate	Amount	Tax rate	Amount
Profit (loss) for the years		58,274		)147,168(
Income tax expense (income)		(2,777)		1,081
Profit (loss) before income tax expense		55,497		)146,087(
Income tax using applicable tax rate (tax rate 20%)	20	(11,099)	20	29,217
Tax effect of non-deductible expense (benefit)				
Revenue and expense from the Promotional Privileges		(4,479)		(17,888)
Revenue and expenses not deductible for tax purposes		13,080		(7,684)
Effect of taxable loss not recognized as deferred tax asset		2,498		(3,645)
(Recognition) Utilization of deferred tax for the years		(2,777)		1,081
<b>Income tax expense (income)</b>	4.91	(2,777)	-	1,081

### 30. PROMOTIONAL PRIVILEGES

The Group was granted the promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under each promotion certificate as follows:

The Company		
Promotional Card		Commenced date of revenue generated
No.	Date	
1214(2)/2552	8 December 2008	4 April 2009
1874(2)/2552	14 September 2009	30 March 2011
1446(2)/2554	21 February 2011	24 May 2011
1178(2)/2555	29 December 2011	26 December 2011
1627(2)/2555	28 March 2012	12 March 2012
2576(2)/2555	14 September 2012	8 August 2012
2577(2)/2555	14 September 2012	6 October 2012
1220(2)/2556	26 December 2012	5 February 2013
1221(2)/2556	26 December 2012	25 March 2013
1590(2)/2556	13 March 2013	13 March 2013
2357(2)/2556	6 August 2013	23 January 2014
2358(2)/2556	6 August 2013	25 July 2014
2360(2)/2556	6 August 2013	25 January 2015
2362(2)/2556	6 August 2013	1 May 2015
2363(2)/2556	6 August 2013	4 September 2016
2364(2)/2556	6 August 2013	27 April 2017
2365(2)/2556	6 August 2013	20 July 2017
2366(2)/2556	6 August 2013	23 September 2017
2367(2)/2556	6 August 2013	7 February 2018

<b>Promotional Card</b>		<b>Commenced date of revenue generated</b>
<b>No.</b>	<b>Date</b>	
1465(2)/อ./2557	9 April 2014	7 July 2012
1466(2)/อ./2557	9 April 2014	20 January 2013
1467(2)/อ./2557	9 April 2014	27 October 2013
1468(2)/อ./2557	9 April 2014	5 February 2014
1469(2)/อ./2557	9 April 2014	23 October 2014
1470(2)/อ./2557	9 April 2014	23 March 2015

Under some of conditions, privileges are consisted of:

- A) Grant permission to bring foreigner who are skilled workers, experts, spouses and dependents of persons in such foreigner into the Kingdom of Thailand for the number and period as the Board permitted.
- B) Foreigner of Thailand who are skilled workers or experts and who granted permission to stay in the Kingdom of Thailand, shall be granted a work permit for a specific position approved by the Board for the period of permitted stay in the Kingdom of Thailand.
- C) Granted exemption import duties for machinery as approved by the Board.
- D) Granted corporate income tax exemption for net income from operations the promotional privileges which was not exceeded 100% of investment excluding land and working capital specific 8 years since commenced date of revenue generated from such operations. In case of loss from operations during the income tax exemption period, the promoted company shall be granted to bring loss during the period to deduct with net income occur after such period by elect to deduct from net income of any year or any several years.
- E) Granted exemption to include dividend received from operations the promotional privileges which exempted corporate income tax for income tax calculation for the exemption period.
- F) Granted permission to take remit money rom the kingdom of Thailand as foreign currency.

The Group have to follow specification and conditions as listed in the investment promotional certificate to comply with the announcement of the Board of Investment No. Por. 14/1998 dated December 30, 1998 regarding the revenues reporting of a promoted industry, for the years ended December 31, 2021 and 2020, the Group's total revenues from sales were domestic sales, which were allocated to promoted and non-promoted activities as follows:

	Unit: Million Baht					
	Consolidated financial statements					
	Promoted business		Non-promoted business		Total	
	2021	2020	2021	2020	2021	2020
Revenue from sales or services	10,598	24,505	10,974	23,211	21,572	47,716

	Unit: Million Baht					
	Separate financial statement					
	Promoted business		Non-promoted business		Total	
	2021	2020	2021	2020	2021	2020
Revenue from sales or services	8,325	21,198	11,387	24,346	19,712	45,544

### 31. REVALUATION SURPLUS

Revaluation surplus is revaluation surplus of land and building net of tax. Such revaluation surplus is amortized on a straight-line basis over the remaining life of the related assets and recorded directly to retained earnings.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

### 32. OPERATING SEGMENT

Factors used to identify the reportable segments

The Company determines reportable segments based on the nature of the products and services provided, which the management has considered the organization structure in relation to commercial airline operation.

The Company has 3 reportable segments, consisting of

- (1) Air transportation activities segment composed of passenger, freight, and mail services.
- (2) The business units segments related directly to transportation activities, which include cargo and mail commercial, ground customer services, ground support equipment services, and catering services.
- (3) Other activities segment are transportation supporting activities, which include flight management services, sale of duty-free goods, sale of souvenir products from maintenance division and operation of subsidiaries.

## Measurement criteria

The Company records revenue transfer between segments with sale prices charged to the unaffiliated customers net of discount. For ground customer services segment recorded at cost net of discount. For other activities, segment recorded mutual agreements. Those transferred transactions will be eliminated in consolidated financial statements.

Total gain (loss) before income tax by segments was derived from revenue net of costs and operating expenses.

Segment assets are the assets used for the operation or related to such activities.

Segment liabilities are the liabilities used for the operation or related to such activities.

During the years ended December 31, 2021 and 2020, there were no revenues from sales and services with a single external customer contributed to 10% or more to the Group's total revenues.

### 32.1 Financial Information by Segment

The operating segments are classified in the consolidated financial statements for the years ended December 31, are as follows:

	Consolidated financial statements						Unit : Million Baht	
	Air Transportation		Business Units		Other Activities		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
External Revenue (see Note 25)	15,882	41,056	4,051	6,485	1,639	175	21,572	47,716
Inter - segment revenue (expenses)	(1,486)	(3,717)	642	2,157	844	1,560	-	-
Interest income	22	120	-	-	-	-	22	120
Other income	6,547	547	22	49	10	(2)	6,579	594
Gain from debt restructuring	61,808	-	-	-	-	-	61,808	-
Gain on changes in investment	-	206	-	-	-	-	-	206
<b>Total Revenues</b>	<b>82,773</b>	<b>38,212</b>	<b>4,715</b>	<b>8,691</b>	<b>2,493</b>	<b>1,733</b>	<b>89,981</b>	<b>48,636</b>
Aircraft fuel expenses	(5,926)	(12,386)	-	-	-	-	(5,926)	(12,386)
Employee benefits expenses	(2,261)	(12,648)	(2,689)	(4,738)	(1,461)	(3,160)	(6,411)	(20,546)
Flight service expenses	(2,412)	(6,720)	(2)	(7)	-	-	(2,414)	(6,727)
Depreciation and amortization expenses	(11,132)	(26,083)	(620)	(687)	(792)	(934)	(12,544)	(27,704)
Impairment loss on fixed assets	20,012	(82,703)	-	-	-	-	20,012	(82,703)
Other expenses	(10,093)	(21,907)	(1,288)	(2,385)	(1,749)	(777)	(13,130)	(25,069)
Loss on foreign currency exchange	(7,624)	(916)	-	-	6	21	(7,618)	(895)
Finance costs	(9,489)	(12,192)	-	-	(1)	(1)	(9,490)	(12,193)
Share of loss on investment in associates	(127)	(511)	-	-	-	-	(127)	(511)
<b>Total Expenses</b>	<b>(29,052)</b>	<b>(176,066)</b>	<b>(4,599)</b>	<b>(7,817)</b>	<b>(3,997)</b>	<b>(4,851)</b>	<b>(37,648)</b>	<b>(188,734)</b>
<b>Profit (loss) before income tax expense</b>	<b>53,721</b>	<b>(137,854)</b>	<b>116</b>	<b>874</b>	<b>(1,504)</b>	<b>(3,118)</b>	<b>52,333</b>	<b>(140,098)</b>
Income tax expense	2,777	(1,081)	-	-	3	(1)	2,780	(1,082)
<b>Profit (loss) by segments</b>	<b>56,498</b>	<b>(138,935)</b>	<b>116</b>	<b>874</b>	<b>(1,501)</b>	<b>(3,119)</b>	<b>55,113</b>	<b>(141,180)</b>

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Units		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Current assets	21,299	17,245	504	557	703	893	22,506	18,695
Investments in associates and other long-term investment	515	910	-	-	-	-	515	910
Property, plant and equipment	27,223	34,055	5,437	5,850	1,834	2,223	34,494	42,128
Right of-use-assets	64,006	110,360	4,311	4,915	1,335	1,547	69,652	116,822
Other non-current assets	31,739	29,143	-	-	24	43	31,763	29,186
Non-allocated assets	2,289	-	-	-	-	-	2,289	1,050
<b>Total assets</b>							<b>161,219</b>	<b>208,791</b>
Current liabilities	40,710	295,567	342	153	501	548	41,553	296,268
Non-current liabilities	185,102	35,837	-	-	19	29	185,121	35,866
Non-allocated liabilities	5,795	-	-	-	-	-	5,795	5,322
<b>Total Liabilities</b>							<b>232,469</b>	<b>337,456</b>

### 32.2 Revenues by Geographical Segment

Operating segments classified by geographical in the consolidated financial statements for the years ended December 31, 2021, and 2020 are as follows:

	Unit: Million Baht Consolidated financial statements	
	2021	2020
<b>Domestic Revenues</b>		
Air Transportation	1,756	4,218
Business Unit	4,051	6,485
Others	1,639	175
<b>Foreign Revenues</b>		
Air transportation		
Asia	7,909	19,107
Europe	5,224	13,551
Australia & New Zealand	993	4,180
<b>Total Revenues</b>	<b>21,572</b>	<b>47,716</b>

### 33. PROVIDENT FUND

The Group and their employees have joint to establish a provident fund in accordance with the Thai Provident Fund Act B.E. 2530. The Group and the employees will pay contributions to the fund monthly. The members who had working year less than 20 years pay at 9% of salaries and the members who had working year more than 20 years pay at 10% of salaries. During the period of September 2021 to December 2022, the Group pays contributions to the fund at 5% of salaries for the employees who had working year less than 20 years and at 6% of salaries for the employees who had working year more than 20 years.

Provident Fund is managed by Krungthai Asset Management Public Company Limited, One Asset Management Company Limited and Principle Asset Management Company Limited and will pay to employees when the employees resign according to regulations of the Group's fund. For the years ended December 31, 2021 and 2020, the Group recognized the contribution paid as an expense in the consolidated financial statement in the amount of Baht 265 million and Baht 819 million, respectively, and the Company

recognized that contribution paid as an expense in the separate financial statements in the amount of Baht 256 million and Baht 803 million, respectively.

### 34. FINANCIAL INSTRUMENTS

#### 34.1 Financial risk management objectives

The Group's Corporate financial risk management is under policy framework and management framework of risk management committee. The risk management committee is responsible for supervising monitoring and managing financial risk relating to the Group's operations through internal risk report which analyze from size and level of risk. These risks included market risk as well as currency risk, interest rate risk, fuel price risk, credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The using of derivatives financial instrument is governed by the risk management committees' policy and framework.

#### 34.2 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates interest rates and fuel price. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate foreign currency and fuel price risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk;
- interest rate swaps to mitigate the risk of rising interest rates;
- commodity option to mitigate the fuel price risk of purchased inventory

Details of sensitivity analysis for foreign currency risk and for interest rate risk are set as follows :

##### 34.2.1 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

As the Company generates revenue in THB and foreign currency by more than 50 currencies, which are mainly in USD, THB, EUR and JPY and the major expenses are in currencies USD and THB while having long-term liabilities mainly in 4 major currencies as USD, EUR, THB and JPY.

The Company has managed the risk of exchange rates fluctuations which is uncontrolled factors by using "Matching Currency" strategy to manage this risk by matching currency between the expense and revenue and arranging for loan and restructure loan to coincide with net operating cash flow at the same time, together with the reduction of foreign currency debt risk by entering into Thai baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statements.

In addition, the Company managed source of fund and has a policy to enter into CCS when the financial market is favorable to the Company and forward contract to hedge the future obligation that has underlying exposures.

As at December 31, 2021 and 2020, the Company did not have CCS transaction and forward contract because the counterparties terminated all of contracts. Since the Company has entered the business rehabilitation process which caused the counterparties were able to terminate the contracts. For the year ended December 31, 2020, the Company recognized loss on CCS contracts termination and forward contracts in amount of Baht 272 million as expenses in the consolidated and separate statements of profit or loss and other comprehensive income. (2021 : Nil)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at December 31, 2021 are as follows:

	<b>Unit : Million Baht</b>	
	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	<b>Assets</b>	<b>Liabilities</b>
US Dollar	28,042	85,912
Yen	634	4,982
Euro	1,224	12,455
Others	2,382	1,978

#### Foreign Currency sensitivity analysis

The Group is mainly disclosed to the currency of asset and liability in USD.

The following table detailed the Group's sensitivity to a 10% of appreciation and depreciation of Baht currency which comparing with relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation as at December 31, 2021 for a 10% change in foreign currency rates.

	<b>Unit : Million Baht</b>	
	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	<b>Assets</b>	<b>Liabilities</b>
	<b>2021</b>	<b>2021</b>
Gain (loss)		
- Appreciate 10%	(3,228)	10,533
- Depreciate 10%	3,228	(10,533)

#### 34.2.2 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds and finance lease payable at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate portion between fixed and floating rate borrowings and using interest rate swap contracts. Hedging activities are evaluated regularly to

align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this Note.

### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both financial derivatives and non-financial derivatives at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. The Group's sensitivity to 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit or loss for the year ended December 31, 2021 and 2020 would decrease/increase by Baht 324 million and Baht 569 million, respectively. This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowing.

### Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. However, as at December 31, 2021 and 2020, the Company had no interest rate swap contract transaction because the contract was due and the Company did not enter into additional contract.

#### 34.2.3 Fuel price risk

Fuel price risk in the Company primarily arises from price fluctuation availability of jet fuel. Fuel price fluctuation depends on demand and supply of global economic situation and uncertainty political worldwide, which has direct impact on the Company's operating result as fuel is important factor in the aviation industry. The Company has made jet fuel price hedging in order to reduce the risk of fuel price volatility, to meet the Company's operating result target and protect the value of the Company for shareholders and all stakeholders and made not intend to make income and profit from the fuel price hedging.

The Company has continuously and systematically managed the jet fuel price risk, by set the fuel price risk policy, implementing jet fuel price hedging at not lower than 20% and not more than 80% of annual fuel consumption. Whereby the tenor of each contract would be for a period of not more than 24 months. The Company specified the lowest and highest prices of jet fuel. The Company will obligate in USD if the price of jet fuel falls below the lowest price. On the contrary, the Company will be compensated in USD if the price of jet fuel rises higher than the highest price.

The Company enters into derivative transactions to limit these risks. Hedging activities are regularly assessed to reflect the Group's expectations of the expected changes in price and risk to ensure the most effective hedging strategy is used.

However, due to the epidemic situation of COVID-19, it severely affected the aviation industry. As a result, demand for crude oil and jet fuel in the second quarter of 2020 dropped at an unprecedented rate. In addition, the company is in the process of rehabilitation under the Central Bankruptcy Court. As a result, the oil futures hedging which has been prepared to enter into a non-compliance condition (Default) according to the standard contract under ISDA (International Swaps and Derivative Association).

As at December 31, 2021 and 2020, the Company did not have any derivative transaction for hedge fuel price because the counterparties had terminated all of contracts due to the above reasons. As a result, the loss from ineffective portion of hedging financial instruments for the year ended December 31, 2020, is in amount of Baht 4,955 million, recognized as expenses in the consolidated and separate statement of comprehensive income. (2021 : Nil)

#### 34.3 Credit risk management

Note 8 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected loss allowance.

The Group exposures to credit risk which related to trade and other receivables. The management has adopted a policy and appropriated control risk, therefore the Group does not expect to any significant losses from credit granting. Moreover, The Group's credit granting is not concentrated because the Group has large and diverse customer base, the maximum amount which the Group may incur on credit granting is the book value of trade and other receivables as shown in the statement of financial position.

#### 34.4 Liquidity and interest risk management

As at December 31, 2021, ultimate responsibility for liquidity risk management rests with the Plan Administrators, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding including financial liabilities which are not derivatives. The framework of risk management is within the business rehabilitation plan process, as described in Note 5.

As at December 31, 2020, ultimate responsibility for liquidity risk management rests with the Planners, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding including financial liabilities which are not derivatives. The framework of risk management is within the business rehabilitation plan, which is in progress to present to Official Receiver.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

The contractual maturity is based on the earliest date on which the Group may be required to pay.

December 31, 2021	Consolidated Financial Statements				
	Effective Interest Rate Per annum	Less than 1 year Million Baht	More than 1 year Million Baht	Total Million Baht	Carrying Amount Million Baht
Trade and other payables	6.79 - 10.60	28,076	20,049	48,125	47,636
Loans from related parties	8.86	-	29,329	29,329	18,559
Loans from financial institution	1.52 - 11.68	-	12,671	12,671	10,576
Debentures	8.07 - 8.86	-	84,409	84,409	35,539

December 31, 2021	Separate Financial Statements				
	Effective Interest Rate Per annum	Less than 1 year Million Baht	More than 1 year Million Baht	Total Million Baht	Carrying Amount Million Baht
Trade and other payables	6.79 - 10.60	27,360	20,049	47,409	46,920
Loans from related parties	8.86	-	29,329	29,329	18,559
Loans from financial institution	1.52 - 11.68	-	12,671	12,671	10,576
Debentures	8.07 - 8.86	-	84,409	84,409	35,539

### 34.5 Classes and categories of financial instruments and their fair values

The following table combines information of:

- type of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments, except financial instruments that their carrying amounts are approximates at fair value and
- level of fair value hierarchy of financial assets and financial liabilities, which fair value was disclosed.
- level of fair value hierarchy 1 to 3 is based on the degree to which the fair value is observable.

As of December 31, 2021, cash and cash equivalents, trade receivables, other receivables, their carrying amounts approximate their fair value because of short-term maturity.

As of December 31, 2020, cash and cash equivalents, trade receivables, other receivables, trade payables, other payables, loans from financial institutions and related parties and debentures, their carrying amounts approximate their fair value because of short-term maturity.

For carrying amounts of long-term loans from related parties and long-term loans from financial institutions, which had floating interest rate, have fair value approximated to their carrying amounts.

### Financial assets measured at fair value

The following table presents the fair values of financial assets including the fair values hierarchy for financial assets recognized at fair value as at December 31, 2021 and 2020

	Level of Fair value	Consolidated financial statements		Unit : Million Baht Separate financial statements	
		2021	2020	2021	2020
<b>Assets measured at fair value through profit or loss</b>					
Other non-current financial assets					
Investment in debt securities	Level 2	53	53	53	53
Investment in funds	Level 2	1	1	1	1
Investment in market-equity securities	Level 1	559	560	559	560
Investment in non-market equity securities	Level 3	312	-	312	-
<b>Assets measured at fair value through other comprehensive income</b>					
Other non-current financial assets					
Investment in non-market equity securities	Level 3	19	21	3	15

The following table disclose valuation technique using in fair value measurement.

<b>Types</b>	<b>Valuation techniques</b>
Derivatives	The fair value of derivatives is calculated by using the discounted cash flows valuation model which consider the present value of expected cash flow, discounted using a related risk-adjusted discount rate. The data using in valuation are mostly observable market data, e.g. spot exchange rate, forward exchange rate, interest rate, bond yield, forward fuel prices, and contractual fuel prices.
Marketable equity securities	The fair value of the investment in equity securities measured at fair value through profit or loss (FVTPL) is calculated by using bid price from the stock exchange of Thailand (SET) as of the reporting date.
Non - marketable equity securities	The fair value of investments in equity instrument measured at fair value through other comprehensive income is calculated by using the net asset value as of the reporting date.  The fair value of investments in equity instrument measured at fair value through profit or loss is calculated by present value of the forecast cash flow and discount with interest rate and the related risks.
Debt securities	The fair value of investments in debt instruments measured at fair value through profit or loss. Calculated using valuation techniques by obtaining the observable market data and converting discounted cash flows to present values.
Investments in marketable unit trust	The fair value of investments in marketable investment units that are measured at fair value through profit or loss is calculated by using the net asset value as of the reporting date.

During the year ended December 31, 2021, the Company transferred its investments in non-marketable equity securities from level 1 to level 3 in the fair value hierarchy because investments in equity securities had no market price. Therefore, it is estimated from the present value of expected cash flows. Discounted by interest rate and related risks (2020 : Nil)

Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

	<b>Unit : Million Baht</b>
	<b>CONSOLIDATED AND SEPARATE]</b>
	<b>FINANCIAL STATEMENTS</b>
<b>Beginning balances of the year</b>	560
Disposed during the year	(91)
Net gain (loss) recognized into profit (loss)	(157)
<b>Ending balances of the year</b>	<u><u>312</u></u>

The methods used by the Company and its subsidiaries to estimate financial assets and liabilities that are not measured at fair value are as follows.

Cash and cash equivalents, trade accounts receivable and other current receivables have book price close to fair value because these financial instruments mature in a short time.

Other long-term investments have fair value which is not significantly different from the carrying amount at the reporting date. Investment in mutual funds measured fair value by using the mutual fund's net asset method.

### 35. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments which have not been recognized in the financial statements, are as follows:

#### 35.1 Bank Guarantee

The Company has bank guarantees issued by domestic and foreign banks as at December 31, in the consolidated and separate financial statements as follows:

	<b>Unit : Million (Currency)</b>	
	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	<b>2021</b>	<b>2020</b>
<b>Bank Guarantee</b>		
Issued by domestic banks		
THB Currency	98	98
Issued by foreign banks		
BDT Currency	10	10
AUD Currency	1	7
INR Currency	123	389
SAR Currency	5	5
AED Currency	3	3

If the Company defaults on an obligation to a beneficiary in letter of guarantee, the bank agrees to pay a specific amount to that beneficiary and will claim from the Company later.

#### 35.2 Contract commitment

On June 15, 2021, the Plan Administrator's meeting No. 1/2021 passed the resolution to approve the Company to terminate onerous contract. The Company is in the process of negotiation to terminate the contract and had obligation from contract's termination according to the approved Business Rehabilitation plan.

As at December 31, 2021, the Company had completed the contract termination of finance lease aircrafts for 3 aircraft and on negotiation process to terminate for 13 aircrafts. The engine maintenance contract is on negotiation process of the court.

As at December 31, 2021 and 2020, the Company had obligated to pay under operating lease agreements after receiving the aircraft in the amount of USD 416 million and USD 325 million, respectively, which was obligations from 3 aircraft lease agreements for a period of 10 years which has deliver schedule within the year 2022. The Company paid deposit of USD 7 million for the aircraft. Subsequently, on August 24, 2021, the Company has revised the terms of the contract by paying monthly aircraft rental fees from the year 2023 onwards, and rental fees based on Power-by-the hour basis (PBH).



### **36. DISPUTES AND SIGNIFICANT LITIGATION**

#### 36.1 Labor disputes and damages claim

The Company has been filed as defendant in domestic and foreign labor disputes for 3 cases with claim amount of Baht 6 million and the complaints in domestic and foreign for 51 cases with claim amount of Baht 463 million. As of December 31, 2021, the Company's management, considering such disputes and claims based on facts and laws, considers that the impact of such matters is insignificant to the financial statements.

#### 36.2 Tax dispute

36.2.1 The Company, as an entrepreneur in the Duty free zone, has received a letter from the Customs Department No. Gor Kor 0503(4)/621 dated August 28, 2017, requested the Company to clarify the completeness of the certificate license of the import food for restricted products. The customs official has assessed additional taxes and duties according to 252 import entry declarations, which consisted of price of products in amount of Baht 493 million, import duty in amount of Baht 244 million, excise tax in amount of Baht 754 million, interior tax in amount of Baht 75 million, value added tax in amount of Baht 110 million, the subsidies for Thai Health Promotion Foundation in amount of Baht 15 million, and the subsidies for Thai Public Broadcasting Service in amount of Baht 11 million. The Company has submitted the letter of clarification to the Customs Department for consideration. In this regard, the Company has consultation letter on legal matters in relation to the importation of a group of products under the import control of food, fruit juice and other imports into the free zone of Thai Airways Catering, in the case of compliance with Section 152 of the Customs Act, B.E. 2560 to the Director-General of the Customs Department for consideration.

At present, the Customs Department has informed that in the case of bringing goods into the duty free zone to produce, mix, assemble, pack or perform any other actions on such goods, in order to export from the Kingdom, and the importer has fully complied with the rules, method and procedures for customs procedures of the free zone. This shall be exempt from the law in respect of standard or quality control, stamping any marks on such items, and are exempt from the law in respect of the control of importation into the Kingdom, exporting from the Kingdom, possession or use of such goods only in the area as identified in the ministerial regulation. In the present, the Company sent the letter to the Director-General of the Customs Department No. KOR BOR. 01/373 dated September 30, 2021 informing the progress of the request for a waiver from the licensing agency. The Company is in the process of resolving problems and settlements of such dispute.

36.2.2 The Panohm Penh branch in Kingdom of Cambodia had been assessed additional taxes from the Cambodia Revenue Department, related to the difference in interpretations of tax law.

During the year 2019, the Company received the tax assessment notification for the year 2017, consisted of 3 types of tax, which were corporate income tax, special business tax and withholding tax. The total additional assessed tax, including fine and interest were Riel 10,771 million. And for the period January - September 2017, consisted of 2 types of tax, which are prepayment corporate income tax and special business tax. The total additional assessed tax, including fine and interest were Riel 7,176 million. During the year 2020, the Company received the tax assessment notification for the year 2018, consisted of 3 types of tax, which were tax on corporate income tax, special business tax and withholding tax. The total additional assessed tax, including fine and interest were Riel 5,018 million.

The Company had filed such disputes with the above assessment through a tax advisor. The Company had issued a letter requesting to extend the tax audit for the years 2017 to 2020 due to the impact of the situation of COVID-19 and the Company is in the process of rehabilitation plan. It is currently under consideration by the Cambodia Revenue Department. The tax payment as assessed depended on the negotiation with the Cambodia Revenue Department based on the fact, laws and supporting documents. The mentioned disputes are in negotiation process.

36.3 Rental agreement and license to operate business agreement at Don Mueang International Airport

The Company had rental agreement and license to operate business agreement with Airports of Thailand Public Company Limited (“AOT”), with agreement no. 3-08/2552 dated December 14, 2010, the duration of the contract was 3 years period from September 28, 2009 to September 27, 2012. After September 27, 2012, the Company was out of the permission for renting and operating business at Don Mueang International Airport. The Company has continued to pay rental fee and concession fee based on the original agreement. However, AOT will reserve the rights to increase the minimum rental fee and concession fee, if the result of increment of the minimum rental fee and concession fee is final and the rate is higher than the rate specified in the original agreement or the notification letter of AOT that announced the extension of the agreement.

Later, creditors have submitted the rental agreement which occurred on September 14, 2020, to receive repayment to the Official Receiver in the business rehabilitation process. The debt value is currently under investigation by the Official Receiver to determine the creditors' rights to be paid in the business rehabilitation process. The obligations in the period which occur after September 14, 2020, as well as the criteria, conditions and the rental rate and benefits of being certified to operate the business, which will be defined in the new contract, have been negotiating for mutual conclusion.

#### 36.4 Tort case under unfair trade protection laws (Antitrust cases)

The Company has been impleaded by British Airways, Lufthansa and KLM-AF, which are the defendants in the Cargo Civil Class Action case in the Netherlands, which they have submitted the requested to exercise the right of recourse to the Company.

On July 2015, the Company had received a writ of summons for contribution claim from British Airways, Deutsche Lufthansa and Lufthansa Cargo A.G. (collectively called "Lufthansa"), and Koninklijke Luchtvaart Maatschappij N.V., Martin Air Holland N.V., Societe Air France S.A. (collectively called "KLM-AF"). These airlines had submitted such writ of summons against the Company and more than 20 other airlines in the case where a group of plaintiffs had filed a lawsuit against British Airways, Lufthansa, KLM-AF and Singapore Airlines and Singapore Airlines Cargo (collectively called "Singapore Airlines") as defendants since December 24, 2013 by alleging that these airlines conspiracy set the price for various surcharges (Main case).

Nonetheless, the Company had not been sued as a defendant in the main case. Subsequently, British Airways, Lufthansa and Swiss International, KLM-AF, Korean Airlines and Qantas Airways, who were parties to the Contribution Claim Case, had submitted a writ of summons to exercise the contribution claim in addition to the Contribution Claim Case above (known as sub contribution claim), and the Company then submitted a writ of summons to exercise the contribution claim in the form of this sub contribution claim against all airlines as well in order to reserve the Company's right. However, the initiation of such case in the form of contribution claim and sub contribution claim was merely for the purpose of reserving the right in the event that the court orders that each airline to pay for the damages exceeding its market share. This was not a lawsuit to demand for additional damages.

Later on December 2016 to January 2017, the Company had received a writ of summons for contribution claim from British Airways, Lufthansa and KLM-AF. These airlines had submitted such writ of summons to the Company and more than 20 other airlines in the case where a new group of plaintiffs had filed a lawsuit against British Airways, Lufthansa, KLM-AF and Singapore Airlines as defendants on November 6, 2015.

The allegation had similar type as same as the first main proceedings in which the Company had not been sued as a major defendant. On June 22, 2020, Freshfields Law Firm reported that Cargo Netherlands pending review of the Amsterdam District Court on March 10, 2020, that the Appeal Court ruled that The transfer of claims to SCC is complete.

Subsequently, on June 9, 2020, the Court held a major hearing at the Stichting Cartel Compensation ("SCC") Group 1 ("SCC I") and Group 2 ("SCC II") against Singapore Airlines. British Airways ("British Airways"), Deutsche Lufthansa and Lufthansa Cargo A.G. (collectively "Lufthansa") and KLM, Martin Air, Air France (collectively "KLM-AF") were the defendants which the company is not a party. The result of the court hearing allowed the defendant to take another six months to review the information and submit a complaint about the SCC's claims by December 6, 2020. The court requires all economics experts to agree on how to calculate

overcharge and share data. By submitting a report to the court by December 6, 2020, the court will then arrange for the next hearing.

For the case that the Company is the defendant has been suspended for the outcome of the main case. The law firm assess that the Company should consider the possibility of the compromise negotiation between those airlines with low market share and the defendant airlines of the main case since the Company is only the carrier according to the price agreement, which the Company had low market share in such routes.

As at December 31, 2021 and 2020, the management of the Company considered such disputes and litigation as described in Notes 36.1 to 36.4 based on the facts and the laws that the impacts of such matters will not significantly affect to the financial statements.

### 37. RECLASSIFICATION

Reclassification has been made in the financial statements for the year ended December 31, 2020, to conform to the classification used in current period's financial statements. Such reclassification has no effect to previously reported net profit, and shareholders' equity. The reclassification is as follow:

Items	Previously presentation	Current period presentation	Unit : Million Baht	
			Consolidated financial statements	Separate financial statements
<b>Statements of financial position</b>				
Accrued income	Trade and other current payables	Trade and other current receivables	506	-

The consolidated and separate cash flow statements for the year ended December 31, 2020 have been reclassified in accordance with the above reclassifications.

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

This financial statements were approved by the Plan Administrator of the Company on February 25, 2022.