

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE PLAN ADMINISTRATOR
THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Thai Airways International Public Company Limited and its subsidiaries (the “Group”) and the separate statement of financial position of Thai Airways International Public Company Limited (the “Company”) as at June 30, 2023, the related consolidated and separate statements of profit or loss and other comprehensive income, for the three-month and six-month periods ended June 30, 2023 and the related consolidated and separate statements of changes in shareholders’ equity and the related consolidated and separate statements of cash flows for the six-month period ended June 30, 2023, and the condensed notes to the financial statements. The Company’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting”.

Emphasis of Matter

We draw attention to Notes 1 and 4 to the interim financial statements, during the years 2020 to 2022, the Company had submitted petition to the business rehabilitation and implemented the plan and the latest revised plan which was approved on October 20, 2022. The essential parts of business rehabilitation plan consist of capital restructuring, debt financing and capital mobilization, debt repayment of each class of the creditors, and completion of the plan. However, the achievements of the rehabilitation plan depend on the Company's ability to implement and rehabilitate according to all conditions as specified in the completion of business rehabilitation plan. Our conclusion is not modified in respect of this matter.

BANGKOK
August 10, 2023

Juntira Juntrachaichoat
Certified Public Accountant (Thailand)
Registration No. 6326
DELOITTE TOUCHE TOHMATSU JAIYS AUDIT CO., LTD.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2023

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2023	2022	2023	2022
		“Unaudited”		“Unaudited”	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6.1	51,153,063,288	34,539,793,772	50,323,180,468	34,042,074,166
Trade and other current receivables	5, 7	17,834,054,554	16,955,034,829	18,047,779,057	17,040,069,085
Inventories and supplies		4,676,787,134	4,448,944,904	4,656,169,642	4,427,515,059
Current tax assets		175,008,532	317,595,696	175,008,531	317,595,696
Other current financial assets	6.1	3,352,930,500	-	3,302,930,500	-
Other current assets	23.5	662,117,833	795,858,833	662,080,608	795,821,693
Non-current assets classified as held for sale	8	3,413,227,266	2,746,514,121	3,413,227,266	2,746,514,121
Total Current Assets		81,267,189,107	59,803,742,155	80,580,376,072	59,369,589,820
NON-CURRENT ASSETS					
Other non-current financial assets	17, 23.5	3,262,643,587	3,243,541,000	3,231,437,439	3,212,334,853
Investments in associates	9.1	539,899,912	511,002,483	383,334,000	383,334,000
Investments in subsidiaries	9.2	-	-	10,209,920	10,209,920
Non-current receivable under lease agreements	5.2	-	-	6,320,973,475	6,495,040,409
Property, plant and equipment	10	44,961,345,751	45,968,605,615	44,505,748,287	45,918,253,719
Right-of-use assets	11	63,291,131,356	61,868,826,214	58,083,402,841	56,295,477,032
Intangible assets		143,699,367	166,069,480	130,288,245	145,112,285
Deferred tax assets		9,972,974,570	9,599,009,022	9,965,982,337	9,591,946,667
Maintenance reserves	12	15,184,300,460	14,328,757,735	15,184,300,460	14,328,757,735
Other non-current assets	13	4,694,538,901	2,688,165,526	4,515,875,123	2,548,555,188
Total Non-current Assets		142,050,533,904	138,373,977,075	142,331,552,127	138,929,021,808
TOTAL ASSETS		223,317,723,011	198,177,719,230	222,911,928,199	198,298,611,628

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2023

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2023	2022	2023	2022
		“Unaudited”		“Unaudited”	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and othe current payables	5, 16	29,933,829,838	25,036,720,096	27,898,823,009	23,148,070,066
Deferred revenue		36,502,880,658	35,679,208,931	35,997,620,145	35,344,600,968
Current portion of long-term liabilities					
Long-term borrowing from related parties	5.2, 6.3	-	453,754,166	-	453,754,166
Leases liabilities	6.3, 15	4,025,892,329	1,979,804,017	4,018,560,405	1,975,960,540
Short-term borrowings from related parties	5.2, 6.3	-	39,000,000	-	-
Income tax payable		11,322,620	4,500,589	-	-
Accrued dividends		54,580,327	54,565,362	54,228,762	54,228,762
Other current liabilities		801,302,883	409,029,424	800,793,333	408,993,722
Total Current Liabilities		71,329,808,655	63,656,582,585	68,770,025,654	61,385,608,224
NON-CURRENT LIABILITIES					
Long-term liabilities					
Long-term borrowings from financial institutions	6.3, 14.1	8,048,606,736	7,717,759,083	8,048,606,736	7,717,759,083
Long-term borrowings from related parties	5.2, 6.3	24,406,103,958	23,907,474,750	24,406,103,958	23,907,474,750
Leases liabilities	6.3, 15	79,424,255,058	85,141,788,721	79,422,137,661	85,140,838,305
Debentures	6.3, 14.2	44,797,389,482	42,764,683,547	44,797,389,482	42,764,683,547
Trade and other non-current payables	5, 16	17,386,642,843	13,796,918,544	17,386,642,843	13,796,918,544
Staff pension fund	17	926,675,165	931,905,658	926,675,165	931,905,658
Non-current provisions for employee benefits	18	4,549,452,426	4,496,194,282	4,469,487,037	4,414,525,009
Other non-current provisions	19	28,687,854,642	26,776,840,778	22,348,179,733	19,848,841,569
Other non-current liabilities		13,613,987	12,207,708	1,931,342,448	1,883,304,922
Total Non-current Liabilities		208,240,594,297	205,545,773,071	203,736,565,063	200,406,251,387
TOTAL LIABILITIES		279,570,402,952	269,202,355,656	272,506,590,717	261,791,859,611

(Mr.Chai Eamsiri)
Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2023

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
Notes	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2023	2022	2023	2022
	“Unaudited”		“Unaudited”	
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
Authorized share capital				
33,682.46 million ordinary shares par value				
of Baht 10 each	336,824,601,650	336,824,601,650	336,824,601,650	336,824,601,650
Issued and paid-up share capital				
2,182.77 million ordinary shares par value				
of Baht 10 each	21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Premium on ordinary shares	1,862,979,154	1,862,979,154	1,862,979,154	1,862,979,154
DEFICIT				
Unappropriated (deficit)	(89,037,556,773)	(103,848,403,956)	(82,292,764,307)	(96,236,279,467)
Other components of shareholders' equity	9,030,063,050	9,074,992,677	9,007,403,465	9,052,333,160
Total shareholders' equity attributable				
to owners of the Company (capital deficiency)	(56,316,795,399)	(71,082,712,955)	(49,594,662,518)	(63,493,247,983)
Non-controlling interests	64,115,458	58,076,529	-	-
TOTAL SHAREHOLDERS' EQUITY				
(CAPITAL DEFICIENCY)	(56,252,679,941)	(71,024,636,426)	(49,594,662,518)	(63,493,247,983)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	223,317,723,011	198,177,719,230	222,911,928,199	198,298,611,628

See condensed notes to the financial statements

(Mr.Chai Eamsiri)
Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
Revenues	22.1, 22.2				
Revenues from sales or rendering services	20				
Passenger and excess baggage		31,125,259,964	13,389,572,121	28,350,063,436	11,350,945,821
Freight and mail		3,832,387,942	6,414,059,453	3,836,222,491	6,401,280,908
Other businesses		1,942,565,203	1,610,603,022	2,370,132,406	1,857,323,738
Total revenues from sales or rendering services		36,900,213,109	21,414,234,596	34,556,418,333	19,609,550,467
Other income					
Interest income		285,473,571	5,874,220	283,893,481	5,596,315
Gain on sales of investments	21.1	2,510	12,762,940	2,510	12,766,750
Gain on debt restructuring	4.3	941,839,798	5,482,426,092	941,839,798	5,482,426,092
Other income	21.2	199,453,424	430,789,807	118,263,104	445,678,751
Total other income		1,426,769,303	5,931,853,059	1,343,998,893	5,946,467,908
Total Revenues		38,326,982,412	27,346,087,655	35,900,417,226	25,556,018,375
Expenses					
Aircraft fuel expenses		10,243,681,372	8,946,151,864	9,432,443,928	7,878,418,439
Employee benefits expenses		2,597,555,631	1,475,728,014	2,479,460,002	1,354,741,623
Flight service expenses		3,366,504,719	2,016,074,817	3,065,150,109	1,824,728,806
Crew expenses		999,947,860	573,970,870	900,515,890	479,913,618
Aircraft repair and maintenance costs		3,771,555,568	2,555,039,703	4,192,196,716	1,875,141,123
Depreciation and amortization expenses		2,764,645,210	2,691,688,874	2,564,624,629	2,197,625,706
Lease of aircraft and spare parts		684,691,061	1,308,907,742	679,001,203	1,243,176,089
Inventories and supplies expenses		1,344,445,959	635,663,643	1,268,533,383	577,827,545
Selling and advertising expenses		1,641,794,687	1,180,958,553	1,496,041,932	957,023,217
Impairment loss on rotatable aircraft's spare part		1,259,334	8,393,975	1,259,334	8,393,975
Net loss from foreign exchange rates		3,329,720,968	4,290,044,357	2,930,438,589	3,981,222,634
Other expenses		1,558,350,876	941,143,183	1,377,390,671	874,841,912
Total Expenses		32,304,153,245	26,623,765,595	30,387,056,386	23,253,054,687
Profit from operating activities		6,022,829,167	722,322,060	5,513,360,840	2,302,963,688
Finance costs		3,966,520,041	3,101,547,126	3,774,257,996	2,864,341,594
Impairment loss determined accordance with TFRS 9		95,367,745	34,753,871	22,350,146	1,442,388,960
Share of (profit) loss from investments in associates		(4,916,969)	5,335,125	-	-
Profit (loss) before income tax income		1,965,858,350	(2,419,314,062)	1,716,752,698	(2,003,766,866)
Income tax income (expenses)		306,662,487	(794,153,596)	312,889,051	(791,384,585)
Profit (loss) for the periods		2,272,520,837	(3,213,467,658)	2,029,641,749	(2,795,151,451)

(Mr.Chai Eamsiri)

Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)

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 THREE-MONTH PERIOD ENDED JUNE 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
Gain (loss) on remeasuring equity securities at fair value					
through other comprehensive income		(10,986,612)	7,784,348	(10,986,695)	7,784,348
Income tax related to investment in equity designated at					
fair value through other comprehensive income		2,197,322	-	2,197,339	-
Total components of other comprehensive income					
that will not be reclassified to profit or loss		(8,789,290)	7,784,348	(8,789,356)	7,784,348
Other comprehensive income (loss) for the periods - net of tax		(8,789,290)	7,784,348	(8,789,356)	7,784,348
Total comprehensive income (loss) for the periods		2,263,731,547	(3,205,683,310)	2,020,852,393	(2,787,367,103)
Profit (loss) attributable to :					
Owners of parent		2,261,898,940	(3,220,565,670)	2,029,641,749	(2,795,151,451)
Non-controlling interests		10,621,897	7,098,012	-	-
		2,272,520,837	(3,213,467,658)	2,029,641,749	(2,795,151,451)
Total comprehensive income (loss) attributable to :					
Owners of parent		2,253,109,650	(3,209,110,621)	2,020,852,393	(2,787,367,103)
Non-controlling interests		10,621,897	3,427,311	-	-
		2,263,731,547	(3,205,683,310)	2,020,852,393	(2,787,367,103)
Profit (loss) per share					
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)		1.04	(1.48)	0.93	(1.28)

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
Revenues	22.1, 22.2				
Revenues from sales or rendering services	20				
Passenger and excess baggage		66,103,293,951	17,236,947,535	60,303,772,031	14,017,847,189
Freight and mail		8,195,405,402	11,634,271,343	8,199,243,466	11,607,595,865
Other businesses		3,902,750,477	2,949,784,805	4,812,689,404	3,428,305,423
Total revenues from sales or rendering services		78,201,449,830	31,821,003,683	73,315,704,901	29,053,748,477
Other income					
Interest income		394,180,983	8,870,449	392,254,117	8,537,057
Gain on sales of investments	21.1	2,510	16,128,340	2,510	16,132,150
Gain on debt restructuring	4.3	3,581,592,977	6,994,805,945	3,581,592,977	6,994,805,945
Other income	21.2	659,318,005	864,927,264	564,837,357	864,170,312
Total other income		4,635,094,475	7,884,731,998	4,538,686,961	7,883,645,464
Total Revenues		82,836,544,305	39,705,735,681	77,854,391,862	36,937,393,941
Expenses					
Aircraft fuel expenses		22,295,510,864	13,193,350,834	20,492,366,104	11,592,635,816
Employee benefits expenses		4,870,348,642	3,244,536,231	4,636,854,468	2,998,130,627
Flight service expenses		6,564,926,065	3,376,673,320	5,992,380,595	3,083,151,021
Crew expenses		1,989,195,110	944,021,318	1,781,042,998	782,334,068
Aircraft repair and maintenance costs		6,396,916,781	4,404,700,549	6,737,548,912	3,119,830,079
Depreciation and amortization expenses		5,302,639,993	4,966,957,974	4,922,731,517	4,251,230,800
Lease of aircraft and spare parts		1,352,366,001	1,861,267,761	1,342,476,705	1,775,098,381
Inventories and supplies expenses		2,702,123,909	954,861,784	2,547,927,655	862,586,781
Selling and advertising expenses		3,162,001,124	1,661,936,173	2,815,250,874	1,337,587,715
Impairment loss on rotatable aircraft's spare part		66,370,638	8,393,974	66,370,638	8,393,974
Net loss from foreign exchange rates		3,214,279,711	2,945,853,268	2,798,805,603	2,747,227,000
Other expenses		2,875,550,163	2,166,405,283	2,628,438,210	1,667,443,528
Total Expenses		60,792,229,001	39,728,958,469	56,762,194,279	34,225,649,790
Profit (loss) from operating activities		22,044,315,304	(23,222,788)	21,092,197,583	2,711,744,151
Finance costs		7,515,009,248	5,593,254,919	7,124,581,962	4,770,062,562
Impairment loss in accordance with TFRS 9		120,493,412	103,175,011	428,236,917	1,647,341,412
Share of (profit) loss from investments in associates		(28,897,429)	17,174,232	-	-
Profit (loss) before income tax expenses		14,437,710,073	(5,736,826,950)	13,539,378,704	(3,705,659,823)
Income tax income (expenses)		357,724,344	(720,026,494)	369,139,995	(713,937,675)
Profit (loss) for the periods		14,795,434,417	(6,456,853,444)	13,908,518,699	(4,419,597,498)

(Mr.Chai Eamsiri)

Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)

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 SIX-MONTH PERIOD ENDED JUNE 30, 2023
“UNAUDITED”

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
Notes	2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income				
that will not be reclassified to profit or loss				
Gain on remeasuring equity securities at fair value				
through other comprehensive income	(12,416,459)	15,435,698	(12,416,543)	7,785,181
Income tax related to investment in equity designated at				
fair value through other comprehensive income	2,483,292	-	2,483,309	-
Total components of other comprehensive income				
that will not be reclassified to profit or loss	(9,933,167)	15,435,698	(9,933,234)	7,785,181
Other comprehensive income for the periods - net of tax	(9,933,167)	15,435,698	(9,933,234)	7,785,181
Total comprehensive income (loss) for the periods	14,785,501,250	(6,441,417,746)	13,898,585,465	(4,411,812,317)
Profit (loss) attributable to :				
Owners of parent	14,775,850,723	(6,467,378,766)	13,908,518,699	(4,419,597,498)
Non-controlling interests	19,583,694	10,525,322	-	-
	14,795,434,417	(6,456,853,444)	13,908,518,699	(4,419,597,498)
Total comprehensive income (loss) attributable to :				
Owners of parent	14,765,917,556	(6,451,943,068)	13,898,585,465	(4,411,812,317)
Non-controlling interests	19,583,694	10,525,322	-	-
	14,785,501,250	(6,441,417,746)	13,898,585,465	(4,411,812,317)
Profit (loss) per share				
Number of ordinary shares (share)	2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic earnings (loss) per share (Baht per share)	6.77	(2.96)	6.37	(2.02)

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

“UNAUDITED”

UNIT : BAHT

	Consolidated financial statements							Non-controlling interests	Total shareholders' equity
	Owner of the shareholders' equity								
	Issued and paid-up share capital	Premium on Shares	Deficit Unappropriated	Other components of shareholders' equity			Total Shareholders' equity attributable to owners of the parent company		
				Other comprehensive income (loss)					
				Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity			
Balance as at January 1, 2022	21,827,719,170	1,862,979,154	(104,673,778,435)	9,650,207,226	9,763,726	9,659,970,952	(71,323,109,159)	72,630,880	(71,250,478,279)
Changes in Shareholders' Equity									
Dividends paid	-	-	-	-	-	-	-	(35,100,000)	(35,100,000)
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	(45,565)	(45,565)
Transfer capital surplus from valuation of sold asset	-	-	457,556,060	(457,556,060)	-	(457,556,060)	-	-	-
Total comprehensive income (loss) for the period	-	-	(6,467,378,766)	-	15,435,698	15,435,698	(6,451,943,068)	10,525,322	(6,441,417,746)
Balance as at June 30, 2022	21,827,719,170	1,862,979,154	(110,683,601,141)	9,192,651,166	25,199,424	9,217,850,590	(77,775,052,227)	48,010,637	(77,727,041,590)
Balance as at January 1, 2023	21,827,719,170	1,862,979,154	(103,848,403,956)	9,031,404,655	43,588,022	9,074,992,677	(71,082,712,955)	58,076,529	(71,024,636,426)
Changes in Shareholders' Equity									
Dividends paid	-	-	-	-	-	-	-	(13,499,200)	(13,499,200)
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	(45,565)	(45,565)
Transfer capital surplus from valuation of sold asset	-	-	34,996,460	(34,996,460)	-	(34,996,460)	-	-	-
Total comprehensive income (loss) for the period	-	-	14,775,850,723	-	(9,933,167)	(9,933,167)	14,765,917,556	19,583,694	14,785,501,250
Balance as at June 30, 2023	21,827,719,170	1,862,979,154	(89,037,556,773)	8,996,408,195	33,654,855	9,030,063,050	(56,316,795,399)	64,115,458	(56,252,679,941)

See condensed notes to the financial statements

(Mr.Chai Eamsiri)
Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

“UNAUDITED”

UNIT : BAHT

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Premium on Shares	Deficit Unappropriated	Other components of shareholders' equity			
				Other comprehensive income (loss)			
				Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at January 1, 2022	21,827,719,170	1,862,979,154	(100,007,567,657)	9,650,207,226	8,745,279	9,658,952,505	(66,657,916,828)
Changes in Shareholders' Equity							
Transfer of gain on selling assets revaluation	-	-	457,556,060	(457,556,060)	-	(457,556,060)	-
Total comprehensive income (loss) for the period	-	-	(4,419,597,498)	-	7,785,181	7,785,181	(4,411,812,317)
Balance as at June 30, 2022	21,827,719,170	1,862,979,154	(103,969,609,095)	9,192,651,166	16,530,460	9,209,181,626	(71,069,729,145)
Balance as at January 1, 2023	21,827,719,170	1,862,979,154	(96,236,279,466)	9,031,404,655	20,928,504	9,052,333,159	(63,493,247,983)
Changes in Shareholders' Equity							
Transfer capital surplus from valuation of sold asset	-	-	34,996,460	(34,996,460)	-	(34,996,460)	-
Total comprehensive income (loss) for the period	-	-	13,908,518,699	-	(9,933,234)	(9,933,234)	13,898,585,465
Balance as at June 30, 2023	21,827,719,170	1,862,979,154	(82,292,764,307)	8,996,408,195	10,995,270	9,007,403,465	(49,594,662,518)

See condensed notes to the financial statements

(Mr.Chai Eamsiri)
Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (Loss) for the periods		14,795,434,417	(6,456,853,444)	13,908,518,699	(4,419,597,498)
Adjustment to reconcile profit and loss					
Income tax income (expenses)		(357,724,344)	720,026,494	(369,139,995)	713,937,675
Depreciation and amortization		5,302,639,993	4,966,957,974	4,922,731,517	4,251,230,800
Dividend received		(6,176)	(6,343)	(17,094,176)	(42,906,176)
Share of (gain) loss from associates using the equity method		(28,897,429)	17,174,232	-	-
Interest income		(394,180,983)	(8,870,449)	(392,254,117)	(8,537,057)
Finance cost		7,515,009,248	5,593,254,919	7,124,581,962	4,770,062,562
Gain on disposal of assets		(366,105,019)	(616,567,306)	(366,104,909)	(616,567,306)
Gain on sale of investments	21.1	(2,510)	(16,128,340)	(2,510)	(16,132,150)
Loss on foreign exchange rates		1,080,506,536	4,251,380,890	1,646,472,088	4,363,217,410
Gain arising from financial asset designated at fair value through profit or loss		(12,975,900)	(44,376,696)	(12,975,900)	(44,376,696)
Provisions for pension fund	17	54,055,142	14,379,612	54,055,142	14,379,612
Provisions for employee benefits	18	152,307,772	163,648,329	153,881,657	155,169,724
Provision for long-term aircraft maintenance		1,445,046,870	717,954,283	1,936,864,588	1,044,226,113
(Gain) loss on inventories and supplies obsolescence		(6,647,347)	50,900,174	(6,647,347)	50,900,174
Credit loss on financial assets		120,493,412	103,175,011	428,236,917	1,647,341,412
Reversal on termination of lease contract		(1,675,163,347)	(10,942,171)	(1,675,163,347)	(10,942,171)
Loss on write off asset		336,262	-	336,262	-
Gain on debt restructuring		(3,581,592,977)	(6,994,805,945)	(3,581,592,977)	(6,994,805,945)
Impairment loss on rotatable aircraft's spare part		66,370,638	8,393,974	66,370,638	8,393,974
Profit from operating before changes in operating assets and liabilities		24,108,904,258	2,458,695,198	23,821,074,192	4,864,994,457
Operating assets decrease (increase)					
Trade and other current receivables		(894,656,455)	(11,703,044,671)	(815,104,620)	(13,142,713,459)
Lease receivables		-	-	296,855,730	327,011,345
Inventories and supplies		(221,194,885)	(410,524,938)	(222,007,236)	(411,126,795)
Other current assets		305,367,545	(17,134,818)	133,741,085	(17,134,818)
Maintenance reserves		(483,898,027)	(684,390,744)	(415,840,225)	(684,390,744)
Other non-current financial assets		(16,967,578)	(20,301,798)	(16,967,578)	(20,301,798)
Other non-current assets		(1,668,139,174)	973,645,302	(1,668,587,928)	997,045,602

(Mr.Chai Eamsiri)

Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)

Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		2,496,169,598	5,512,632,865	2,130,520,210	4,328,219,971
Deferred revenue		759,783,274	11,400,593,666	653,219,931	11,216,494,592
Other current liabilities		322,309,445	(328,139,244)	322,309,445	(329,730,102)
Staff pension fund		(47,169,385)	(37,283,696)	(47,169,385)	(37,283,696)
Employee benefit paid		(99,049,629)	(269,060,481)	(98,919,629)	(267,874,081)
Other non-current liabilities		48,907,207	(252,305,010)	48,037,525	(250,401,884)
Net cash provided by operations		24,610,366,194	6,623,381,631	24,121,161,517	6,572,808,590
Income tax paid		(190,924,346)	(154,922,110)	(175,008,532)	(150,780,752)
Income tax refund		199,243,089	202,113,949	199,243,089	202,113,949
Net cash flows provided by operating activities		24,618,684,937	6,670,573,470	24,145,396,074	6,624,141,787
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase other current financial assets		(3,352,930,500)	-	(3,302,930,500)	-
Deposits received from sale of assets		43,647,616	-	43,647,616	-
Cash paid for purchase of property, plant and equipment		(2,449,335,981)	(42,082,091)	(2,436,590,302)	(34,130,706)
Cash paid for purchase of intangible assets		(7,930,941)	(5,746,691)	-	-
Cash received from sales of assets		938,588,264	1,815,545,309	938,587,984	1,815,545,309
Cash received from sales of investments	21.1	2,510	237,186,626	2,510	247,186,626
Interest received		358,096,266	4,679,144	356,579,128	4,350,468
Dividend received		6,176	6,176	17,094,176	42,906,176
Net cash flows provided by (used in) investing activities		(4,469,856,590)	2,009,588,473	(4,383,609,388)	2,075,857,873
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for long-term borrowings					
from related party		(453,754,166)	-	(453,754,166)	-
Cash received for short-term borrowings					
from related party	6.3	-	44,000,000	-	-
Cash paid for short-term borrowings					
from related party		(39,000,000)	-	-	-
Cash paid for lease liabilities	6.3	(3,981,550,822)	(656,976,163)	(3,976,691,237)	(652,318,221)
Dividends of subsidiary paid to non-controlling interests		(13,515,216)	(31,215,216)	-	-
Net cash flows used in financing activities		(4,487,820,204)	(644,191,379)	(4,430,445,403)	(652,318,221)
Net increase in cash and cash equivalents					
before effect of exchange rate		15,661,008,143	8,035,970,564	15,331,341,283	8,047,681,439
Effects of exchange rate changes on cash and cash equivalents		963,620,814	(71,172,513)	961,124,460	(67,951,020)
Effects of reverse credit loss on cash and cash equivalents		(11,359,441)	(5,648,237)	(11,359,441)	(5,648,237)
Cash and cash equivalents at beginning of the periods	6.1	34,539,793,772	5,514,653,800	34,042,074,166	5,121,813,222
Cash and cash equivalents at ending of the periods	6.1	51,153,063,288	13,473,803,614	50,323,180,468	13,095,895,404

See condensed notes to the financial statements

(Mr.Chai Eamsiri)

Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)

Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023
(UNAUDITED)

1. GENERAL INFORMATION AND OPERATION

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

As at June 30, 2023, the Company’s major shareholder who has highest shareholding 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 June 30, 2023, the Company had the routes network servicing to 32 destinations in 18 countries all over the world and Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 23 destinations in 9 countries, whereas 10 destinations were domestic (excluding Bangkok) and as at June 30, 2022, the Company had the routes network servicing to 29 destinations in 17 countries all over the world, whereas 1 destination was domestic (excluding Bangkok) and Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 24 destinations in 7 countries, whereas 14 destinations were domestic (excluding Bangkok).

As at June 30, 2023, the Company and its subsidiaries (the “Group”) have the capital deficiency by Baht 56,253 million and Baht 49,595 million in the consolidated and separate financial statements, respectively. However, 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. The Company’s ability to continue as going concern is subjected to ability to implement the plan and to rehabilitate according to all conditions as specified in the rehabilitation plan. Moreover, the business operation should be appropriately managed in term of flight route planning, the number of flights and management of aircraft in the fleet in responding to such situation being under recovery of the airline business in order to maintain the appropriate financial liquidity.

During the years 2020 to 2022, the Company had submitted petition to the business rehabilitation and implemented the plan and the latest revised plan which was approved on October 20, 2022. The essential parts of business rehabilitation plan consist of capital restructuring, debt financing and capital mobilization, debt repayment of each class of the creditors, and completion of the plan are disclosed in Note 4.

As at December 31, 2022, the company remeasured financial liabilities according to the amendment of the business rehabilitation plan. The company remeasured the principal of debt under the business rehabilitation plan which will be converted to ordinary shares at baht 2.5452 per share for loan creditors from major shareholders that are not financial institutions, financial institution creditors assigned to receive residual proceeds from the disposal of aircraft, unsecured financial institution creditors and bond creditors. The repayment will be made within the year 2024 (see Note 4).

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

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

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 consolidated and separate statements of financial position as at December 31, 2022, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been audited.
- 2.3 The unaudited results of operations presented in the statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2023 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2023 should be read in conjunction with the financial statements for the year ended December 31, 2022 which had been audited.
- 2.5 In the preparation of interim financial statements in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, the Company requires management to make judgments, estimates and assumptions that affect the application of accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

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

Company's Name	Type of business	Main location of incorporation	Ownership percentage	
			As at June 30, 2023	As at December 31, 2022
Held by the Company:				
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 ⁽¹⁾	49 ⁽¹⁾
3. Thai Smile Airways Company Limited	Air transportation services	Thailand	100	100
Held by the Company and the subsidiary				
Thai Flight Training Company Limited	Aviation training services	Thailand	74	74
Held by the subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited				
Tour Eurng Luang Company Limited	Tourism Business	Thailand	49 ⁽¹⁾	49 ⁽¹⁾

- ⁽¹⁾ 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.

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

During the period, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding Thai Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Group's interim financial statements.

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

On August 19, 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these/this TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated and separate financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2022.

4. REHABILITATION PLANS

4.1. Essential parts of the business rehabilitation plan

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

4.1.1 Capital Restructuring

The capital restructuring can be summarized as follows:

- (1) The Company will increase its registered capital for an amount up to Baht 216,773,146,220 by issuing newly ordinary shares up to 21,677,314,622 shares with the par value of Baht 10 per share. The Company will allocate the newly issued ordinary shares as follows:
 - (a) To allot newly issued ordinary shares, not exceeding 4,911,236,813 shares with the par value of Baht 10 per share, for supporting the exercise of the right of a new financial supporter to purchase them in accordance with the share option agreement at the price of Baht 2.5452 per share.

In the case that there is remaining newly issued ordinary share prescribed (a), in any case, the remaining newly issued ordinary share shall be allocated to Creditor Class 5 Financial Institution Creditors assigned to receive residual proceeds from the disposal of aircraft, Creditor Class 6 Unsecured Financial Institution Creditors, and Creditors Class 18-31 Bond Creditor. These creditors can express the intention to exercise the right to convert their existing debt of the creditors under the business rehabilitation plan into the newly issued ordinary shares up to the amount that each creditor is entitled to for debt repayment from cash flow under the business rehabilitation plan at the price of Baht 2.5452 per share. In the case that Class 5 Creditor, Class 6 Creditor, and Class 18-31 Creditor exercising the right to convert the existing debt of the creditor under the business rehabilitation plan exceeding the newly issued ordinary share which can be allotted, the allocation and sale of the Company's newly issued ordinary share shall be on a pro rata basis. However, in the case that Class 5 Creditor, Class 6 Creditor and Class 18-31 Creditor do not exercise the said right or exercise the said right not to the full amount of the remaining newly issued ordinary share, the remaining share shall be further allocated.

- (b) To allot newly issued ordinary share, not exceeding 14,862,369,633 shares with the par value of Baht 10 per share, for the debt repayment to the creditors under the business rehabilitation plan by conversion of the debt to a newly issued ordinary share under the following conditions:
- To repay the outstanding principal of Class 4 Creditor for Baht 12,827,461,287 by conversion of this debt into the newly issued ordinary share, not exceeding 5,039,896,007 shares, at Baht 2.5452 per share.
 - To repay the outstanding principal of Class 5 Creditor, Class 6 Creditor and Class 18-31 Creditor at 24.50 percent of the principal of each creditor in accordance with the Final Debt Repayment Order, by the newly issued ordinary share, not exceeding 9,822,473,626 shares, at Baht 2.5452 per share.
- (c) To allot the newly issued ordinary share, not exceeding 1,903,608,176 shares with the par value of Baht 10 per share, for support the exercise of the right to convert the suspended new interest of the Class 4 Creditor, Class 5 Creditor, Class 6 Creditor, and Class 18-31 Creditor into the newly issued ordinary share at Baht 2.5452 per share.
- (2) The Company will increase registered capital, up to Baht 98,224,736,260 by newly issue ordinary shares not exceeding 9,822,473,626 shares with the par value of Baht 10 per share, for the allocation and sale of the Company's newly issued ordinary share to the existing shareholder as per their proportion of shares at the price that the Plan Administrator consider approve. However, the price must not be lower than Baht 2.5452 per share, in order to receive no less than Baht 25,000,000,000. The allocation and sale will not be made to the shareholder who will create liability to the Company under foreign laws (Preferential Public Offering - PPO). The sale of shares must be made to the existing shareholder for the amount not lower than 228,108,476 shares for maintaining the proportion of the existing shareholder to not be lower than 10 percent of the paid registered capital after the capital restructuring. This is one of the criteria on which the Company can be traded on the stock exchange again and in accordance with the guideline for resolving the revocation of ordinary share from being registered securities in the Stock Exchange of Thailand.

In the case that no existing shareholder exercises the right to purchase the newly issue ordinary share, or the existing creditor do not purchase it in the full amount, the remaining share shall be sold to people in the following order:

1. Employee Stock Option Program (ESOP) at the time of the sale and at the same price as offered to the existing shareholder under this clause.
2. In the case that the Company's employee does not purchase the full amount of the remaining newly issued ordinary share from the allotment and sale to the existing shareholder, the remaining share shall be sold

in Private Placement (PP) at the same price as offered to the existing shareholder under this clause.

3. Allotment and sale of the newly issued ordinary share to the new facility, debt-to-equity conversion, and the Preferential Public Offering (PPO) and/or Employee Stock Option Program (ESOP) and/or Private Placement (PP) must be completed by December 31, 2024.

4.1.2 Debt financing and capital mobilization, including source of funds and conditions of the debt and capital

The amendment of this part where the new facility amount is decreased to not exceeding Baht 25,000 million. The new facility will be used as working capital, costs for normal operation, capital expenditure for the Company and its subsidiaries, maintenance of the Company's assets, maintenance and development of internal management system, information technology and commercial systems, and adjustment of aircraft fleet in accordance with the market situation and airline business which may be changed. In addition, the Plan Administrator has an authority for the debt financing as it sees fits and necessary for the Company's business operation. The debt financing will be as follows:

- Long-term loan up to 6 years and/or a bond with maturity period not less than 6 years, for the amount up to Baht 12,500 million.
- Revolving facility and/or bond with maturity period less than 6 years, for the amount up to Baht 12,500 million.

4.1.3 Debt repayment of each class of the creditors

The Business Rehabilitation Plan classified creditors into 36 groups, consisting of 1 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.

Debt Repayment Methods

- (1) Class 1 Secured Creditors (Only the creditors who has THAI's asset as a collateral under business security contract)

The amendment of this part is an adding the debt repayment means, at first the Company had to sell the collateralized aircraft in order to repay the debt only, by this amendment, the Company shall have additional right to repay the debt from cash flow which received from the business operation. This will allow the Company to return the collateralized aircraft for using in business operation, if it is appropriate and create benefit to the Company in overall.

- (2) Class 4 Loan creditors from major shareholders that are not financial institutions

The amendment of this part is a change of debt repayment methods to Class 4 Creditors from at first the repayment will be made to them by cash until the payment is made in full in the 12th year of the business rehabilitation plan, change to the repayment by means of debt-to-equity conversion of the whole principal at Baht 2.5452 per share, and the repayment will be made within the year 2024.

- (3) Class 5 Financial institution Creditors assigned to receive residual proceeds from the disposal of aircraft, Class 6 Unsecured Financial Institution Creditors, and Creditors No. 18 - 31 Bond Creditor

The amendment of this part is a change of debt repayment methods, from at first, they will be repaid by cash in full in the year 12th to 15th of the business rehabilitation plan (depending on the class of creditors), change to the repayment by methods of a conversion of the principal under the business rehabilitation plan for 24.50 percent of each creditors' outstanding debt according to the final Debt Repayment Order to a newly issued ordinary share, at Baht 2.5452 per share, and the repayment will be made within the year 2024. The remain outstanding debt will be repaid by the cash flow as specified period in the business rehabilitation plan which the Court already approved. Furthermore, the amendment stipulates that the creditors shall be entitled to an interest of the outstanding principal which will be repaid by a debt-to-equity conversion to a newly issued ordinary share, during the period that the debt-to-equity conversion has not yet been made. The interest rate will be an average of a new interest rate under the business rehabilitation plan which the Court already approved. Moreover, the amendment added a new interest rate from the outstanding principal which will be repaid by the case flow in the second half of the year 13th of the business rehabilitation plan until the payment is made in full (for Class 5 and Class 6 Creditors) and in the last two year of the maturity period of bonds under the business rehabilitation plan (for the Class 18 - 31Creditors) by adding the interest at the rate of 0.25 percent per annum to the original rate.

(4) Class 9 Ticket refund Creditors

The amendment of this part is a detail adding on the ticket refund procedure and the refundable amount in accordance with the value recorded in the Company's system in which is an actual value that the Company earned by selling such ticket, and to be in consistent with the Company's practice in business operation. The debt repayment period remains the same as specified in the Plan which the Court already approved which are every ticket refund creditor will be repaid by March 31, 2024.

4.1.4 Business Rehabilitation Plan Completion

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

- (1) The Company registers the capital increase as specified conditions stated in the business rehabilitation plan.
- (2) The Company implements the business rehabilitation plan without any default.
- (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 lease agreement, not less than Baht 20,000 million for 12 months before reporting of successful outcome of the business rehabilitation plan being reported to the Court and the shareholder's equity is positive and
- (4) The Company appoints new directors, in case there is change in shareholders as specified condition stated in the business rehabilitation plan.

4.2 Implementation of the business rehabilitation plan

4.2.1 Impact on the financial statements from the implementation of the business rehabilitation plan

For financial liabilities measured at amortized cost, using the effective interest method and determined whether there is material difference between pre-adjusted and post-adjusted of financial liabilities. Financial liabilities with material differences will recognize as the new financial liabilities at fair value by discount cash flow method, using 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 difference, the Company will recognize the modified financial liabilities by discount cash flow, using original effective interest rate. The difference is recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income.

Value of assets and liabilities recorded for the three-month and six-month period ended June 30 have been adjusted in accordance with the business rehabilitation plan as follow:

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	For the three-month period end June 30		For the six-month period end June 30	
	2023	2022	2023	2022
Gain on derecognition of financial liabilities measured at amortized cost	675	5,347	1,142 ⁽¹⁾	6,113 ⁽¹⁾
Gain (loss) from liabilities adjustment in accordance with an Order from the Official Receiver	(78)	673	(88) ⁽¹⁾	922 ⁽¹⁾
Loss from adjustment of assets and liabilities in accordance with the amendment lease agreement	-	(538)	-	(311) ⁽²⁾
Gain from termination of onerous contract	345	-	2,528 ⁽³⁾	271 ⁽³⁾
Total	942	5,482	3,582	6,995

- (1) As at 30 June 2023 and 2022, 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 16), resulting the Company recognized gain (loss) from liabilities adjustment in accordance with an Order from the Official Receiver in amount of Baht (88) million, and Baht 922 million, respectively.

Moreover, as at 30 June 2023 and 2022, the Company recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 1,142 million and Baht 6,113 million for the substantial modification in value of liabilities as the recognition of new financial liabilities.

- (2) As at 30 June 2022, the Company adjusted the finance leases and operating leases by changing the rental rate, reference interest rate and terms and conditions for payment schedule in accordance with amendment agreement with the lessor for aircraft under finance lease 4 aircrafts and aircraft under operating lease 9 aircrafts resulted in changing in value of right-of-use assets and lease liabilities.

In addition, the Company adjusted maintenance reserve, security deposit and lease liabilities that incurred before September 14, 2020 for the aforementioned operating lease agreement and recognized gain on debt restructuring of Baht 311 million (2023 : Nil).

- (3) As at June 30, 2023 and 2022 the Company terminated the Declaration of Onerous Contracts. The Company adjusted right-of-use, lease liabilities, payable under lease agreement and relevant expenses. As a result, the Company recognized gain from debt restructuring of Baht 2,528 million and Baht 271 million, respectively.

4.2.2 Items in progress of implementation in accordance with the business rehabilitation plan

For certain creditors such as trade and other account payables, loan creditors, shareholder creditors, aircraft lease creditors and aircraft finance lease creditors, 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 completes the debt verification with the Official Receiver.

5. 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 person or 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 related parties, attention is directed to the substance of the relationship, not merely the legal form.

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

5.1 Significant related person or related parties transactions for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows:

For the three-month periods ended June 30

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Major shareholder				
Purchases and services	-	1	-	1
Interest expense	243	196	243	196
Subsidiaries				
Sales and rendering of services	-	-	980	2,407
Purchases and services	-	-	1,305	825
Associates				
Purchases and services	-	-	55	5
Director and managements remuneration				
Short-term management remuneration	8	8	7	7
Directors' remuneration	4	7	4	6
Post-employment benefits	0.30	0.15	0.30	0.15

For the six-month periods ended June 30

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Major shareholder				
Sales and rendering of services	1	-	1	-
Purchases and services	2	2	2	2
Interest expense	479	388	479	388
Subsidiaries				
Sales and rendering of services	-	-	2,078	2,896
Purchases and services	-	-	2,701	1,119
Associates				
Purchases and services	-	-	96	16
Director and managements remuneration				
Short-term management remuneration	16	16	13	13
Directors' remuneration	8	14	7	12
Post-employment benefits	0.60	0.29	0.60	0.29

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 4th management level, following the Company's managing director, including some executive management of Accounting and Finance.

5.2 Balances as at June 30, 2023 and December 31, 2022 with related parties are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Trade and other current receivables				
(see Note 7)				
Subsidiaries	-	-	11,540	11,203
Related parties	57	34	57	34
Total	<u>57</u>	<u>34</u>	<u>11,597</u>	<u>11,237</u>

Trade and other current receivables presented balances before deducted expected credit loss (see Note 7).

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current lease receivable				
(see Note 7)				
Subsidiary	-	-	698	616
Total	<u>-</u>	<u>-</u>	<u>698</u>	<u>616</u>
Non-current lease receivable				
Subsidiary	-	-	6,321	6,495
Total	<u>-</u>	<u>-</u>	<u>6,321</u>	<u>6,495</u>
Trade and other current payables				
(see Note 16)				
Subsidiaries	-	-	235	173
Associates	1	19	1	19
Related parties	83	86	83	86
Total	<u>84</u>	<u>105</u>	<u>319</u>	<u>278</u>
Trade and other non-current payables				
(see Note 16)				
Associates	18	17	18	17
Related parties	920	933	920	933
Total	<u>938</u>	<u>950</u>	<u>938</u>	<u>950</u>
Short-term borrowings from related parties				
From domestic financial institution controlled by major shareholder	-	39	-	-
Long-term borrowings from related parties				
From foreign financial institution through major shareholder	12,141	11,722	12,141	11,722
From domestic financial institution controlled by major shareholder	12,265	12,639	12,265	12,639
Total long-term borrowings from related parties	<u>24,406</u>	<u>24,361</u>	<u>24,406</u>	<u>24,361</u>
Total	<u>24,406</u>	<u>24,400</u>	<u>24,406</u>	<u>24,361</u>

On October 20, 2022, the Central Bankruptcy Court ordered to approve the revised plan. As a result, the method of debt repayment has been changed to receive partial payment by converting principal debt into ordinary shares according to the revised business rehabilitation plan. Including changing the due date and interest rate of loans from related parties to be in accordance with the revised business rehabilitation plan (see Note 4.1.3). During the six-month period ended June 30, 2023, the Company repaid the principal of the balance of loans from related parties of Baht 454 million and the Company has no additional borrowing from related parties.

As at June 30, 2023, 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.

Details of long-term borrowings from related parties as at June 30, 2023 and December 31, 2022 are as follows:

	Unit : Million Baht					
	Consolidated and separated financial statements					
	Maturity date		Interest rate (% per annum)		Amount	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current Portion						
From domestic financial institution controlled by the major shareholder has control ⁽³⁾	-	June 15, 2023	-	5.75	-	454
Non-current Liabilities						
From domestic financial institution controlled by the major shareholder has control ⁽¹⁾	December 30, 2035	December 30, 2035	1.00 - 1.50	1.00 - 1.50	10,758	10,746
From foreign financial institution through major shareholder ⁽²⁾	December 30, 2032	December 30, 2032	1.50	1.50	12,141	11,722
From domestic financial institution controlled by the major shareholder has control ⁽⁴⁾	December 30, 2035	December 30, 2035	1.06 - 1.50	1.06 - 1.50	1,507	1,439
Total					<u>24,406</u>	<u>24,361</u>

⁽¹⁾ On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of long-term borrowing from related parties to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3). Therefore, as at June 30, 2023, the Company adjusted the outstanding debt from certain financial institutions according to the Order from the Official Receiver and remeasure financial liabilities with effective interest rates.

⁽²⁾ Borrowings from foreign financial institution through major shareholder was the borrowing that the Ministry of Finance entered into the borrowing agreements with foreign financial institution and the Ministry of Finance had given such borrowing to the Company. On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of such long-term loan to be paid by converting whole of debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3). Therefore, as at June 30, 2023, the Company adjusted the outstanding debt according to the Order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

⁽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 not exceeding of Yen 4,200 million as a repayment collateral.

On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting in adding the debt repayment means. The Company have additional right to repay the debt from cashflow which received from the business operation. This will allow the Company to return the collateralized aircraft for using in business operation (see Note 4.1.3 (1)). Later, the Company paid the outstanding principal on January 4, 2023 at an interest rate 5.75 percent.

⁽⁴⁾ On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of long-term borrowing from domestic financial institution controlled by the major shareholder to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3 (3)). Therefore, as at June 30, 2023, the Company adjusted the outstanding debt according to the Order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

5.3 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 years and lease contract extension for the period 3 years, totaling 17 aircrafts, consisted of 15 aircrafts which were under operating lease agreements with monthly lease payment and 2 aircrafts which were under finance lease agreements with quarterly lease payment. As a result of sublease agreements, the Company had current lease receivables (recognized as a part of trade and other current receivables) and non-current lease receivables in the separate financial statements as at June 30, 2023 of Baht 698 million and Baht 6,321 million, respectively.

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 10 and 25.3).

6. ADDITIONAL CASH FLOWS INFORMATION

6.1 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2023 and December 31, 2022 consist of:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	June 30,	December 31,	June 30,	December 31,
	2023	2022	2023	2022
Cash on hand - Domestic	10	8	7	6
Cash on hand - Foreign	4	5	3	4
Cash at banks - Domestic	15,944	13,492	15,221	13,023
Cash at banks - Foreign	31,259	21,057	31,156	21,031
Bill of exchange and time deposit	3,970	-	3,970	-
Total cash and cash equivalents	51,187	34,562	50,357	34,064
<u>Less</u> Credit loss allowance	(34)	(22)	(34)	(22)
Total cash and cash equivalents	51,153	34,540	50,323	34,042

In addition, as at June 30, 2023, the Company has bill of exchange and time deposit with maturity more than 3 months of Baht 3,353 million and Baht 3,303 million which was presented as other current financial assets in the consolidated financial statement and separate financial statement, respectively (See Note 23).

6.2 Non-cash items for the six-month periods ended June 30, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Payable for purchase of assets	281	806	281	806
Lease payables	5,453	401	5,453	401
Classify accrued employee benefits	12	737	12	737
Offset maintenance reserves and other payable according to amendment lease agreement	-	463	-	463

6.3 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 Consolidated financial statements				
As at June 30, 2023	Balance as at January 1, 2023	Cash flows from financing activities	Exchange rate	Changes from non-cash items Increase Others	Balance as at June 30, 2023
Short-term borrowings from related party	39	(39)	-	-	-
Long-term borrowings from financial institutions	7,718	-	-	331 ⁽¹⁾	8,049
Long-term borrowings from related parties	24,361	(454)	-	499 ⁽¹⁾	24,406
Lease liabilities	87,121	(3,981)	2,365	(6,467) ⁽²⁾	83,450
Debentures	42,765	-	-	2,032 ⁽¹⁾	44,797
Total	162,004	(4,474)	2,365	(3,605)	160,702

	Unit : Million Baht Consolidated financial statements				
As at June 30, 2022	Balance as at January 1, 2022	Cash flows from financing activities	Exchange rate	Changes from non-cash items Increase Others	Balance as at June 30, 2022
Short-term borrowings from related party	-	44	-	-	44
Long-term borrowings from financial institutions	10,575	-	-	(3,791) ⁽¹⁾⁽³⁾	6,784
Long-term borrowings from related parties	18,559	-	60	194 ⁽¹⁾⁽³⁾	18,813
Lease liabilities	75,201	(658)	2,409	14 ⁽²⁾	84,480
Debentures	35,539	-	-	1,482 ⁽¹⁾	37,021
Total	139,874	(614)	2,469	(2,101)	147,142

⁽¹⁾ Recognition of finance cost measured at amortized cost.

⁽²⁾ Classification of lease liabilities payable and adjustment of other lease liabilities (see Note 15)

⁽³⁾ Derecognition of financial liabilities measured at amortized cost

Unit : Million Baht

As at June 30, 2023	Balance as at January 1, 2023	Cash flows from financing activities	Separate financial statements Changes from non-cash items			Balance as at June 30, 2023
			Exchange rate	Increase	Others	
Long-term borrowings from financial institutions	7,718	-	-	-	331 ⁽¹⁾	8,049
Long-term borrowings from related parties	24,361	(454)	-	-	499 ⁽¹⁾	24,406
Lease liabilities	87,117	(3,976)	2,365	4,402	(6,467) ⁽²⁾	83,441
Debentures	42,765	-	-	-	2,032 ⁽¹⁾	44,797
Total	161,961	(4,430)	2,365	4,402	(3,605)	160,693

Unit : Million Baht

As at June 30, 2022	Balance as at January 1, 2022	Cash flows from financing activities	Separate financial statements Changes from non-cash items			Balance as at June 30, 2022
			Exchange rate	Increase	Others	
Long-term borrowings from financial institutions	10,575	-	-	-	(3,791) ⁽¹⁾⁽³⁾	6,784
Long-term borrowings from related parties	18,559	-	60	-	194 ⁽¹⁾⁽³⁾	18,813
Lease liabilities	75,187	(652)	2,409	7,514	14 ⁽²⁾	84,472
Debentures	35,539	-	-	-	1,482 ⁽¹⁾	37,021
Total	139,860	(652)	2,469	7,514	(2,101)	147,090

⁽¹⁾ Recognition of finance cost measured at amortized cost.

⁽²⁾ Classification of lease liabilities payable and adjustment of other lease liabilities (see Note 15)

⁽³⁾ Derecognition of financial liabilities measured at amortized cost

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Trade receivables				
Related parties (see Note 5.2)	57	34	3,059	2,576
Other parties	13,137	11,180	12,442	10,582
<u>Less</u> Credit loss allowance	<u>(1,663)</u>	<u>(1,555)</u>	<u>(4,354)</u>	<u>(3,825)</u>
Total trade receivables	<u>11,531</u>	<u>9,659</u>	<u>11,147</u>	<u>9,333</u>
Other receivables				
Related parties (see Note 5.2)	-	-	8,538	8,661
Other parties	2,144	1,978	1,568	1,555
<u>Less</u> Credit loss allowance	<u>(186)</u>	<u>(186)</u>	<u>(8,418)</u>	<u>(8,531)</u>
Total other receivables	<u>1,958</u>	<u>1,792</u>	<u>1,688</u>	<u>1,685</u>
	<u>13,489</u>	<u>11,451</u>	<u>12,835</u>	<u>11,018</u>

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current lease receivable (see Note 5.2)	-	-	698	616
Accrued income	1,003	969	1,109	1,008
Receivable - the Revenue Department	326	207	325	207
Prepaid expenses and deposits	3,016	4,328	3,081	4,191
Total	17,834	16,955	18,048	17,040

As at June 30, 2023, the Company recognized credit loss allowance on trade and other current receivables of Baht 4,354 million and Baht 8,418 million, respectively, in the separate financial statements, because of the credit loss allowance in accordance with TFRS 9. Most of the credit loss allowance were credit loss of receivables of Thai Smile Airways Company Limited, a subsidiary, of Baht 10,965 million and other receivables of Baht 1,807 million.

Aging analysis of trade receivables are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Related parties				
Within credit terms	4	3	271	236
Overdue:				
Less than 6 months	23	14	456	314
6 - 12 months	13	3	362	510
1 - 2 years	3	9	513	141
More than 2 years	14	5	1,457	1,375
	57	34	3,059	2,576
<u>Less</u> Credit loss allowance	(21)	(13)	(2,754)	(2,321)
	36	21	305	255
Other parties				
Within credit terms	8,336	6,472	7,700	5,931
Overdue:				
Less than 6 months	2,761	2,987	2,749	2,972
6 - 12 months	400	137	395	137
1 - 2 years	134	167	133	167
Over 2 years	1,506	1,417	1,465	1,375
	13,137	11,180	12,442	10,582
<u>Less</u> Credit loss allowance	(1,642)	(1,542)	(1,600)	(1,504)
	11,495	9,638	10,842	9,078
Total	11,531	9,659	11,147	9,333

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Movement of non-current assets classified as held for sale for the six-month period ended June 30, 2023 are as follows:

	Unit : Million Baht Consolidated and separate financial statements
Net book value as at January 1, 2023	2,747
Addition - Net book value	1,405
Transfer to Non-performing assets	(167)
Disposal	(572)
Net book value as at June 30, 2023	<u>3,413</u>

The significant changes in non-current assets classified as held for sale during the six-month period ended June 30, 2023 are as follows:

- During the six-month period ended June 30, 2023, the Company has transferred 12 aircrafts (B777-200 6 aircrafts and B777-300 6 aircrafts), engine spare parts and other assets to non-current assets classified as held for sale with a net book value of Baht 1,385 million, Baht 13 million and Baht 7 million, respectively, in the consolidated and separate financial statements.
- During the six-month period ended June 30, 2023, the Company has sold aircrafts (B747-400 2 aircrafts and B737-400 1 aircraft), engine spare parts and other assets to the buyer (Other parties) with a net book value of Baht 535 million, Baht 31 million and Baht 6 million, respectively, in the consolidated and separate financial statements.

9. INVESTMENTS

9.1 Investments in associates

Investments in associates which are recorded by equity method for the consolidated financial statements and cost method for the separate financial statements as at June 30, 2023 and December 31, 2022 and dividend income for the six-month periods ended June 30, 2023 and 2022 are as follows:

Unit : Million Baht											
	Country of incorporation	Nature of business	Percentage of shareholding (%)		Paid up capital		Consolidated financial statements Equity method		Separate financial statements Cost method - net		Dividend income
											For the six-month periods ended June 30,
			June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	2023 2022
Associates											
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40.00	40.00	120	120	57	49	48	48	- -
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30.00	30.00	100	100	153	143	30	30	- -
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30.00	30.00	1,018	1,018	330	319	305	305	- -
Total							<u>540</u>	<u>511</u>	<u>383</u>	<u>383</u>	<u>- -</u>

9.2 Investments in subsidiaries

Investments in subsidiaries recorded by cost method for the separate financial statements as at June 30, 2023 and December 31, 2022 and dividend income for the six-month periods ended June 30, 2023 and 2022 are as follows:

Unit : Million Baht

Subsidiaries	Separate financial statements											
	Percentage of Shareholding (%)		Paid-up capital		Cost Method		Allowance for impairment		Cost Method - net		Dividend income For the six-month periods ended June 30,	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Thai-Amadeus Southeast Asia Company Limited	55.00	55.00	15	15	8	8	-	-	8	8	16	43
WingSpan Services Company Limited	49.00	49.00	2	2	1	1	-	-	1	1	-	-
Thai Flight Training Company Limited	49.00	49.00	2	2	1	1	-	-	1	1	1	-
Thai Smile Airways Company Limited ⁽¹⁾	100.00	100.00	1,800	1,800	1,800	1,800	(1,800)	(1,800)	-	-	-	-
Total					<u>1,810</u>	<u>1,810</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>10</u>	<u>10</u>	<u>17</u>	<u>43</u>

- (1) 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.

10. PROPERTY PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the six-month period ended June 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2023	45,969	45,918
Acquisitions - at cost	3,153	2,719
Transfer from (transfer to) non-performing assets	19	19
Transfer to non-current assets classified as held for sale	(1,401)	(1,401)
Disposal	(378)	(378)
Depreciation for the period	(2,335)	(2,305)
Allowance for impairment	(66)	(66)
Net book value as at June 30, 2023	44,961	44,506

As at June 30, 2023, the Company had 74 aircrafts represented in the Company's fleet, which consisted of 15 own aircrafts and 59 aircrafts under lease agreements presented as right-of-use assets (see Note 11).

As at June 30, 2023, property, plant and equipment included the building on leased land which were leased from Airports of Thailand Public Company Limited at Suvarnabhumi Airport with the net book value of Baht 2,733 million, 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 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 returning some area with Airports of Thailand Public Company Limited (see Notes 5.3 and 25.3).

11. RIGHT-OF-USE ASSETS

Movements of right-of-use assets during the six-month period ended June 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2023	61,869	56,295
Increase from new contract - cost	4,564	4,555
Decrease from termination of contract	(1,313)	(1,313)
Adjust from remeasurement of lease liabilities	1,112	1,146
Depreciation for the period	(2,941)	(2,600)
Net book value as at June 30, 2023	63,291	58,083

12. MAINTENANCE RESERVES FOR AIRCRAFT

Movements of maintenance reserves for aircraft during the six-month period ended June 30, 2023 are as follows:

	Unit : Million Baht Consolidated and separate financial statements
Maintenance reserves for aircraft as at January 1, 2023	14,329
<u>Add</u> Increased	632
<u>Less</u> Claim	(217)
<u>Add</u> Adjusted from exchange rate	440
Maintenance reserves for aircraft as at June 30, 2023	15,184

Maintenance reserve for aircraft under lease agreement was secured for lessors as a guarantee for engine and aircraft maintenance in accordance with flight condition and maintenance schedule which can be refunded when the aircraft was overhauled according to the maintenance plan under conditions specified in the contract.

13. OTHER NON - CURRENT ASSETS

Other non-current assets as at June 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Non-performing assets	373	231	373	231
Security deposits under aircraft lease agreements	1,813	797	1,813	798
Accrued income from passenger	496	472	496	472
Other	2,015	1,189	1,836	1,049
<u>Less</u> Credit loss allowance	(2)	(1)	(2)	(1)
Total	4,695	2,688	4,516	2,549

14. INTEREST BEARING LIABILITIES

14.1. Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at June 30, 2023 and December 31, 2022 are as follows:

Start date according to original loan agreement	Principle repayment due date	Interest rate (% per annum)	Unit : Million Baht Consolidated and separate financial statements	
			June 30, 2023	December 31, 2022
December 20, 2010	December 30, 2035	1.00 - 1.50	1,894	1,808
October 8, 2019	December 30, 2035	1.00 - 1.50	1,206	1,152
September 30, 2014 and August 27, 2018	December 30, 2035	1.00 - 1.50	718	686
July 10, 2018	December 30, 2035	1.00 - 1.50	1,556	1,486
February 26, 2020	December 30, 2035	1.00 - 1.50	2,675	2,586
Total			8,049	7,718
Principle			12,241	12,241
<u>Less</u> Deferred interest expenses			<u>(4,192)</u>	<u>(4,523)</u>
Total long-term borrowings from financial institutions			8,049	7,718

During the six-month period ended June 30, 2023 the Company did not have additional long-term borrowings from financial institutions and did not make any repayment of principle. Moreover, the Company did not use any fixed asset or other asset as collateral.

The Company adjusted outstanding of long-term borrowings from financial institutions which the Company received an Order from the Official Receiver to pay debt to borrowing payer from financial institution 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 4.1.3 (3)).

14.2 Debentures

The Company issued and offered debentures in Thai Baht to investors which debenture type was name-registered, unsubordinated and unsecured as at June 30, 2023 and December 31, 2022 are as follows:

	Unit : Million Baht Consolidated and separate financial statements	
	June 30, 2023	December 31, 2022
Principle	71,604	71,604
<u>Less</u> deferred interest expenses	<u>(26,807)</u>	<u>(28,839)</u>
Total Debentures	44,797	42,765

On October 20, 2022, the Central Bankruptcy Court has an Order approving the request to amend the business rehabilitation plan. As a result, the debt repayment method was changed from the original to be fully paid in cash in the 12th to the 15th year of the rehabilitation plan. (different for each group) is received by debt-to-equity conversion with the principal amount according to the business rehabilitation plan at the rate of 24.50 percent of the outstanding principal debt of each creditor according to the Final Order to receive pay off debt which will be paid within the year 2024. The remaining principal debt will be repaid from cash flow within the specified period in the rehabilitation plan approved by the court as before. The debentures had maturity period from December 30, 2028 to December 30, 2036 and has set a new interest rate from the outstanding principal debt that has been paid from cash flow in the last 2 years before the maturity of the redemption under the rehabilitation plan by increasing by another 0.25% per year (see Note 4.1.3 (3)).

15. LEASE LIABILITIES

Movements of lease liabilities for the six-month period ended June 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Balance as at January 1, 2023	87,121	87,117
Increase	4,412	4,402
Adjust from remeasurement lease liabilities	617	617
Adjust interest	3,009	3,009
Transfer to payable	(8,399)	(8,399)
Payment	(3,981)	(3,976)
Decrease from termination of contract	(1,694)	(1,694)
Adjust from exchange rate	2,365	2,365
Balance as at June 30, 2023	83,450	83,441

Lease liabilities as at June 30, 2023 consisted of the following:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Lease liabilities	83,450	83,441
<u>Less</u> Lease liabilities due within 1 year	<u>(4,026)</u>	<u>(4,019)</u>
Net from lease liabilities due within 1 year	79,424	79,422

16. TRADE AND OTHER PAYABLES

Trade and other payable as at June 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current				
Trade payables				
Related parties (see Note 5.2)	84	105	319	278
Other parties	3,832	4,605	3,481	4,461
Total trade payables	3,916	4,710	3,800	4,739
Other payables				
Airport fees payable	5,087	4,716	5,087	4,716
Other parties	10,349	7,798	9,550	7,111
Total other payables	15,436	12,514	14,637	11,827
Accrued expenses	7,548	5,712	6,450	4,642
Accrued interest expenses	722	747	722	747
Accrued flight service expenses	2,300	1,325	2,278	1,164
Accrued employee benefits (see Note 17)	12	29	12	29
Total current portion	29,934	25,037	27,899	23,148
Non-current				
Trade payables				
Related parties (see Note 5.2)	938	950	938	950
Other parties	11,416	10,605	11,416	10,605
Other payables - other parties	5,033	2,242	5,033	2,242
Total non-current portion	17,387	13,797	17,387	13,797
Total trade and other payables	47,321	38,834	45,286	36,945
Trade and other non-current payables				
Trade payables				
Related parties				
Principle	956	955	956	955
Less deferred interest expenses	(18)	(5)	(18)	(5)
Total trade payables - related parties	938	950	938	950
Others				
Principle	14,305	12,912	14,305	12,912
Less deferred interest expenses	(2,889)	(2,307)	(2,889)	(2,307)
Total trade payables - others	11,416	10,605	11,416	10,605
Other payables				
Other payables – others				
Principle	7,289	2,412	7,289	2,412
Less deferred interest expenses	(2,256)	(170)	(2,256)	(170)
Total other payables - others	5,033	2,242	5,033	2,242
Total trade and other non-current payables	17,387	13,797	17,387	13,797

During the period ended June 30, 2023, the Company received an Additional Order from the Official Receiver to pay debt to certain trade and other payables. The Company adjusted trade and other payables to be in accordance with the debt amount, due date and interest rate according to the rehabilitation plan and Order from the Official Receiver, which will settle the first installment period on June 30, 2024. Therefore, liabilities were adjusted and classified as non-current trade and other payables. The Company had an impact from the adjustment of trade and other payables for the six-month period ended June 30, 2023 to be in accordance with the debt balance of Baht 88 million. (see Note 4.2.1 (1))

17. STAFF PENSION FUND

The Company has established pension fund of Thai Airways International Public Company Limited's staff. 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. Interest and expenses arising from fund operations are recognized as income and expenses of the Company. The details are as follows:

	Unit : Million Baht	
	Consolidated and separate financial statements	
	June 30, 2023	December 31, 2022
Cash at bank		
(Presented as other non-current financial assets)	87	70
Receivable - Bank		
(Presented as other non-current financial assets)	785	804
Other current assets	67	62
Total Assets	939	936
Other current liabilities		
Accrued payment for staff termination	12	4
Staff pension fund	927	932
Total Liabilities	939	936

As at June 30, 2023, staff pension fund had remaining balances of Baht 927 million which equaled to the Company's obligations to employees.

During the six-month period ended June 30, 2023, the Company paid for retired staff and paid for the staff who joined the early retirement program (MSP-C special and MSP-D3 Extend) in the amount of Baht 51 million and recognized pension expense in the amount of Baht 54 million.

As at June 30, 2023, the Company had accrued payment for staff leaving from provident fund in the amount of Baht 12 million, presented as trade and other current payables (see Note 16).

As at June 30, 2023, the balance of net pension receivable - THAI in amount of Baht 785 million 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. The amount was net of the bank deposit which the Company had contributed in excess of Baht 202 million. As a result, the pension fund could not pay the employee. Therefore, the Company had to reserve funds to pay the employee who retired under the early retirement program and terminated from the fund in amount of Baht 1,348 million.

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of non-current provisions for employee benefits for the six-month period ended June 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Non-current for provisions employee benefits at the beginning period	4,496	4,415
Addition for transfer of employees from a subsidiary	-	8
Current service costs	98	90
Interest costs	56	56
Benefit paid	(101)	(100)
Non-current for provisions employee benefits at the ending period	<u>4,549</u>	<u>4,469</u>

19. OTHER NON-CURRENT PROVISIONS

Movements of other non-current provisions during the six-month period ended June 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Other non-current provisions at the beginning period	26,777	19,849
Movement during the period	1,349	904
Addition from aircrafts transferred by a subsidiary	-	1,033
Adjust foreign exchange rate	562	562
Other non-current provisions at the ending period	<u>28,688</u>	<u>22,348</u>

Other non-current provisions consist of long-term provision for repair and maintenance 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 shall estimate expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which were calculated along with usage time proportion.

20. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

The Group disaggregate revenue from sales and services with customers for overtime and at the point of time by segment related to segment information disclosure in accordance with Thai Financial Reporting Standards No. 8 “Operating Segment” (see Note 22).

Revenue from sales and services for the three-month and six-month periods ended June 30, were classified revenue by timing of revenue recognition and type of goods and services as follows:

	Consolidated financial statements For the three-month Periods ended June 30,		Unit : Million Baht Separate financial statements For the three-month Periods ended June 30,	
	2023	2022	2023	2022
Timing of revenue recognition				
Revenue recognize by point in time				
Business unit				
Revenue from business units	1,782	1,492	2,245	1,774
Others				
Revenue from other activities	67	54	-	-
Revenue recognize over time				
Air freight				
Revenue from passenger and excess baggage	31,125	13,390	28,350	11,351
Revenue from freight	3,832	6,414	3,836	6,401
Business unit				
Revenue from aircraft repair and maintenance services	94	64	125	83
Total	36,900	21,414	34,556	19,609
	Consolidated financial statements For the six-month Periods ended June 30,		Unit : Million Baht Separate financial statements For the six-month Periods ended June 30,	
	2023	2022	2023	2022
Timing of revenue recognition				
Revenue recognize by point in time				
Business unit				
Revenue from business units	3,595	2,664	4,581	3,198
Others				
Revenue from other activities	139	98	-	-
Revenue recognize over time				
Air freight				
Revenue from passenger and excess baggage	66,103	17,237	60,304	14,018
Revenue from freight	8,195	11,634	8,199	11,608
Business unit				
Revenue from aircraft repair and maintenance services	169	188	232	230
Total	78,201	31,821	73,316	29,054

21. GAIN ON SALE OF INVESTMENTS AND OTHER INCOME

21.1 Gain on sale of investments

During the three-month and six-month periods ended June 30, 2023, the Company sold investment in Fuel Pipe Line Transportation Company Limited by 1,868 shares at Baht 7.5 per shares, in amount of Baht 14,010 and recognized gain on sale of investments in amount of Baht 2,510 in the consolidated and separate financial statements.

During the three-month period ended June 30, 2022, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited by 7.64 million shares at Baht 26.00 - 29.50 per share, in amount of Baht 209.43 million and recognized gain on sale of investments in amount of Baht 12.76 million and Baht 12.77 million in the consolidated and separate financial statements, respectively.

During the six-month period ended June 30, 2022, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited by 8.91 million shares at Baht 28.00 - 28.75 per share, in amount of Baht 245.50 million and recognized gain on sale of investments in amount of Baht 16.13 million in the consolidated and separate financial statements.

21.2 Other income

Other income for the three-month period ended June 30, consist of :

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Gain from sale of assets	4	325	4	325
Others	195	106	114	121
Total	199	431	118	446

Other income for the six-month period ended June 30, consist of :

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Gain from sale of assets	366	617	366	616
Others	293	248	199	248
Total	659	865	565	864

22. 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, consists 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 transaction will be eliminated in the 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.

22.1 Financial Information by Segments

The operating segments are classified in the consolidated financial statements for the three-month and six-month periods ended June 30, consist of the following:

For the three-month period ended June 30,

	Consolidated financial statements						Unit : Million Baht	
	Air Transportation		Business Units		Other Activities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
External Revenue (see Note 20)	34,463	19,503	1,707	1,428	730	483	36,900	21,414
Inter - segment revenue (expenses)	(1,621)	(981)	1,233	689	388	292	-	-
Interest income	285	6	-	-	-	-	285	6
Other income	175	432	23	8	2	4	200	444
Gain on debt restructuring	942	5,482	-	-	-	-	942	5,482
Total Revenue	34,244	24,442	2,963	2,125	1,120	779	38,327	27,346
Aircraft fuel expenses	(10,244)	(8,946)	-	-	-	-	(10,244)	(8,946)
Employee benefits expenses	(1,479)	(615)	(750)	(583)	(369)	(278)	(2,598)	(1,476)
Flight service expenses	(3,364)	(2,012)	(3)	(4)	-	-	(3,367)	(2,016)
Depreciation and amortization expenses	(2,424)	(2,349)	(159)	(168)	(182)	(175)	(2,765)	(2,692)
Impairment loss on rotatable aircraft's spare part	(1)	(8)	-	-	-	-	(1)	(8)
Other expenses	(8,783)	(6,670)	(1,168)	(494)	(145)	(66)	(10,096)	(7,230)
Gain (loss) from foreign exchange rate	(3,330)	(4,291)	-	-	1	1	(3,329)	(4,290)
Finance costs	(3,966)	(3,102)	-	-	-	-	(3,966)	(3,102)
Share of gain (loss) on investment in associates	5	(5)	-	-	-	-	5	(5)
Total Expenses	(33,586)	(27,998)	(2,080)	(1,249)	(695)	(518)	(36,361)	(29,765)
Profit (loss) before income tax expenses	658	(3,556)	883	876	425	261	1,966	(2,419)
Income tax income (expenses)	313	(791)	-	-	(6)	(3)	307	(794)
Profit (loss) by segments	971	(4,347)	883	876	419	258	2,273	(3,213)

For the six-month period ended June 30,

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
External Revenue (see Note 20)	73,250	28,295	3,525	2,726	1,426	800	78,201	31,821
Inter - segment revenue (expenses)	(3,232)	(1,700)	2,461	1,069	771	631	-	-
Interest income	394	9	-	-	-	-	394	9
Other income	612	854	43	20	5	7	660	881
Gain from debt restructuring	3,582	6,995	-	-	-	-	3,582	6,995
Total Revenue	74,606	34,453	6,029	3,815	2,202	1,438	82,837	39,706
Aircraft fuel expenses	(22,296)	(13,193)	-	-	-	-	(22,296)	(13,193)
Employee benefits expenses	(2,807)	(1,504)	(1,402)	(1,176)	(661)	(565)	(4,870)	(3,245)
Flight service expenses	(6,562)	(3,369)	(3)	(8)	-	-	(6,565)	(3,377)
Depreciation and amortization expenses	(4,599)	(4,281)	(344)	(347)	(360)	(339)	(5,303)	(4,967)
Impairment loss on rotatable aircraft's spare part	(66)	(8)	-	-	-	-	(66)	(8)
Other expenses	(16,048)	(11,092)	(2,295)	(854)	(256)	(151)	(18,599)	(12,097)
Gain (loss) from foreign exchange rate	(3,215)	(2,946)	-	-	1	-	(3,214)	(2,946)
Finance costs	(7,515)	(5,593)	-	-	-	-	(7,515)	(5,593)
Share of gain (loss) on investment in associates	29	(17)	-	-	-	-	29	(17)
Total Expenses	(63,079)	(42,003)	(4,044)	(2,385)	(1,276)	(1,055)	(68,399)	(45,443)
Profit (loss) before income tax expenses	11,527	(7,550)	1,985	1,430	926	383	14,438	(5,737)
Income tax income (expenses)	368	(714)	-	-	(11)	(6)	357	(720)
Profit (loss) by segments	11,895	(8,264)	1,985	1,430	915	377	14,795	(6,457)

As at June 30, 2023 and December 31, 2022 assets and liabilities of the Group are classified by segment consisted of the following:

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current assets	76,439	55,642	652	598	763	817	77,854	57,057
Investments in associates	540	511	-	-	-	-	540	511
Property, plant and equipment	38,397	39,120	5,091	5,239	1,474	1,610	44,962	45,969
Right-of-use assets	59,695	58,262	2,768	2,757	828	850	63,291	61,869
Other non-current assets	33,243	30,011	-	-	15	14	33,258	30,025
Non-allocated assets	3,413	2,747					3,413	2,747
Total assets							223,318	198,178
Current liabilities	64,966	56,843	403	349	559	516	65,928	57,708
Non-current liabilities	208,207	205,517	-	-	33	29	208,240	205,546
Non-allocated liabilities	5,402	5,949					5,402	5,949
Total Liabilities							279,570	269,203

22.2 Revenues by Geographical Segment

Operating segments classified by geographical in the consolidated financial statements for the three-month and six-month periods ended June 30, are as follows:

Unit: Million Baht

	Consolidated financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2023	2022	2023	2022
Domestic Revenues				
Air Transportation	2,288	1,759	4,800	2,049
Business Units	1,707	1,428	3,525	2,726
Other Activities	730	483	1,426	800
Foreign Revenues				
Air Transportation				
Asia	16,892	8,294	35,835	11,928
Europe	12,031	7,603	25,929	11,614
Australia and New Zealand	3,252	1,847	6,686	2,704
Total Revenues	36,900	21,414	78,201	31,821

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

23.1 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. However, as at June 30, 2023, the Company did not have derivatives financial instrument transaction because the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

23.2 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 or sale inventory

23.2.1 Foreign Currency Exchange Rate Risk

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 Cross Currency Swap (CCS) when the financial market is favorable to the Company and forward contracts to hedge the future obligation that has underlying exposures.

As at June 30, 2023, the Company did not have CCS transaction and forward contracts because the Company had entered the business rehabilitation process. Therefore, the Company has not entered into an additional contract.

23.2.2 Interest rate risk management

The Company is exposed to interest rate risk from borrowing and finance lease payable at both fixed and floating interest rates. The risk is managed by the maintaining an appropriate mix between fixed and floating rate borrowings and lease payable, and by the using of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; to ensuring the most cost-effective hedging strategies are applied.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated from agreed notional principal amounts. Such contracts are enabling 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 June 30, 2023, the Company did not have any interest rate swap contract transaction because the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

23.2.3 Fuel price risk

Fuel price risk in the Company primarily arises from price fluctuation and 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 the important factor in the aviation industry. The Company has made jet fuel price hedging policy 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 which did 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 budget and 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.

At present, the Company has charged compensation for fuel expense in excess of the base fuel price in ticket through the fuel surcharge by being able to calculate the appropriate fee rate with market conditions, competition, fuel price volatility, market response and change in estimate fuel expense. For six month period ended June 30, 2023, as resulting of collecting fuel surcharge fees can be collected according to the Company's operating result target.

The Company does not have necessary for any derivative transactions for additional hedge fuel price. However, the Company regularly continues assessing its hedging activities in order to preparing derivative transaction for hedge fuel price that suitable for the Company's circumstance and aviation industry which is recovering in the future.

23.3 Credit risk management

Note 7 details that 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.

23.4 Liquidity and interest risk management

Ultimate responsibility for liquidity risk management and the payment period are in accordance with the Plan Administrator, 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, as described in Note 4.

23.5 Classes and categories of financial instruments and their fair values

The following table presents the fair values of financial assets, including the fair values hierarchy for financial assets recognized at fair value as at June 30, 2023 and December 31, 2022.

		Unit : Million Baht			
	Level of Fair value	Consolidated financial statements		Separate financial statements	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss					
Other non-current financial assets					
Investment in debt securities	Level 2	52	51	52	51
Investment in funds	Level 2	1	1	1	1
Investment in market equity securities	Level 1	426	413	426	413
Investment in non-market equity securities	Level 3	312	312	312	312
Financial assets measured at fair value through other comprehensive income					
Other non-current financial assets					
Investment in non-market equity securities	Level 3	45	58	17	30

Financial instruments measured at fair value

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

Types	Valuation techniques
Debt securities	The fair value of investments in debt instruments measured at fair value through profit or loss is calculated by using valuation techniques via obtaining the observable market data and converting discounted cash flows to present values.
Investments in funds	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.
Marketable equity securities	The fair value of investments in equity instrument measured at fair value through profit or loss is calculated by using the recent buying price referred from the Stock Exchange of Thailand as of the reporting date.
Non-marketable equity securities	The fair value of investments in equity instrument measured at fair value through profit or loss by estimated the present value of the expected cash flows discounted by relevant interest rate and risks. 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.

During the six-month period ended June 30, 2023, the Company did not transfer financial instruments between the fair value hierarchy.

As at June 30, 2023 and December 31, 2022, the book value of cash and cash equivalents, other current financial assets, trade receivables, other receivables, their carrying amounts approximate their fair value because of short-term maturity.

24. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has contingent liabilities arising from commitments which have not been recognized in the financial statements as at June 30, 2023 and December 31, 2022 as follows:

24.1 Bank Guarantee

The Company has bank guarantees issued by domestic and foreign banks as follows:

	Unit : Million (Currency)	
	Consolidated and Separate	
	financial statements	
	June 30,	December 31,
	2023	2022
Bank Guarantee		
Issued by domestic banks		
THB Currency	212	212
Issued by foreign banks		
USD Currency	14	14
BDT Currency	-	10
AUD Currency	1	1
INR Currency	325	123
SAR Currency	1	-
AED Currency	1	1

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.

24.2 Commitment

As of June 30, 2023, the Company is obligated to pay in the future according to the lease agreement of aircrafts which is pending for delivery in amount of USD 948 million.

25. DISPUTES AND SIGNIFICANT LITIGATION

25.1 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 24 million and the complaints in domestic and foreign for 53 cases with claim amount of Baht 341 million.

25.2 Tax dispute

25.2.1 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 492.73 million, import duty in amount of Baht 244.36 million, excise tax in amount of Baht 754.47 million, interior tax in amount of Baht 75.45 million, value added tax in amount of Baht 109.69 million, the subsidies for Thai Health Promotion Foundation in amount of Baht 14.91 million, and the subsidies for Thai Public Broadcasting Service in amount of Baht 11.18 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.

At present, it is in the process of investigating and considering an information of importing food into the Kingdom and import permission to consider the case of the Customs Department Including finding ways to settle such disputes further.

- 25.2.2 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 years 2019-2022, the Company received the tax assessment notifications for the years 2017-2020, consisted of 3 types of tax, which were corporate income tax, special business tax and withholding tax. The total additional assessed taxes, including fine and interest were Cambodian Riel 35,623 million.

The Company had filed such disputes with the above assessment through a tax advisor. The Company had issued a letter for 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 was under 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.

- 25.3 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 as at 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.

25.4 Tort case under unfair trade protection laws (Antitrust cases)

On December 24, 2013, a group of plaintiffs had filed a lawsuit against British Airways, Deutsche Lufthansa and Lufthansa Cargo A.G. (collectively called “Lufthansa”), and Koninklijke Luchtvaart Maatschappij N.V., Martin Air Holland N.V., and Societe Air France S.A. (collectively called “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 November 6, 2015, a new group of plaintiffs had filed a lawsuit against British Airways, Lufthansa, KLM-AF and Singapore Airlines as defendants.

Later on December 2016 to January 2017, the Company and 20 other airlines had received a writ of summons for contribution claim from British Airways, Lufthansa and KLM-AF.

Subsequently, British Airways, Lufthansa and Swiss International, KLM-AF, Korean Airlines and Qantas Airways, which were the parties in 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 for the purpose of reserving the right in the event which the court orders each airline to pay for the damages exceeding its market share. This was not a lawsuit to demand for additional damages.

On June 22, 2020, Freshfields Law Firm reported that Cargo Civil Case was pending on review of the Amsterdam District Court.

1. On March 10, 2020, the Appeal Court decided that the transfer of claims to Stichting Cartel Compensation (“SCC”) had completed.
2. 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, Lufthansa and KLM-AF, which were the defendants which were the parties in Contribution Claim. The result of the court hearing allowed the defendant to review the information and submitted a complaint about the SCC's claims by December 6, 2020. The court required all economic experts to agree on how to calculate overcharge and share data.

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

As at June 30, 2023, the management of the Company considered such disputes and litigation as described in Notes 25.1 to 25.4 based on the facts and the laws that the impacts of such matters will not significantly affect to the financial statements.

26. SUBSEQUENT EVENT

The Company had an obligation to pay in the future under aircraft lease agreement which was on the delivery process with the effective date on July 13, 2023 in amount of USD 328 million.

27. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information were approved by the Plan Administrator of the Company on August 10, 2023.