

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Thai Airways International Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thai Airways International Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at December 31, 2025, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Accuracy of passenger fare</p> <p>Passenger fare is recognized as revenue when the related transportation service is provided. The value of passenger fare for which the related transportation service has not yet been provided at the end of the reporting period is recorded as unearned transportation revenue presented as part of deferred revenue in the statement of financial position.</p> <p>Passenger fare is made up of a high volume of individually low value transactions. The amount of revenue to be recognized for each flight as it is flown relies on complex internal IT system that handle large volumes of transaction data. We have focused our audit on revenue from passenger fare for the accuracy of value of passenger fare that have not yet been provided and the recognition of revenue on passenger fare when services have been provided.</p> <p>Accounting policies for recognition of revenue from passenger fare were disclosed in Note 3.14 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Obtained understanding and tested the Group’s internal controls on the passenger fare process by making enquiries of responsible personnel and selecting samples to test the implementation and operating effectiveness of the designed controls. • Involved our IT specialists to audit general IT control on IT Systems and review the testing results on System and Organization Controls for Service Organization (SOC) of relevant IT controls which were verified by a valid third party. • Reconciled the unearned transportation revenue and revenue on passenger fare in the accounts with reports from related IT systems. • Examined sample selections of passenger fare recorded as unearned transportation revenue to underlying evidence of payment, and of flight records to assess the accuracy of the revenue recognized when services have been provided. • Performed analytical review on revenue data disaggregated by nature to detect possible irregularities. • Tested the appropriateness of journal entries and other adjustments which were directly posted passenger fare.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor’s report thereon, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 25, 2026

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2025	2024	2025	2024
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7.1	78,579,243,163	84,212,099,225	76,524,023,214	84,011,866,101
Trade and other current receivables	6.2, 8	12,293,695,364	13,973,354,409	12,473,814,540	14,298,748,886
Inventories	9	5,061,127,623	4,000,113,217	5,061,127,623	4,000,113,217
Current tax assets		324,872,681	312,923,583	324,872,681	312,923,583
Short-term derivative assets	34.2.3	14,740,268	-	14,740,268	-
Other current financial assets	10.1	44,981,094,841	30,776,996,076	44,951,055,677	30,656,957,519
Other current assets	17.1	629,560,000	-	629,560,000	-
Non-current assets classified as held for sale	11	1,614,842,168	1,733,713,794	1,614,842,168	1,733,713,794
Total Current Assets		143,499,176,108	135,009,200,304	141,594,036,171	135,014,323,100
NON-CURRENT ASSETS					
Other non-current financial assets	10.2	1,210,280,483	1,163,233,305	965,230,333	1,162,007,806
Investments in associates	12.1	698,204,062	681,945,756	392,334,000	392,334,000
Investments in subsidiaries	12.2	-	-	2,010,459,900	10,209,920
Property, plant and equipment	13	42,355,724,238	37,024,792,322	42,312,340,308	36,979,059,176
Right-of-use assets	14	69,283,408,002	75,366,845,645	69,270,347,591	75,344,571,658
Intangible assets		97,665,776	100,518,695	94,017,954	98,467,638
Long-term derivative assets	34.2.1	-	158,935,484	-	158,935,484
Deferred tax assets	15	13,637,061,535	10,997,811,955	13,631,457,098	10,987,712,303
Aircraft maintenance reserves	16	11,110,780,285	14,208,700,087	11,110,780,285	14,208,700,087
Other non-current assets	17.2	22,166,795,142	17,796,313,104	22,163,734,452	17,793,507,689
Total Non-current Assets		160,559,919,523	157,499,096,353	161,950,701,921	157,135,505,761
TOTAL ASSETS		304,059,095,631	292,508,296,657	303,544,738,092	292,149,828,861

Notes to the financial statements form an integral part of these 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 DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2025	2024	2025	2024
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	6.2, 20	29,392,678,306	28,311,107,986	29,680,649,829	28,128,520,868
Deferred revenue	21	38,253,731,456	38,754,294,290	38,253,731,456	38,754,294,290
Current portion of long-term liabilities					
Long-term borrowings from financial institutions	7.3, 18.1	485,884,849	-	485,884,849	-
Long-term borrowings from related parties	6.2, 7.3	500,561,534	-	500,561,534	-
Leases liabilities	7.3, 19	8,885,019,344	9,510,204,751	8,874,265,242	9,500,864,156
Income tax payable		8,679,941	11,029,266	-	-
Short-term derivative liabilities	34.2.3	60,479,316	-	60,479,316	-
Accrued dividends		520,200	459,000	-	-
Total Current Liabilities		77,587,554,946	76,587,095,293	77,855,572,226	76,383,679,314
NON-CURRENT LIABILITIES					
Long-term liabilities					
Long-term borrowings from financial institutions	7.3, 18.1	4,281,391,601	4,415,743,209	4,281,391,601	4,415,743,209
Long-term borrowings from related parties	6.2, 7.3	6,286,275,114	6,561,934,832	6,286,275,114	6,561,934,832
Leases liabilities	7.3, 19	68,308,123,418	81,096,825,748	68,304,414,296	81,083,479,708
Debentures	7.3, 18.2	28,925,844,285	27,156,272,666	28,925,844,285	27,156,272,666
Trade and other non-current payables	6.2, 20	5,302,141,132	9,163,788,818	5,302,141,131	9,163,788,818
Long-term derivative liabilities	34.2.1	1,277,546,877	52,375,531	1,277,546,877	52,375,531
Staff pension fund	22	584,732,387	728,505,024	584,732,387	728,505,024
Non-current provisions for employee benefits	23	7,203,806,660	6,558,557,391	7,159,564,705	6,529,148,091
Other non-current provisions	24	28,374,026,411	34,579,875,543	28,374,026,411	34,579,875,543
Other non-current liabilities		15,752,343	18,583,262	-	-
Total Non-current Liabilities		150,559,640,228	170,332,462,024	150,495,936,807	170,271,123,422
TOTAL LIABILITIES		228,147,195,174	246,919,557,317	228,351,509,033	246,654,802,736

.....
(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 DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2025	2024	2025	2024
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
28,303.29 million ordinary shares par value					
of Baht 1.30 each	5.1	<u>36,794,279,037</u>		<u>36,794,279,037</u>	
28,303.29 million ordinary shares par value					
of Baht 10 each	31.2		<u>283,032,915,670</u>		<u>283,032,915,670</u>
Issued and paid-up share capital					
28,303.29 million ordinary shares par value					
of Baht 1.30 each	5.1	36,794,279,037		36,794,279,037	
28,303.29 million ordinary shares par value					
of Baht 10 each	31.2		283,032,915,670		283,032,915,670
Shares discount	5.1	-	(142,322,289,314)	-	(142,322,289,314)
RETAINED EARNINGS (DEFICIT)					
Appropriated					
Legal reserve	31.3	1,505,136,967	-	1,505,136,967	-
Unappropriated		28,711,186,288	(104,135,784,750)	28,124,666,968	(104,096,298,666)
Other components of shareholders' equity		8,823,142,132	8,935,232,321	8,769,146,087	8,880,698,435
Total shareholders' equity attributable					
to owners of the Company		75,833,744,424	45,510,073,927	75,193,229,059	45,495,026,125
Non-controlling interests		78,156,033	78,665,413	-	-
TOTAL SHAREHOLDERS' EQUITY		75,911,900,457	45,588,739,340	75,193,229,059	45,495,026,125
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		304,059,095,631	292,508,296,657	303,544,738,092	292,149,828,861

Notes to the financial statements form an integral part of these 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 COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2025	2024	2025	2024
Revenues	32.1, 32.2				
Revenues from sales and rendering of services	25, 30				
Passenger and excess baggage		154,737,366,948	159,103,687,864	154,737,366,948	159,103,687,864
Freight and mail		17,251,285,462	17,267,870,456	17,251,285,462	17,267,870,456
Other business		11,452,952,206	10,876,942,154	11,073,076,888	10,551,871,669
Total revenues from sales and rendering of services		183,441,604,616	187,248,500,474	183,061,729,298	186,923,429,989
Other income					
Interest income		4,458,882,780	2,929,007,493	4,454,884,410	2,924,497,304
Gain on measurement derivatives	34.2.1	-	106,559,953	-	106,559,953
Gain on foreign exchange rates - net		652,687,634	-	658,050,310	-
Gain on termination of aircraft lease agreements	14	4,229,548,308	-	4,229,548,308	-
Other income	26	1,427,601,813	2,537,032,908	1,509,261,688	2,203,015,085
Total other income		10,768,720,535	5,572,600,354	10,851,744,716	5,234,072,342
Total Revenues		194,210,325,151	192,821,100,828	193,913,474,014	192,157,502,331
Expenses					
Aircraft fuel expenses		47,375,942,503	50,473,643,252	47,375,942,503	50,473,643,252
Employee benefits expenses		15,204,133,704	12,107,610,854	15,189,907,801	12,032,790,924
Flight service expenses		19,682,567,802	18,331,823,637	19,682,567,802	18,315,857,135
Crew expenses		5,586,636,934	4,982,464,652	5,586,636,934	4,980,790,189
Aircraft repair and maintenance costs		18,731,840,933	20,428,384,140	18,731,840,933	20,428,384,140
Depreciation and amortization expenses		13,991,120,069	13,026,274,738	13,971,296,471	13,012,344,674
Inventories and supplies expenses		9,474,961,069	8,765,939,457	9,474,961,069	8,764,704,032
Selling and advertising expenses		10,126,170,925	9,239,186,599	10,081,439,395	9,210,834,547
Impairment loss on assets	27	1,640,561,939	6,483,102,146	1,640,561,939	6,483,102,146
Loss on debt restructuring		6,990,297	45,271,411,972	6,990,297	45,271,411,972
Loss on foreign exchange rates - net		-	906,040,936	-	907,618,857
Loss on measurement derivatives	34.2.1	1,384,106,830	-	1,384,106,830	-
Other expenses		9,265,343,920	10,590,917,667	9,525,038,515	10,416,357,770
Total Expenses		152,470,376,925	200,606,800,050	152,651,290,489	200,297,839,638
Profit (loss) from operating activities		41,739,948,226	(7,785,699,222)	41,262,183,525	(8,140,337,307)
Finance costs		13,154,211,478	18,781,342,972	13,153,040,959	18,779,910,518
Impairment loss determined in accordance with TFRS 9 (reversal)	28	153,117,679	22,485,077	325,057,999	(517,049,175)
Share of profit of investments in associates using the equity method		(34,338,851)	(63,363,628)	-	-
Profit (loss) before income tax income (expenses)		28,466,957,920	(26,526,163,643)	27,784,084,567	(26,403,198,650)
Income tax income (expenses)	29	2,473,263,353	(374,496,607)	2,498,606,123	(353,968,750)
PROFIT (LOSS) FOR THE YEARS		30,940,221,273	(26,900,660,250)	30,282,690,690	(26,757,167,400)

Notes to the financial statements form an integral part of these 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 COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2025	2024	2025	2024
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will not be reclassified to profit or loss					
Gains on revaluation of assets		-	39,528,980	-	39,528,980
Income tax related to revaluation of assets		-	(7,905,796)	-	(7,905,796)
Changes in the fair value of hedging					
productive niche cash flow	34.2.3	(45,739,048)	-	(45,739,048)	-
Income tax related to changes in the fair value of hedging					
productive niche cash flow		9,147,809	-	9,147,809	-
Gain on remeasuring equity securities at					
fair value through other comprehensive income		9,634,007	9,172,873	9,633,400	9,172,032
Income tax related to remeasuring equity securities					
through other comprehensive income		(1,927,285)	(1,835,223)	(1,926,680)	(1,834,406)
Actuarial loss on employee benefit obligations	23	(696,609,688)	(1,819,508,194)	(694,504,046)	(1,818,544,760)
Income tax related to actuarial loss on employee benefit obligations		138,900,809	363,708,952	138,900,809	363,708,952
Shares of other comprehensive income of investments in associates					
using the equity method		-	68,165,614	-	-
Income tax related to shares of other comprehensive income					
of investments in associates using the equity method		-	(13,633,123)	-	-
Total item that will not be reclassified to profit or loss, net of tax		(586,593,396)	(1,362,305,917)	(584,487,756)	(1,415,874,998)
Other comprehensive expense for the years, net of tax		(586,593,396)	(1,362,305,917)	(584,487,756)	(1,415,874,998)
Total comprehensive income (expense) for the years		30,353,627,877	(28,262,966,167)	29,698,202,934	(28,173,042,398)
Profit (loss) attributable to					
Owners of the parent		30,910,263,893	(26,933,664,237)	30,282,690,690	(26,757,167,400)
Non-controlling interests		29,957,380	33,003,987	-	-
Profit (loss) for the years		30,940,221,273	(26,900,660,250)	30,282,690,690	(26,757,167,400)
Total comprehensive income (expense) attributable to					
Owners of the parent		30,323,670,497	(28,295,970,154)	29,698,202,934	(28,173,042,398)
Non-controlling interests		29,957,380	33,003,987	-	-
Total comprehensive income (expense) for the years		30,353,627,877	(28,262,966,167)	29,698,202,934	(28,173,042,398)
Profit (loss) per share					
Number of ordinary shares weighted average (shares)		28,303,291,567	4,305,371,646	28,303,291,567	4,305,371,646
Basic earnings (loss) per share (Baht per share)		1.09	(6.26)	1.07	(6.21)

Notes to the financial statements form an integral part of these 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 YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

Notes	Consolidated financial statements										Non-controlling interests	Total shareholders' equity (Capital deficiency)	
	Shareholders' equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on ordinary shares (discount)	Retained earnings (Deficit)		Other components of shareholders' equity								Total shareholders' equity attributable to owners of the Company (Capital deficiency)
			Appropriated	Unappropriated	Changes in the fair value of hedging productive niche cash flow	Other comprehensive income (expense)			Total other components of shareholders' equity				
Surplus on revaluation - net of tax						Gains on remeasuring equity securities at fair value through other comprehensive income	Share of other comprehensive income of associates using the equity method						
Balance as at January 1, 2024	21,827,719,170	1,862,979,154	-	(75,879,961,389)	-	8,960,831,684	14,547,430	-	8,975,379,114	(43,213,883,951)	71,403,232	(43,142,480,719)	
Changes in shareholders' equity													
Dividends paid	-	-	-	-	-	-	-	-	-	-	(25,650,006)	(25,650,006)	
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-	-	-	(91,800)	(91,800)	
Transfer capital surplus from valuation of sold asset	31.1	-	-	133,640,118	-	(133,640,118)	-	-	(133,640,118)	-	-	-	
Newly issued ordinary shares	31.2	261,205,196,500	(144,185,268,468)	-	-	-	-	-	-	117,019,928,032	-	117,019,928,032	
Total comprehensive income (expense) for the year		-	-	(28,389,463,479)	-	31,623,184	7,337,650	54,532,491	93,493,325	(28,295,970,154)	33,003,987	(28,262,966,167)	
Balance as at December 31, 2024		283,032,915,670	(142,322,289,314)	-	(104,135,784,750)	-	8,858,814,750	21,885,080	54,532,491	8,935,232,321	45,510,073,927	78,665,413	45,588,739,340
Balance as at January 1, 2025		283,032,915,670	(142,322,289,314)	-	(104,135,784,750)	-	8,858,814,750	21,885,080	54,532,491	8,935,232,321	45,510,073,927	78,665,413	45,588,739,340
Changes in shareholders' equity													
Dividends paid		-	-	-	-	-	-	-	-	-	(30,375,000)	(30,375,000)	
Dividends paid to cumulative preferred shares		-	-	-	-	-	-	-	-	-	(91,800)	(91,800)	
Issued share capital		-	-	-	-	-	-	-	-	-	40	40	
Transfer capital surplus from valuation of sold asset	31.1	-	-	83,205,672	-	(82,667,829)	-	(537,843)	(83,205,672)	-	-	-	
Legal reserve	31.3	-	-	1,505,136,967	(1,505,136,967)	-	-	-	-	-	-	-	
Reduce the value of the shares	5.1	(246,238,636,633)	142,322,289,314	-	103,916,347,319	-	-	-	-	-	-	-	
Total comprehensive income (expense) for the year		-	-	30,352,555,014	(36,591,239)	-	7,706,722	-	(28,884,517)	30,323,670,497	29,957,380	30,353,627,877	
Balance as at December 31, 2025		36,794,279,037	-	1,505,136,967	28,711,186,288	(36,591,239)	8,776,146,921	29,591,802	53,994,648	8,823,142,132	75,833,744,424	78,156,033	75,911,900,457

Notes to the financial statements form an integral part of these 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 YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

Notes	Issued and Paid-up Share Capital	Premium on ordinary shares (discount)	Separate financial statements						Total Shareholders' Equity
			Retained earnings (Deficit)		Other components of shareholders' equity				
			Appropriated	Unappropriated	Other comprehensive income (expense)				
					Changes in the fair value of hedging productive niche cash flow	Surplus on revaluation assets - net of tax	Gain on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at January 1, 2024	21,827,719,170	1,862,979,154	-	(76,017,935,576)	-	8,960,831,684	14,546,059	8,975,377,743	(43,351,859,509)
Changes in shareholders' equity									
Transfer capital surplus from valuation of sold asset	31.1	-	-	133,640,118	-	(133,640,118)	-	(133,640,118)	-
Newly issued ordinary shares	31.2	261,205,196,500	(144,185,268,468)	-	-	-	-	-	117,019,928,032
Total comprehensive income (expense) for the year		-	-	(28,212,003,208)	-	31,623,184	7,337,626	38,960,810	(28,173,042,398)
Balance as at December 31, 2024	283,032,915,670	(142,322,289,314)	-	(104,096,298,666)	-	8,858,814,750	21,883,685	8,880,698,435	45,495,026,125
Balance as at January 1, 2025	283,032,915,670	(142,322,289,314)	-	(104,096,298,666)	-	8,858,814,750	21,883,685	8,880,698,435	45,495,026,125
Changes in shareholders' equity									
Transfer capital surplus from valuation of sold asset	31.1	-	-	82,667,829	-	(82,667,829)	-	(82,667,829)	-
Legal reserve	31.3	-	-	1,505,136,967	(1,505,136,967)	-	-	-	-
Reduce the value of the shares	5.1	(246,238,636,633)	142,322,289,314	-	103,916,347,319	-	-	-	-
Total comprehensive income (expense) for the year		-	-	29,727,087,453	(36,591,239)	-	7,706,720	(28,884,519)	29,698,202,934
Balance as at December 31, 2025	36,794,279,037	-	1,505,136,967	28,124,666,968	(36,591,239)	8,776,146,921	29,590,405	8,769,146,087	75,193,229,059

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

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) for the years		30,940,221,273	(26,900,660,250)	30,282,690,690	(26,757,167,400)
Adjustment to reconcile profit and loss					
Income tax (income) expenses	29	(2,473,263,353)	374,496,607	(2,498,606,123)	353,968,750
Depreciation and amortization		13,991,120,069	13,026,274,738	13,971,296,471	13,012,344,674
Dividend received		(4,030,000)	(3,161,684)	(60,465,682)	(55,739,166)
Shares of profit of investments in associates using the equity method		(34,338,851)	(63,363,628)	-	-
Interest income		(4,458,882,780)	(2,929,007,493)	(4,454,884,410)	(2,924,497,304)
Finance costs		13,154,211,478	18,781,342,972	13,153,040,959	18,779,910,518
Gain on disposal of assets	26	(17,828,488)	(51,134,163)	(18,297,802)	(51,417,286)
Gain on sale of investments		-	(282,345)	-	(282,345)
Loss arising from financial asset designated at fair value through profit or loss		87,063,754	428,816,947	87,063,754	428,816,947
Unrealized loss (gain) on foreign exchange rates - net		(3,404,508,709)	11,745,631	(3,409,162,686)	11,296,815
Loss (gain) from remeasurement derivatives	34.2.1	1,384,106,830	(106,559,953)	1,384,106,830	(106,559,953)
Staff pension fund expenses	22	11,975,987	11,698,805	11,975,987	11,698,805
Employee benefits expenses	23	444,707,939	324,301,907	429,904,790	315,064,275
Other non-current provisions	7.2, 24	7,283,378,704	9,899,979,981	7,283,378,704	9,899,979,981
Loss on inventories and supplies obsolescence (Reversal)	9	(379,857,709)	1,405,344,838	(379,857,709)	1,405,344,838
Impairment loss determined in accordance with TFRS 9 (Reversal)	28	153,117,679	22,485,077	325,057,999	(517,049,175)
Gain on termination of aircraft lease contracts	14	(4,229,548,308)	-	(4,229,548,308)	-
Gain on termination of other lease contracts		(5,269,978)	(267,584,699)	(5,465,811)	(268,507,010)
Loss on written off asset		533,189,627	63,756,848	533,189,627	63,756,848
Loss on debt restructuring		6,990,297	45,271,411,972	6,990,297	45,271,411,972
Loss on impairment of assets	27	1,640,561,939	6,483,102,146	1,640,561,939	6,483,102,146
Profit from operation before changes in operating assets and liabilities		54,623,117,400	65,783,004,254	54,052,969,516	65,355,476,930
Operating assets decrease (increase)					
Trade and other current receivables		1,635,027,938	4,007,705,708	1,598,634,534	4,635,043,836
Inventories		(681,156,697)	(184,155,301)	(681,156,697)	(184,155,301)
Other current assets		(629,560,000)	49,354,263	(629,560,000)	49,346,375
Other non-current financial assets		119,734,019	1,555,278,724	119,734,019	1,556,368,727
Cash paid for placing collateral on derivative instruments	17	-	(1,980,473,800)	-	(1,980,473,800)
Aircraft maintenance reserves		(564,162,305)	465,787,578	(564,162,305)	465,787,578
Other non-current assets		(3,503,905,627)	(2,890,714,031)	(3,503,905,627)	(2,890,714,031)

.....
(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 YEAR ENDED DECEMBER 31, 2025

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		(3,139,969,049)	(7,060,746,751)	(2,642,344,686)	(6,673,231,814)
Deferred revenues		(500,562,834)	1,178,594,572	(500,562,834)	1,256,803,200
Other current liabilities		-	(790,510,810)	-	(791,804,055)
Staff pension fund		(154,317,152)	(162,035,445)	(154,317,152)	(162,035,445)
Employee benefit paid	23	(496,068,358)	(351,579,960)	(493,992,222)	(345,067,520)
Other non-current provisions	24	(6,676,994,345)	(4,375,400,585)	(6,676,994,345)	(4,375,400,585)
Other non-current liabilities		(2,450,500)	1,271,000	-	-
Net cash provided by operations		40,028,732,490	55,245,379,416	39,924,342,201	55,915,944,095
Income tax paid		(329,782,907)	(335,979,448)	(324,872,681)	(312,923,583)
Income tax refund		680,361,785	325,386,041	680,361,785	325,386,041
Net cash flows provided by operating activities		40,379,311,368	55,234,786,009	40,279,831,305	55,928,406,553
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase other current financial assets		(15,273,588,700)	(17,553,066,000)	(15,363,588,700)	(17,533,066,000)
Cash paid for purchase other non-current financial assets		(244,211,550)	(445,500)	(386,900)	(4,313,300)
Cash received from sales of investments		-	1,282,345	-	1,282,345
Cash paid for investments in associates		-	(9,000,000)	-	(9,000,000)
Cash paid for investments in subsidiaries		-	-	(2,000,249,980)	-
Cash paid for purchase of property, plant and equipment		(12,929,987,771)	(4,555,307,594)	(12,923,751,134)	(4,554,102,545)
Cash paid for purchase of intangible assets		(10,996,023)	(2,343,460)	(9,125,823)	(440,000)
Cash received from sales of assets		611,075,987	884,754,197	611,075,987	884,754,197
Advance cash payment according to the aircraft procurement contra	17	(1,658,940,973)	(7,974,428,850)	(1,658,940,973)	(7,974,428,850)
Deposit received from sale of asset		222,914,720	115,509,692	222,914,720	115,509,692
Interest received		4,328,611,477	2,824,935,633	4,327,929,164	2,853,237,818
Dividend received		26,973,552	55,089,966	60,465,682	55,739,166
Net cash flows used in investing activities		(24,928,149,281)	(26,213,019,571)	(26,733,657,957)	(26,164,827,477)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for interest expenses of long-term borrowings from financial institutions	7.3	(72,887,539)	(57,509,658)	(72,887,539)	(57,509,658)
Cash paid for interest expenses of long-term borrowings from related parties	7.3	(75,088,858)	(146,239,689)	(75,088,858)	(146,239,689)
Cash paid for lease liabilities	7.3	(17,375,529,355)	(18,673,684,917)	(17,365,524,582)	(18,664,265,676)
Cash paid for interest expenses of debentures	7.3	(691,551,767)	(1,039,671,130)	(691,551,767)	(1,039,671,130)
Cash received from the issuance of common shares		-	22,987,208,707	-	22,987,208,707
Dividend of subsidiary paid to non-controlling interests		(30,405,600)	(25,741,806)	-	-
Net cash flows provided by (used in) financing activities		(18,245,463,119)	3,044,361,507	(18,205,052,746)	3,079,522,554
Net (decrease) increase in cash and cash equivalents before effect of exchange rate		(2,794,301,032)	32,066,127,945	(4,658,879,398)	32,843,101,630
Effects of exchange rate changes on cash and cash equivalents		(2,866,171,456)	(772,388,090)	(2,864,680,300)	(1,169,389,247)
Effects of loss on impairment determined in accordance with TFRS 9 on cash and cash equivalents		35,716,811	(21,104,026)	35,716,811	(21,104,026)
Decrease in cash and cash equivalents from loss of control of subsidiary		(8,100,385)	-	-	-
Cash and cash equivalents at beginning of the years	7.1	84,212,099,225	52,939,463,396	84,011,866,101	52,359,257,744
Cash and cash equivalents at ending of the years	7.1	78,579,243,163	84,212,099,225	76,524,023,214	84,011,866,101

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

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Notes	Contents
1	General information and operations
2	Basis for preparation and presentation of the financial statements
3	Material accounting policies
4	Judgement on accounting estimation and key source of estimation uncertainty
5	The success of the business rehabilitation plan
6	Related parties transactions
7	Additional cash flow information
8	Trade and other current receivables
9	Inventories
10	Financial assets
11	Non-current assets classified as held-for-sale
12	Investments
13	Property, plant and equipment
14	Right-of-use assets
15	Deferred tax assets
16	Aircraft maintenance reserves
17	Other current and non-current assets
18	Interest-bearing liabilities
19	Lease liabilities
20	Trade and other payables
21	Deferred revenue
22	Staff pension fund
23	Non-current provisions for employee benefits
24	Other non-current provisions
25	Revenues
26	Other income
27	Impairment loss on assets
28	Impairment loss determined in accordance with TFRS 9 (reversal)
29	Income tax income (expense)
30	Promotional privileges
31	Shareholders' equity
32	Operating segment
33	Provident fund
34	Financial instruments
35	Commitments and contingent liabilities
36	Significant litigations and dispute
37	Event after the reporting period
38	Approval of the financial statements

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

1. GENERAL INFORMATION AND OPERATIONS

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

As at December 31, 2025 and 2024, the Company’s major shareholder is the Ministry of Finance by holding 38.90% of the Company’s issued and paid-up shares.

The Company’s principal activities are the operation of airline business and business units which related directly with transportation. As at December 31, 2025, the Company had the routes network servicing to 63 destinations in 27 countries all over the world, whereas 8 destinations were domestic (excluding Bangkok).

As at December 31, 2024, the Company had the routes network servicing to 64 destinations in 27 countries all over the world, whereas 8 destinations were domestic (excluding Bangkok).

On June 16, 2025, the Central Bankruptcy Court issued an order to terminate rehabilitation plan for Thai Airways International Public Company Limited after the Company had filed a petition to terminate its rehabilitation plan on April 28, 2025. Following the successful completion of all 4 conditions under the rehabilitation plan which include: (1) registration of an increase in the Company’s share capital to support the capital restructuring; (2) implementation of the rehabilitation plan without any default events; (3) achievement of EBITDA after aircraft lease expenses on 12-month period of approximately Baht 40,308 million (period from April 1, 2024 to March 31, 2025), which significantly exceeded the target of Baht 20,000 million and positive shareholders’ equity in the Company’s separate financial statements as a result of the capital restructuring; and (4) approval by the Extraordinary General Meeting of Shareholders for the appointment of a new Board of Directors on April 18, 2025 (see Note 5).

Subsequently, on July 23, 2025, the SET approved the removal of the Company’s securities from the possible delisting list and the Company securities trading resumption on SET, effective from August 4, 2025 onwards.

The Company, its subsidiaries, and its associates, are together referred as the “Group”.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements” and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement B.E. 2566”.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the material accounting policies (see Note 3).
- 2.4 Material intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The subsidiaries are as follows:

Company’s Name	Type of business	Main location of incorporation	Ownership percentage	
			As at December 31, 2025	As at December 31, 2024
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 ⁽²⁾	Thailand	-	100
4. Thai MRO Group Company Limited	Aircraft maintenance repair and overhaul service	Thailand	100	-
5. Thai MRO Services Company Limited	Aircraft maintenance repair, overhaul and training services	Thailand	100	-
Held by the Company and 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 Eurmg 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 “Consolidated financial statements”.

⁽²⁾ On June 5, 2025, Thai Smile Airways Company Limited completed the registration of its dissolution with the Department of Business Development, Ministry of Commerce, and is currently in the process of liquidation. On October 1, 2025, the Central Bankruptcy Court issued an absolute receivership order against Thai Smile Airways Company Limited in accordance with Section 88 of the Bankruptcy Act B.E. 2483 (1940), resulting in the Company losing control over Thai Smile Airways Company Limited. Therefore, the Company derecognized the assets and liabilities of the said subsidiary in the consolidated statements of financial position as at December 31, 2025, and recognized a gain from the loss of control over the subsidiary in the consolidated statements of comprehensive income. In addition, the investment in Thai Smile Airways Company Limited has been reclassified from an investment in a subsidiary to other non-current financial assets.

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

During the year, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2025. These revisions were made to align the standards with the International Financial Reporting Standards and involve amendments to accounting requirements, as follows:

- Thai Accounting Standard No.1 “Presentation of Financial Statements”, amends to clarify the classification of liabilities as current or non-current, and to address non-current liabilities with covenants.
- Thai Accounting Standard No. 7 “Statement of Cash Flows” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”, require entities to disclose information about supplier financing arrangements and its related liquidity risk.
- Thai Financial Reporting Standard No. 16 “Leases”, introduces additional requirements for subsequent measurement of sale and leaseback transactions.
- Thai Financial Reporting Standard No.17 “Insurance Contracts”, replaces Thai Financial Reporting Standard No.4 “Insurance Contracts”, and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

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

The revised TFRSs were announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2026 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, which the changes are to amend the accounting requirements, as follows:

Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

These amendments are intended to require entities to apply a consistent approach in assessing whether one currency is exchangeable into another currency, by specifying how to assess whether a currency is exchangeable and how to determine the exchange rate in circumstances in which exchangeability is lacking. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. In applying the requirements relating to the lack of exchangeability, an entity shall not restate comparative information retrospectively but shall apply the transition requirements specified in Thai Accounting Standard No. 21.

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/these TFRSs on the financial statements of the Group in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES

The English version of the consolidated and separate financial statements has been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the material accounting policies as follows:

3.1 Basis of preparation of the consolidated financial statements

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

The Group's control is achieved when the Group (1) has power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Transactions eliminated on the consolidated financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2025 and 2024 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to the Group's functional currency (Thai Baht) at the foreign exchange rates ruling at the dates of the transactions.

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

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

3.3 Cash and cash equivalents

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

3.4 Trade and other current receivables

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

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

3.5 Inventories

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to complete and to make the sale.

3.6 Non-current assets classified as held-for-sale

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

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

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

3.7 Financial instruments

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

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification of financial assets

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

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

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

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

(1) Amortized cost and effective interest method

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

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

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

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

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

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

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

(3) Financial assets at FVTPL

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

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

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

Impairment of financial assets

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

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

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

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

(1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(2) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group)

(3) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see (2) above)
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for that financial asset because of financial difficulties

(4) Write-off policy

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

(5) Measurement and recognition of expected credit losses

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

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

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

Derecognition of financial assets

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

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

Financial liabilities

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

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

Financial liabilities measured subsequently at amortized cost

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

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

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

Derecognition of financial liabilities

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

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

Derivative financial instruments

The Group enters into Cross Currency Swap (“CCS”), which is a derivative financial instrument to manage its exposure to interest rate and foreign exchange rate risks. Commodity option to mitigate the fuel price risk.

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

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

Hedge accounting

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

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements;

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationships; and
- The hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognized in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis, the Group applies straight-line amortization. Those reclassified amounts are recognized in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 34.

Cash flow hedges

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

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

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

3.8 Investments in subsidiaries and associates

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

An associate is an entity which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize share of profit or loss in the statement of comprehensive income of the associate using the proportion of the Group. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized as liabilities only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as asset held for sale or when a Group lacks significant influence over that Company.

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

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

Disposal of investments

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

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

3.9 Property, plant and equipment

Recognition and measurement

Land is presented at a revalued amount using market approach method. The revaluation was done by the independent appraiser. The revaluation shall be made every 5 years or considered if there is any changes that affect the fair value of land significantly. The revaluation surplus is recognized in other comprehensive income. Any decrease in revaluation is recognized directly against prior appraisal price for the particular asset. The residual decrement in appraisal is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land is transferred directly to retained earnings and is not taken into account in calculating the profit or loss on disposal.

Building is presented at a revalued amount using cost approach method. The revaluation was done by the independent appraiser. The revaluation shall be made every 5 years or considered if there is any changes that affect the fair value of building significantly. The revaluation surplus is recognized in other comprehensive income. Any decrease in revaluation is recognized directly against prior appraisal price for the particular asset. The residual decrement in appraisal is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the building is transferred directly to retained earnings and is not taken into account in calculating the profit or loss on disposal.

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost also includes the costs of dismantling, removing, restoring the site on which they are located, and capitalized borrowing costs.

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

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

Subsequent costs

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

Depreciation

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

Depreciation is charged as an expense to the statements of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item. The estimated useful lives are as follows:

Buildings, building improvement and building under lease agreements	10 - 50 years
Aircraft and engines	20 years
Aircraft overhaul	6 - 7 years
Engine overhaul	7 - 9 years
Aircraft improvement	5 - 20 years
Rotable aircraft's spare part	5 - 20 years
Tools, plant and equipment	5 - 20 years

The Group do not depreciate land.

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

3.10 Intangible assets

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

Amortization

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

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

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

3.11 Impairment of non-financial asset

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

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

3.12 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.13 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

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

3.14 Revenue recognition

3.14.1 Passenger and excess baggage revenue

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

Unused tickets sales are recognized as revenue by percentage estimation of unused ticket from statistics and historical data.

Loyalty program

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

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

3.14.2 Freight and mail revenue

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

3.14.3 Revenue from other business units

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

3.14.4 Dividend income

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

3.14.5 Interest income and other income

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

3.15 Expense recognition

Expenses are recognized on an accrual basis.

3.16 Finance costs

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

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

3.17 Leases

The Group as lessee

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

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

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

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

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

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

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

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

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

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Thai Accounting Standard No. 37 “Provisions, Contingent Liabilities and Contingent Assets”. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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

1. The Group applies Thai Accounting Standard No. 36 “Impairment of Assets” to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.
2. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Inventories and supplies expenses” in profit or loss.
3. As a practical expedient, Thai Financial Reporting Standard No. 16 “Leases” permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as a lessor

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

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

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

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

3.18 Income tax expense

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

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

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

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

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

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

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

3.19 Earnings (losses) per share

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

The Company had no a diluted ordinary shares for the years ended December 31, 2025 and 2024.

3.20 Fair value measurements

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. JUDGMENTS ON ACCOUNTING ESTIMATION AND KEY SOURCE OF ESTIMATION UNCERTAINTY

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

4.1 Impairment of assets

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

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

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

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

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

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

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

4.3 Employee benefit obligations

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

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

4.4 Allowance for obsolete and slow-moving inventories

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

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

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

4.6 Fair value of land

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

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

4.7 Fair value of buildings and structures

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

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

5. THE SUCCESS OF THE BUSINESS REHABILITATION PLAN

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

On February 25, 2025, the Plan Administrators' Meeting passed a resolution to reduce the ordinary share par value from Baht 10 per share to Baht 1.30 per share as to offset the discount on ordinary share and the deficit, which resulting reduction to the Company's registered share and paid-up capital from Baht 283,032,915,670 to Baht 36,794,279,037. However, this share capital reduction did not affect the total number of issued and paid-up ordinary shares and the Company shareholders' equity (the Company still has the same total number of issued and paid-up ordinary shares, which is 28,303,291,567 shares). On March 5, 2025, the Company registered such ordinary share par value reduction with the Ministry of Commerce.

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

For certain Creditors such as trade and other account payables, employee creditors, and government agencies and state enterprises established under Thai law, that are relevant and necessary to aviation and aviation-related businesses creditors and the creditor's claim for contractual damages is considered to impose an excessive burden over potential benefits. The Company is in the debt verification process with the Official Receiver and will be adjusted upon receiving the Orders from the Official Receiver. The Company's management is in the process to consider the impact to liabilities which may be changed when completes the debt verification with the Official Receiver. As at December 31, 2025 and 2024, the Company had debt claims from 1 and 3 creditors, respectively, under consideration by the Official Receiver. In addition, debt claims from a total of 6 creditors were pending final verification by the Central Bankruptcy Court.

5.3 Appointment of new board of directors

On April 18, 2025, the Company held an Extraordinary General Meeting of Shareholders No. 1/2025, which was conducted in accordance with the requirements of the business rehabilitation plan. The meeting resolved to approve the composition of the Company's Board of Directors to include 11 directors, consisting of 3 current directors and 8 new directors. The meeting also resolved to approve the appointment of new directors and independent directors of the Company according to the nominees with the majority vote of the shareholders present and eligible to vote, and in descending order of votes received for the number of new directors.

5.4 Submission of a petition for exit from the business rehabilitation plan to the Central Bankruptcy Court.

On April 28, 2025, the Plan Administrators submitted a petition to the Central Bankruptcy Court requesting the Court to cancel the business rehabilitation plan. The Company has successfully fulfilled all requirements under the business rehabilitation plan, as follows:

- (1) The Company registers the capital increase as specified conditions stated in the business rehabilitation plan to support capital restructuring
- (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 approximately Baht 40,308 million for the period from April 1, 2024 to March 31, 2025, which significantly exceeded the target of Baht 20,000 million and positive shareholders' equity in the Company's separate financial statements as a result of the capital restructuring and
- (4) The Company appoints new directors according to the Extraordinary General Meeting of Shareholders on April 18, 2025, as specified conditions, as stipulated in the business rehabilitation plan.

On June 16, 2025, the Central Bankruptcy Court issued an order to terminate rehabilitation plan for Thai Airways International Public Company Limited after the Company had filed a petition to terminate its rehabilitation plan on April 28, 2025. Following the successful completion of all 4 conditions.

6. RELATED PARTIES TRANSACTIONS

Related individuals or parties of the Company are defined as individuals 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 individuals or 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. Other related entities include those in which the Ministry of Finance is a major shareholder and other entities under which the Ministry of Finance has control or joint control over these entities or significant influence.

In considering each possible related individuals or parties with the Company, the Company attend directly to the substance of the relationship, not merely the legal form.

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

Relationships with related parties other than subsidiaries and associates as at December 31, 2025 are as follows:

	Name of entities	Type of business	Country of incorporation/ nationality	Nature of relationships
1.	Ministry of Finance	Regulate the country's monetary policy	Thailand	Major shareholders
2.	Government Savings Bank	Commercial Bank	Thailand	Common shareholders
3.	Export-Import Bank of Thailand	Commercial Bank	Thailand	Common shareholders
4.	Islamic Bank of Thailand	Commercial Bank	Thailand	Common shareholders
5.	Krung Thai Bank Public Company Limited	Commercial Bank	Thailand	Common shareholders
6.	PTT Public Company Limited	Energy & Utilities	Thailand	Other related party
7.	Airports of Thailand Public Company Limited	Airport of Thailand	Thailand	Other related party
8.	Civil Aviation Training Center	Aviation Training	Thailand	Other related party
9.	Aeronautical Radio of Thailand Ltd.	Air Traffic Control	Thailand	Other related party
10.	National Telecom Public Company Limited	Telecommunications	Thailand	Other related party
11.	PTT Oil and Retail Business Public Company Limited	Energy & Utilities	Thailand	Other related party

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

	Consolidated		Unit : Million Baht	
	financial statements	financial statements	Separate	financial statements
	2025	2024	2025	2024
Major shareholder (including entities under the Ministry of Finance)				
Purchases and services	15	15	15	15
Interest expense	228	1,003	228	1,003
Subsidiaries				
Sales and rendering of services	-	-	69	237
Purchases and services	-	-	1,771	1,646
Dividend received (see Note 12.2)	-	-	38	32
Associates				
Purchases and services	279	264	279	264
Dividend received (see Note 12.1)	19	21	19	21
Other related parties (excluding entities under the Ministry of Finance)				
Sales and rendering of services	102	104	102	104
Purchases and services	19,126	22,723	19,126	22,723
Interest expense	118	351	118	351
Remuneration of Directors and Executives				
Short-term executives' compensation	59	40	51	32
Directors' remuneration	19	17	17	15
Post-employee benefits	2	1	2	1

Management remuneration considered in accordance with the Securities and Exchange Act, 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.

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

	Consolidated		Unit : Million Baht	
	financial statements	financial statements	Separate	financial statements
	2025	2024	2025	2024
Trade and other current receivables				
(see Note 8)				
Subsidiaries	-	-	289 ⁽¹⁾	10,035
Other related parties	20	23	20	23
Total	20	23	309	10,058

- (1) On October 1, 2025, the Central Bankruptcy Court ordered an absolute receivership order against Thai Smile Airways Company Limited, in accordance with the Section 88 of the Bankruptcy Act B.E. 2483 (1940). The Company no longer has control and command over Thai Smile Airways Company Limited and reclassified from trade and other receivables - related parties as at December 31, 2025 to trade and other receivables - other parties.

Trade and other current receivables presented balances before deducting allowance for expected credit losses (see Note 8).

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2025	2024	2025	2024
Trade and other current payables (see Note 20)				
Subsidiaries	-	-	295	201
Associates	36	25	36	25
Other related parties	797	335	797	335
Total	<u>833</u>	<u>360</u>	<u>1,128</u>	<u>561</u>
Trade and other non-current payables (see Note 20)				
Associates	5	15	5	15
Other related parties	1,103	1,380	1,103	1,380
Total	<u>1,108</u>	<u>1,395</u>	<u>1,108</u>	<u>1,395</u>
Current portion of long-term borrowings from related parties				
From domestic financial institutions controlled by the major shareholder	501	-	501	-
Total	<u>501</u>	<u>-</u>	<u>501</u>	<u>-</u>
Long-term borrowings from related parties				
From domestic financial institutions controlled by the major shareholder	6,286	6,562	6,286	6,562
Total	<u>6,286</u>	<u>6,562</u>	<u>6,286</u>	<u>6,562</u>

Details of long-term borrowings from related parties as at December 31, are as follows:

	Unit: Million Baht			
	Consolidated and Separated Financial Statements		Amount	
	Interest rate (% per annum)			
	2025	2024	2025	2024
Current liabilities				
From domestic financial institutions controlled by the major shareholder	1.00 - 1.50	1.00 - 1.50	501	-
Non-current liabilities				
From domestic financial institutions controlled by the major shareholder	1.00 - 1.50	1.00 - 1.50	6,286	6,562
Total			<u>6,787</u>	<u>6,562</u>

Such borrowings have maturity period from June 30, 2026 to December 30, 2035.

For the year ended December 31, 2024, the Company repaid the outstanding principal and interest on long-term borrowing from foreign financial institutions through the major shareholder, amounting to Baht 12,827 million, by converting the debt into new ordinary shares, not exceeding 5,039,896,007 shares at a price of 2.5452 baht per share. The Company also repaid the outstanding principal on loans from domestic financial institutions controlled by the major shareholder at a rate of 24.5% of the loan value, by converting the debt into new ordinary shares During 2024.

For the year ended December 31, 2025 and 2024, the Company did not take any additional borrowing from related party.

6.3 Significant agreements with related parties

Leasing agreement and license to operate business agreement

The Company entered into leasing agreement and license to operate business agreement with Airports of Thailand Public Company Limited under the price and conditions stated in the agreements (see Note 13).

7. ADDITIONAL CASH FLOWS INFORMATION

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
Cash on hand - Domestic	13	14	13	14
Cash on hand - Foreign	3	4	3	4
Cash at banks - Domestic	50,366	50,657	48,311	50,457
Cash at banks - Foreign	25,695	28,420	25,695	28,420
Bill of exchange and time deposit within 3 months	2,520	5,171	2,520	5,171
Total cash and cash equivalents	78,597	84,266	76,542	84,066
<u>Less</u> Allowance for expected credit losses	(18)	(54)	(18)	(54)
Total	78,579	84,212	76,524	84,012

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
Classification of refundable income tax	-	349	-	349
Payable for purchasing of assets	84	(894)	84	(894)
Lease payables	-	588	-	588
Other non-current provisions	33	158	33	158
From debt-to-equity conversion of account payables	-	(952)	-	(952)
Newly issued ordinary shares	-	94,033	-	94,033

7.3 Changes in liabilities arising from financing activities

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

Unit : Million Baht

	Consolidated financial statements					
	Balance as at January 1, 2025	Cash flows from financing activities	Changes from non-cash items			Balance as at December 31, 2025
			Exchange rate	Increases	Others	
Long-term borrowings						
from financial institutions	4,416	(73)	-	-	424 ⁽¹⁾	4,767
Long-term borrowings						
from related parties	6,562	(75)	-	-	300 ⁽¹⁾	6,787
Lease liabilities	90,607	(17,376)	(5,123)	4,873	4,212 ⁽²⁾	77,193
Debentures	27,156	(692)	-	-	2,462 ⁽¹⁾	28,926
Total	128,741	(18,216)	(5,123)	4,873	7,398	117,673

Unit : Million Baht

	Consolidated financial statements						
	Balance as at January 1, 2024	Cash flows from financing activities	Changes from non-cash items				Balance as at December 31, 2024
			Exchange rate	Increases	Debt-to-equity conversion ⁽⁵⁾	Others	
Long-term borrowings							
from financial institutions	8,399	(58)	-	-	(4,444)	519 ⁽¹⁾⁽³⁾	4,416
Long-term borrowings							
from related parties	24,932	(146)	-	-	(18,258)	34 ⁽¹⁾⁽³⁾⁽⁴⁾	6,562
Lease liabilities	84,261	(18,674)	(2,143)	18,348	(1)	8,816 ⁽²⁾	90,607
Debentures	46,826	(1,040)	-	-	(22,775)	4,145 ⁽¹⁾	27,156
Total	164,418	(19,918)	(2,143)	18,348	(45,478)	13,514	128,741

Unit : Million Baht

	Separate financial statements					
	Balance as at January 1, 2025	Cash flows from financing activities	Changes from non-cash items			Balance as at December 31, 2025
			Exchange rate	Increases	Others	
Long-term borrowings						
from financial institutions	4,416	(73)	-	-	424 ⁽¹⁾	4,767
Long-term borrowings						
from related parties	6,562	(75)	-	-	300 ⁽¹⁾	6,787
Lease liabilities	90,584	(17,366)	(5,123)	4,873	4,211 ⁽²⁾	77,179
Debentures	27,156	(692)	-	-	2,462 ⁽¹⁾	28,926
Total	128,718	(18,206)	(5,123)	4,873	7,397	117,659

Unit : Million Baht

	Separate financial statements						
	Balance as at January 1, 2024	Cash flows from financing activities	Changes from non-cash items				Balance as at December 31, 2024
			Exchange rate	Increases	Debt-to-equity conversion ⁽⁵⁾	Others	
Long-term borrowings							
from financial institutions	8,399	(58)	-	-	(4,444)	519 ⁽¹⁾⁽³⁾	4,416
Long-term borrowings							
from related parties	24,932	(146)	-	-	(18,258)	34 ⁽¹⁾⁽³⁾⁽⁴⁾	6,562
Lease liabilities	84,254	(18,664)	(2,143)	18,323	(1)	8,815 ⁽²⁾	90,584
Debentures	46,826	(1,040)	-	-	(22,775)	4,145 ⁽¹⁾	27,156
Total	164,411	(19,908)	(2,143)	18,323	(45,478)	13,513	128,718

(1) Recognition of financial cost measured at amortized cost

(2) Classification of payable under lease agreement, adjustment of other lease liabilities and termination of contract (see Note 19)

(3) Changing from derecognition of financial liabilities measured at amortized cost

(4) Changing from modification of financial liabilities measured at amortized cost

(5) Debt-to-equity conversion under the amendment of business rehabilitation plan. On November 29, 2024, the Company allocated ordinary shares to each Creditor to settle the debt as specified in the business rehabilitation plan.

8. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated		Unit : Million Baht	
	financial statements 2025	2024	financial statements 2025	2024
Trade receivables				
Related parties (see Note 6.2)	20	23	31 ⁽¹⁾	2,658
Other parties	12,111 ⁽¹⁾	10,629	12,080 ⁽¹⁾	10,565
Less Allowance for expected credit losses	(3,893)	(1,635)	(3,891)	(4,225)
Total trade receivables	<u>8,238</u>	<u>9,017</u>	<u>8,220</u>	<u>8,998</u>
Other current receivables				
Other related parties (see Note 6.2)	-	-	278 ⁽¹⁾	7,400
Other parties	9,095 ⁽¹⁾	2,310	9,008 ⁽¹⁾	2,236
Less Allowance for expected credit losses	(7,283) ⁽¹⁾	(181)	(7,535)	(7,365)
Total other receivables	<u>1,812</u>	<u>2,129</u>	<u>1,751</u>	<u>2,271</u>
	<u>10,050</u>	<u>11,146</u>	<u>9,971</u>	<u>11,269</u>
Accrued income	613	821	761	853
Prepaid expenses and deposits	1,631	2,006	1,742	2,177
Total	<u>12,294</u>	<u>13,973</u>	<u>12,474</u>	<u>14,299</u>

- (1) On October 1, 2025, the Central Bankruptcy Court ordered an absolute receivership order against Thai Smile Airways Company Limited, in accordance with the Section 88 of the Bankruptcy Act B.E. 2483 (1940). The Company no longer has control and command over Thai Smile Airways Company Limited and reclassified from trade and other receivables - related parties as at December 31, 2025 to trade and other receivables - other parties.

As at December 31, 2025, the Company recognized allowance for expected credit losses on trade and other current receivables of Baht 3,891 million and Baht 7,535 million, respectively, in the separate financial statements. Major parts are the recognition of the allowance for expected credit losses for receivables of Thai Smile Airways Company Limited, of Baht 9,718 million and other receivables of Baht 1,708 million.

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
Related parties				
Within credit terms	5	8	5	10
Overdue:				
Less than 6 months	2	2	9	12
6 - 12 months	-	-	-	55
1 - 2 years	-	-	3	937
Over 2 years	13	13	14 ⁽¹⁾	1,644
	20	23	31	2,658
<u>Less</u> allowance for expected credit losses	-	-	(8) ⁽¹⁾	(2,623)
	20	23	23	35
Other parties				
Within credit terms	5,948	6,772	5,931	6,758
Overdue:				
Less than 6 months	1,794	1,649	1,789	1,635
6 - 12 months	151	268	151	267
1 - 2 years	401	406	402	406
Over 2 years	3,817	1,534	3,807	1,499
	12,111 ⁽¹⁾	10,629	12,080 ⁽¹⁾	10,565
<u>Less</u> allowance for expected credit losses	(3,893) ⁽¹⁾	(1,635)	(3,883) ⁽¹⁾	(1,602)
	8,218	8,994	8,197	8,963
Total	8,238	9,017	8,220	8,998

- (1) On October 1, 2025, the Central Bankruptcy Court ordered an absolute receivership order against Thai Smile Airways Company Limited, in accordance with the Section 88 of the Bankruptcy Act B.E. 2483 (1940). The Company no longer has control and command over Thai Smile Airways Company Limited and reclassified from trade and other receivables - related parties as at December 31, 2025 to trade and other receivables - other parties.

The following table shows the movement in lifetime ECL that has been recognized for the years ended December 31, for trade receivables in accordance with the simplified approach set out in TFRS 9.

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
Balance as at January 1,	1,635	1,647	4,225	4,480
<u>Add (Less)</u> allowance for expected credit losses (reversal)	2,258	(12)	(334)	(255)
Balance as at December 31,	3,893	1,635	3,891	4,225

9. INVENTORIES

Inventories as at December 31, consist of the following:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	2025	2024
Aircraft spare parts	9,616	9,131
Vehicle spare parts and ground support equipment	288	255
Fuel and oil for aircraft	243	143
Goods for sales	212	211
Cabin and catering supplies	288	231
Supplies and other consumables	14	15
Inventories and spare parts for flight simulator and other supplies	61	77
Inventories and spare parts in transit	15	41
Obsolete and damaged inventories for disposal	160	112
Total inventories and supplies	<u>10,897</u>	<u>10,216</u>
<u>Less</u> Allowance for decline in value of inventories	<u>(5,836)</u>	<u>(6,216)</u>
Total	<u><u>5,061</u></u>	<u><u>4,000</u></u>

For the years ended December 31, the Company recognized and reversed loss on decline in value of inventories in the statements of comprehensive income, consist of the following:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	2025	2024
Loss on decline in value of inventories (reversal)	(380)	1,405

10. FINANCIAL ASSETS

10.1 Other current financial assets as at December 31, are as follows:

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Financial assets measured at amortized cost				
Bill of exchange with the right to be redeemed	29,222	17,053	29,222	17,053
Fixed deposits with maturity period more than 3 months and not over 1 year	15,769	12,995	15,739	12,875
Debentures with a maturity period within 1 year	-	750	-	750
	<u>44,991</u>	<u>30,798</u>	<u>44,961</u>	<u>30,678</u>
<u>Less</u> Allowance for expected credit losses	<u>(10)</u>	<u>(21)</u>	<u>(10)</u>	<u>(21)</u>
Total	<u><u>44,981</u></u>	<u><u>30,777</u></u>	<u><u>44,951</u></u>	<u><u>30,657</u></u>

10.2 Other non-current financial assets as at December 31, are as follows:

	Consolidated		Unit : Million Baht Separate	
	financial statements		financial statements	
	2025	2024	2025	2024
Financial assets measured at amortized cost				
Staff pension fund	770	889	770	889
Fixed deposits with maturity period more than 1 year	243	-	-	-
Financial assets measured at fair value through profit or loss				
Investment in debt securities	39	42	39	42
Investment in market-equity securities	112	156	110	155
Investment in non-market equity securities	- ⁽¹⁾	40	- ⁽¹⁾	40
Financial assets measured at fair value through other comprehensive income				
Investment in non-market equity securities	46	36	46	36
Total	<u>1,210</u>	<u>1,163</u>	<u>965</u>	<u>1,162</u>

- (1) On October 1, 2025, the Central Bankruptcy Court issued an absolute receivership order against Thai Smile Airways Company Limited in accordance with Section 88 of the Bankruptcy Act B.E. 2483 (1940), resulting in the Company losing control over Thai Smile Airways Company Limited. Therefore, the investment in Thai Smile Airways Company Limited has been reclassified from an investment in a subsidiary to other non-current financial assets. The Company has assessed and determined that the fair value of such investment is zero.

11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Movements of non-current assets classified as held for sale are as follows:

	Unit : Million Baht					
	Consolidated and Separate financial statements					
	Balance as at January 1, 2025	Additions	Decreases from impairment	Disposals	Transfers	Balance as at December 31, 2025
Aircraft	1,355	606	(124)	(389)	-	1,448
Engine	212	-	(9)	(203)	-	-
Land	167	-	-	-	-	167
Total	<u>1,734</u>	<u>606</u>	<u>(133)</u>	<u>(592)</u>	<u>-</u>	<u>1,615</u>

	Unit : Million Baht					
	Consolidated and Separate financial statements					
	Balance as at January 1, 2024	Additions	Decreases from impairment	Disposals	Transfers	Balance as at December 31, 2024
Aircraft	2,103	1,328	(299)	(723)	(1,054)	1,355
Engine	-	263	(19)	(32)	-	212
Land	-	244	-	(77)	-	167
Other assets	-	1	-	(1)	-	-
Total	<u>2,103</u>	<u>1,836</u>	<u>(318)</u>	<u>(833)</u>	<u>(1,054)</u>	<u>1,734</u>

For the year ended December 31, 2025

- The Company reclassified 6 B777-300 aircraft to non-current assets classified held for sale with net book values of Baht 606 million in the consolidated and separate financial statements.
- The Company sold 5 aircraft (1 A340-500 aircraft, 1 A380-800 aircraft, 2 B777-200 aircraft and 1 B777-300 aircraft) and spare engines to the buyer (other parties) with net book values of Baht 592 million, in the consolidated and separate financial statements.
- The Company recorded an impairment loss of 6 A380-800 aircraft 2 B777-200 aircraft, 6 B777-300 aircraft, and 3 Trent 970-84 engines totaling Baht 133 million (see Note 27).

For the year ended December 31, 2024

- The Company reclassified 6 A380-800 aircraft, spare engines and other assets to non-current assets classified held for sale with net book values of Baht 1,328 million, Baht 263 million and Baht 245 million, respectively, in the consolidated and separate financial statements.
- The Company sold 10 aircraft (1 B747-400 aircraft, 3 B777-200 aircraft, 2 A340-500 aircraft and 4 A340-600 aircraft), spare engines and land, house in England to the buyer (other parties) with net book values of Baht 833 million, in the consolidated and separate financial statements.
- The Company reclassified B777-300 aircraft from non-current assets classified held for sale to property, plant and equipment (see Note 13) with net book values of Baht 1,054 million.
- The Company recorded an impairment loss of 6 B777-200 aircraft, 1 A340-500 aircraft, 6 A380-800 aircraft and 4 Trent 970-84 engines totaling Baht 318 million (see Note 27).

12. INVESTMENTS

12.1 Investments in associates

Investments in associates as at December 31, and dividends received from those investments for the years ended which are recorded by equity method for consolidated financial statements are as follows:

Company's name	Country of incorporation	Nature of business	Percentage of shareholding (%)		Paid-up capital		Consolidated financial statements		Unit : Million Baht					
							Equity method		Separate financial statements		Cost method - net		Dividend income	
							2025	2024	2025	2024	2025	2024	2025	2024
Associates														
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40	40	120	120	103	100	48	48	-	5		
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30	30	130	130	231	216	39	39	12	9		
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30	30	1,018	1,018	364	366	305	305	7	7		
Total							<u>698</u>	<u>682</u>	<u>392</u>	<u>392</u>	<u>19</u>	<u>21</u>		

12.2 Investments in subsidiaries

Investments in associates as at December 31, and dividends received from those investments for the years ended which are recorded by equity method for consolidated financial statements are as follows:

Unit : Million Baht

Company's name	Country of incorporation	Nature of business	Percentage of Shareholding (%)		Paid-up capital		Cost Method		Allowance for impairment		Cost method - net		Dividend income	
			2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
			Separate financial statements											
Subsidiaries														
Thai-Amadeus Southeast Asia Company Limited	Thailand	Integrated travel information technology service	55	55	15	15	8	8	-	-	8	8	37	31
WingSpan Services Company Limited	Thailand	Specialized personnel services for companies	49	49	2	2	1	1	-	-	1	1	-	-
Thai Flight Training Company Limited	Thailand	Training service aviation	49	49	2	2	1	1	-	-	1	1	1	1
Thai Smile Airways Company Limited ⁽¹⁾	Thailand	Air transportation services	-	100	-	1,800	-	1,800	-	(1,800)	-	-	-	-
Thai MRO Group ⁽²⁾ Company Limited	Thailand	Aircraft maintenance repair and overhaul services	100	-	1	-	0.25	-	-	-	0.25	-	-	-
Thai MRO Services ⁽²⁾ Company Limited	Thailand	Aircraft maintenance repair, overhaul and training services	100	-	2,000	-	2,000	-	-	-	2,000	-	-	-
Total							<u>2,010</u>	<u>1,810</u>	<u>-</u>	<u>(1,800)</u>	<u>2,010</u>	<u>10</u>	<u>38</u>	<u>32</u>

(1) Thai Smile Airways Company Limited continuously had accumulated loss and capital deficiency and the subsidiary was deregistered On June 5, 2025, Thai Smile Airways Company Limited completed the registration of its dissolution with the Department of Business Development, Ministry of Commerce, and is currently in the process of liquidation. On October 1, 2025, the Central Bankruptcy Court issued an absolute receivership order against Thai Smile Airways Company Limited in accordance with Section 88 of the Bankruptcy Act B.E. 2483 (1940), resulting in the Company losing control over Thai Smile Airways Company Limited. Therefore, the Company derecognized the assets and liabilities of the said subsidiary in the consolidated statements of financial position as at December 31, 2025, and recognized a gain from the loss of control over the subsidiary in the consolidated statements of comprehensive income. In addition, the investment in Thai Smile Airways Company Limited has been reclassified from an investment in a subsidiary to other non-current financial assets.

(2) On October 24, 2025, the Company has registered Thai MRO Group Company Limited and Thai MRO Services Company Limited have registered as a juristic person under the Civil and Commercial Code with a registered capital of Baht 1 million, totaling number of 100,000 shares for Baht 10 per share. All are ordinary shares. Subsequently, on November 21, 2025, Thai MRO Services Company Limited had added up registered capital to Bath 2,000 million, totaling number of 200 million shares for Baht 10 per share. The Company purchased 199 million newly issued shares in proportion to its existing shareholding at a par value of Baht 10 per share, totaling Baht 1,999 million. The capital increase of the associate did not change the Company's ownership interest in that entity.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment, consist of the following:

Unit : Million Baht					
For the year ended December 31, 2025	Consolidated financial statements				Balance as at December 31, 2025
	Balance as at January 1, 2025	Increases	Decreases	Transfer in (Transfer out)	
Cost					
Lands	9,092	-	-	99	9,191
Buildings	1,964	-	-	241	2,205
Building improvement	4,168	-	(181)	296	4,283
Building under lease agreement	8,722	-	(452)	-	8,270
Aircraft	81,384	7,794	-	(35,110)	54,068
Aircraft improvement	9,316	232	(859)	326	9,015
Rotable aircraft's spare parts	38,091	1,898	(1,571)	524	38,942
Tools, plant and equipment	26,544	338	(544)	1,480	27,818
Total cost	179,281	10,262	(3,607)	(32,144)	153,792
Accumulated depreciation					
Buildings	(1)	(126)	-	(233)	(360)
Building improvement	(3,841)	(50)	181	(215)	(3,925)
Building under lease agreement	(6,286)	(205)	452	-	(6,039)
Aircraft	(66,176)	(2,492)	-	32,380	(36,228)
Aircraft improvement	(8,008)	(502)	852	-	(7,658)
Rotable aircraft's spare parts	(24,829)	(1,479)	1,040	-	(25,268)
Tools, plant and equipment	(25,468)	(287)	543	(1,191)	(26,403)
Total accumulated depreciation	(134,609)	(5,141)	3,068	30,741	(105,941)
Assets under installation	403	2,752	-	(1,220)	1,935
Less Allowance for impairment	(8,050)	(1,508)	-	2,128	(7,430)
Total	37,025				42,356

Unit : Million Baht					
For the year ended December 31, 2024	Consolidated financial statements				Balance as at December 31, 2024
	Balance as at January 1, 2024	Increases	Decreases	Transfer in (Transfer out)	
Cost					
Lands	9,570	-	-	(478)	9,092
Buildings	1,714	-	(3)	253	1,964
Building improvement	4,256	-	(87)	(1)	4,168
Building under lease agreement	8,727	-	(5)	-	8,722
Aircraft	96,306	-	(195)	(14,727)	81,384
Aircraft improvement	9,316	-	-	-	9,316
Rotable aircraft's spare parts	39,171	1,664	(1,587)	(1,157)	38,091
Tools, plant and equipment	26,990	502	(444)	(504)	26,544
Total cost	196,050	2,166	(2,321)	(16,614)	179,281
Accumulated depreciation					
Buildings	(177)	(89)	1	264	(1)
Building improvement	(3,888)	(65)	87	25	(3,841)
Building under lease agreement	(6,086)	(205)	5	-	(6,286)
Aircraft	(53,949)	(1,934)	195	(10,488)	(66,176)
Aircraft improvement	(7,479)	(529)	-	-	(8,008)
Rotable aircraft's spare parts	(25,742)	(1,410)	1,485	838	(24,829)
Tools, plant and equipment	(26,034)	(403)	442	527	(25,468)
Total accumulated depreciation	(123,355)	(4,635)	2,215	(8,834)	(134,609)
Assets under installation	105	1,527	-	(1,229)	403
Less Allowance for impairment	(28,221)	(6,817)	652	26,336	(8,050)
Total	44,579				37,025

Depreciation for the years ended December 31,
2025
2024

Million Baht 5,141
Million Baht 4,635

Unit : Million Baht					
For the year ended December 31, 2025	Separate financial statements				Balance as at December 31, 2025
	Balance as at January 1, 2025	Increases	Decreases	Transfer in (Transfer out)	
Cost					
Lands	9,092	-	-	99	9,191
Buildings	1,964	-	-	241	2,205
Building improvement	4,167	-	(181)	296	4,282
Building under lease agreement	8,722	-	(452)	-	8,270
Aircraft	81,384	7,794	-	(35,110)	54,068
Aircraft improvement	9,316	232	(859)	326	9,015
Rotable aircraft's spare parts	38,091	1,898	(1,571)	524	38,942
Tools, plant and equipment	26,455	331	(542)	1,480	27,724
Total cost	179,191	10,255	(3,605)	(32,144)	153,697
Accumulated depreciation					
Buildings	-	(126)	-	(233)	(359)
Building improvement	(3,840)	(50)	181	(215)	(3,924)
Building under lease agreement	(6,286)	(205)	452	-	(6,039)
Aircraft	(66,176)	(2,492)	-	32,380	(36,288)
Aircraft improvement	(8,008)	(502)	852	-	(7,658)
Rotable aircraft's spare parts	(24,830)	(1,478)	1040	-	(25,268)
Tools, plant and equipment	(25,425)	(280)	542	(1,191)	(26,354)
Total accumulated depreciation	(134,565)	(5,133)	3,067	30,741	(105,890)
Assets under installation	403	2,752	-	(1,220)	1,935
Less Allowance for impairment	(8,050)	(1,508)	-	2,128	(7,430)
Total	36,979				42,312

Unit : Million Baht					
For the year ended December 31, 2024	Separate financial statements				Balance as at December 31, 2024
	Balance as at January 1, 2024	Increases	Decreases	Transfer in (Transfer out)	
Cost					
Lands	9,570	-	-	(478)	9,092
Buildings	1,714	-	(3)	253	1,964
Building improvement	4,212	-	(44)	(1)	4,167
Building under lease agreement	8,727	-	(5)	-	8,722
Aircraft	96,305	-	(195)	(14,727)	81,383
Aircraft improvement	9,316	-	-	-	9,316
Rotable aircraft's spare parts	39,156	1,632	(1,540)	(1,157)	38,091
Tools, plant and equipment	26,867	501	(408)	(504)	26,456
Total cost	195,867	2,133	(2,195)	(16,614)	179,191
Accumulated depreciation					
Buildings	(176)	(89)	1	264	-
Building improvement	(3,845)	(64)	44	25	(3,840)
Building under lease agreement	(6,086)	(205)	5	-	(6,286)
Aircraft	(53,949)	(1,934)	195	(10,488)	(66,176)
Aircraft improvement	(7,479)	(529)	-	-	(8,008)
Rotable aircraft's spare parts	(25,696)	(1,410)	1,438	838	(24,830)
Tools, plant and equipment	(25,964)	(396)	408	527	(25,425)
Total accumulated depreciation	(123,195)	(4,627)	2,091	(8,834)	(134,565)
Assets under installation	105	1,527	-	(1,229)	403
Less Allowance for impairment	(28,221)	(6,817)	652	26,336	(8,050)
Total	44,556				36,979

Depreciation for the years ended December 31,

2025

Million Baht 5,133

2024

Million Baht 4,627

As at December 31, 2025, the Company had 80 aircraft in operations including the Company's 10 own aircraft and 70 aircraft under lease agreements and 3 unused aircraft have been presented as property, plant and equipment and right-of-used assets (see Note 14).

As at December 31, 2024, the Company had 79 aircraft in operations including the Company's 8 own aircraft and 71 aircraft under lease agreements and 7 unused aircraft have been presented as property, plant and equipment and right-of-used assets (see Note 14).

During the year 2024, the Company has been conducted the revaluation by an independent appraiser of land and domestic building, which was under the ownership of the Company, located in Bangkok, by using the Market Approach and Cost Approach, respectively. As at December 31, 2024, the Company adjusted the net book value of land and building to revaluation cost in amount of Baht 9,092 million and Baht 1,964 million, respectively and (reversal) recorded the revaluation surplus for land in amount of Baht (477) million and for building in amount of Baht 517 million, respectively (2025: Nil).

As at December 31, 2025 and 2024, property, plant and equipment, including the building on leased land under lease agreements with from Airports of Thailand Public Company Limited ("AOT"), as a lessor (see Note 6.3), located at Suvarnabhumi Airport with the carrying amount of Baht 2,221 million and Baht 2,426 million, respectively, with a lease term of 30 years starting from September 28, 2006 to September 27, 2036 and the lessor will renew the contract period for 4 years from September 28, 2036 to September 27, 2040.

For the year ended December 31, 2025, the Company recorded an impairment loss of Baht 1,508 million, consisted of impairment loss of 12 aircraft amounting to Baht 898 million, impairment loss from engines amounting to Baht 463 million and impairment loss relating of rotatable aircraft's spare parts of Baht 147 million, respectively (see Note 27).

For the year ended December 31, 2024, the Company recorded an impairment loss of Baht 6,165 million, consisted of impairment loss of 18 aircraft amounting to Baht 5,883 million, impairment loss from engines amounting to Baht 277 million and impairment loss relating of rotatable aircraft's spare parts of Baht 5 million, respectively (see Note 27).

As at December 31, 2025 and 2024, the Group's certain buildings and equipment have been fully depreciated but such building and equipment were still being used. The cost of those assets amounting to Baht 30,947 million and Baht 29,847 million, respectively.

14. RIGHT-OF-USE ASSETS

Movements of right-of-use assets, consist of the following:

For the year ended December 31, 2025	Consolidated financial statements				Unit : Million Baht
	Balance as at January 1, 2025	Increase	Decrease	Adjustment	Balance as at December 31, 2025
Cost					
Land and Buildings	6,460	418	(280)	4	6,602
Aircraft	116,646	4,199	(5,691)	(197)	114,957
Equipment	70	302	(13)	(2)	357
Total cost	<u>123,176</u>	<u>4,919</u>	<u>(5,984)</u>	<u>(195)</u>	<u>121,916</u>
Accumulated depreciation					
Land and Buildings	(2,006)	(790)	224	-	(2,572)
Aircraft	(45,764)	(7,848)	3,886	(115)	(49,841)
Equipment	(39)	(196)	13	2	(220)
Total accumulated depreciation	<u>(47,809)</u>	<u>(8,834)</u>	<u>4,123</u>	<u>(113)</u>	<u>(52,633)</u>
Total	<u>75,367</u>				<u>69,283</u>

For the year ended December 31, 2024	Consolidated financial statements				Unit : Million Baht
	Balance as at January 1, 2024	Increase	Decrease	Adjustment	Balance as at December 31, 2024
Cost					
Land and Buildings	6,458	649	(641)	(6)	6,460
Aircraft	100,533	18,287	(2,054)	(120)	116,646
Equipment	104	31	(65)	-	70
Total cost	<u>107,095</u>	<u>18,967</u>	<u>(2,760)</u>	<u>(126)</u>	<u>123,176</u>
Accumulated depreciation					
Land and Buildings	(1,916)	(725)	632	3	(2,006)
Aircraft	(40,048)	(7,631)	1,915	-	(45,764)
Equipment	(83)	(21)	65	-	(39)
Total accumulated depreciation	<u>(42,047)</u>	<u>(8,377)</u>	<u>2,612</u>	<u>3</u>	<u>(47,809)</u>
Total	<u>65,048</u>				<u>75,367</u>

Depreciation for the years ended December 31,

2025	Million Baht	<u>8,834</u>
2024	Million Baht	<u>8,377</u>

For the year ended December 31, 2025	Balance as at January 1, 2025	Separate financial statements			Balance as at December 31, 2025
		Increase	Decrease	Adjustment	
Cost					
Land and Buildings	6,458	418	(280)	4	6,600
Aircraft	116,760	4,199	(5,691)	(311)	114,957
Equipment	37	301	(13)	(1)	324
Total cost	<u>123,255</u>	<u>4,918</u>	<u>(5,984)</u>	<u>(308)</u>	<u>121,881</u>
Accumulated depreciation					
Land and Buildings	(2,006)	(790)	224	-	(2,572)
Aircraft	(45,879)	(7,848)	3,886	-	(49,841)
Equipment	(25)	(186)	13	-	(198)
Total accumulated depreciation	<u>(47,910)</u>	<u>(8,824)</u>	<u>4,123</u>	<u>-</u>	<u>(52,611)</u>
Total	<u>75,345</u>				<u>69,270</u>

For the year ended December 31, 2024	Balance as at January 1, 2024	Separate financial statements			Balance as at December 31, 2024
		Increase	Decrease	Adjustment	
Cost					
Land and Buildings	6,450	649	(641)	-	6,458
Aircraft	100,647	18,287	(2,054)	(120)	116,760
Equipment	88	3	(54)	-	37
Total cost	<u>107,185</u>	<u>18,939</u>	<u>(2,749)</u>	<u>(120)</u>	<u>123,255</u>
Accumulated depreciation					
Land and Buildings	(1,913)	(725)	632	-	(2,006)
Aircraft	(40,163)	(7,631)	1,915	-	(45,879)
Equipment	(67)	(12)	54	-	(25)
Total accumulated depreciation	<u>(42,143)</u>	<u>(8,368)</u>	<u>2,601</u>	<u>-</u>	<u>(47,910)</u>
Total	<u>65,042</u>				<u>75,345</u>

Depreciation for the years ended December 31,	
2025	Million Baht <u>8,824</u>
2024	Million Baht <u>8,368</u>

On March 20, 2025, the Company entered into the Aircraft Sale Agreements for 4 B777-300ER aircraft with a foreign lessor, which such Aircraft Sale Agreements shall be deemed as a modification of the existing aircraft lease agreements with such lessor. Later, on June 28, 2025, the Company acquired the ownership of such aircraft from such lessor (“Seller”). Therefore, the Company adjusted acquired aircraft costs of acquisitions, which were presented as a part of property, plant and equipment (see Note 13), aircraft maintenance reserves (see Note 16) and other non-current provisions for repair and maintenance of aircraft (see Note 24), and remeasured lease liabilities based on the remaining lease term as agreed with the lessor, and recognized such remeasurement by adjusting right-of-use assets and lease liabilities of 4 B777-300ER aircraft (see Note 19), which all transactions have been recognized as a gain on termination of aircraft lease agreements for the period ended December 31, 2025.

For the years ended December 31, 2025 and 2024, the Company adjusted right-of-use assets by lease liabilities remeasurements from the changing in variable lease payments based on the reference interest rate of Baht (355) million and Baht 179 million, respectively, in the consolidated financial statements and separate financial statements.

Income and expenses related to lease agreements for the years ended December 31 are as follows:

	Consolidated financial statements		Unit : Million Baht Separated financial statements	
	2025	2024	2025	2024
Amount recognized in profit or loss				
Interest expenses related to lease liabilities	8,707	9,924	8,704	9,923
Expenses related to short-term lease agreements	34	111	34	111
Expenses related to lease agreements with low value amount	163	194	163	193
Expenses related to variable lease payments that are not included in the measurement of lease liabilities	274	1,065	274	1,065

For the years ended December 31, 2025 and 2024, total cash outflows for leases amount to Baht 17,366 million and Baht 19,731 million, respectively.

15. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, consist of the following:

	Consolidated financial statements		Unit : Million Baht Separated financial statements	
	2025	2024	2025	2024
Deferred tax assets	31,722	31,607	31,714	31,598
Deferred tax liabilities	(18,084)	(20,609)	(18,082)	(20,610)
Total	13,638	10,998	13,632	10,988

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2025	Unit : Million Baht Consolidated financial statements			
	As at January 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2025
Allowance for decline in value of inventories	1,243	(71)	-	1,172
Allowance for expected credit losses	2,343	(46)	-	2,297
Allowance for impairment of assets	3,035	(2,029)	-	1,006
Other non-current provisions	6,873	(1,262)	-	5,611
Non-current provisions for employee benefits	1,307	17	139	1,463
Lease liabilities	15,069	370	-	15,439
Loss carryforward	1,715	2,741	-	4,456
Others	22	243	13	278
Surplus from revaluation of assets	(2,215)	21	-	(2,194)
Gain on derecognition of financial liabilities measured at amortized cost	(3,291)	1,266	-	(2,025)
Right-of-use assets	(15,069)	1,212	-	(13,857)
Others	(34)	32	(6)	(8)
Total	10,998	2,494	146	13,638

For the year ended December 31, 2024	Unit : Million Baht			
	As at January 1, 2024	Consolidated financial statements Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2024
Allowance for decline in value of inventories	962	281	-	1,243
Allowance for expected credit losses	2,446	(103)	-	2,343
Allowance for impairment of assets	6,004	(2,969)	-	3,035
Other non-current provisions	5,794	1,079	-	6,873
Non-current provisions for employee benefits	949	(6)	364	1,307
Lease liabilities	13,008	2,061	-	15,069
Loss carryforward	3,381	(1,666)	-	1,715
Others	10	12	-	22
Surplus from revaluation of assets	(2,240)	33	(8)	(2,215)
Gain on derecognition of financial liabilities measured at amortized cost	(6,307)	3,016	-	(3,291)
Right-of-use assets	(13,008)	(2,061)	-	(15,069)
Others	(5)	(27)	(2)	(34)
Total	10,994	(350)	354	10,998

For the year ended December 31, 2025	Unit : Million Baht			
	As at January 1, 2025	Separated financial statements Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2025
Allowance for decline in value of inventories	1,243	(71)	-	1,172
Allowance for expected credit losses	2,336	(42)	-	2,294
Allowance for impairment of assets	3,035	(2,029)	-	1,006
Other non-current provisions	6,873	(1,262)	-	5,611
Non-current provisions for employee benefits	1,306	16	139	1,461
Lease liabilities	15,069	367	-	15,436
Loss carryforward	1,715	2,741	-	4,456
Others	21	244	13	278
Surplus from revaluation of assets	(2,215)	21	-	(2,194)
Gain on derecognition of financial liabilities measured at amortized cost	(3,291)	1,266	-	(2,025)
Right-of-use assets	(15,069)	1,215	-	(13,854)
Others	(35)	32	(6)	(9)
Total	10,988	2,498	146	13,632

For the year ended December 31, 2024	Unit : Million Baht			
	As at January 1, 2024	Separated financial statements Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2024
Allowance for decline in value of inventories	962	281	-	1,243
Allowance for expected credit losses	2,439	(103)	-	2,336
Allowance for impairment of assets	6,004	(2,969)	-	3,035
Other non-current provisions	5,794	1,079	-	6,873
Non-current provisions for employee benefits	948	(6)	364	1,306
Lease liabilities	13,008	2,061	-	15,069
Loss carryforward	3,381	(1,666)	-	1,715
Others	12	9	-	21
Surplus from revaluation of assets	(2,240)	33	(8)	(2,215)
Gain on derecognition of financial liabilities measured at amortized cost	(6,307)	3,016	-	(3,291)
Right-of-use assets	(13,008)	(2,061)	-	(15,069)
Others	(5)	(28)	(2)	(35)
Total	10,988	(354)	354	10,988

16. AIRCRAFT MAINTENANCE RESERVES

Aircraft maintenance reserves as at December 31, are as following:

	Unit : Million Baht Consolidated and Separate financial statements	
	2025	2024
Balance as at January 1,	14,209	14,894
<u>Increase</u> from payments	1,030	1,263
from reversal of loss on impairment	6	-
<u>Decrease</u> from receiving reserves	(466)	(1,728)
from adjustment of unrealized foreign exchange rate	(862)	(220)
from termination of aircraft lease agreements (see Note 14)	(2,806)	-
Balance as at December 31,	11,111	14,209

Aircraft maintenance reserves under lease aircraft agreements are deposits by lessors from lease agreements, for engine and aircraft maintaining, in accordance with flight conditions with the terms as specified in the maintenance schedules, which can be refunded, when an aircraft is overhauled, following to the maintenance plan and conditions as specified in the lease contract.

17. OTHER CURRENT AND NON-CURRENT ASSETS

17.1 Other current assets as at December 31, consisted of the following:

	Unit : Million Baht Consolidated and Separate financial statements	
	2025	2024
Security deposits under an aircraft lease agreement	630	-
Total	<u>630</u>	<u>-</u>

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Non-performing assets	-	106	-	106
Pre-delivery payments for aircraft procuring (see Note 35.2)	9,634	7,975	9,634	7,975
Security deposits under aircraft lease agreement	3,017	2,735	3,017	2,735
Pledged bank deposits	5,792	2,213	5,792	2,213
Other deposits	1,272	1,958	1,272	1,958
Derivatives collateral (see Note 34.2.1)	1,841	1,980	1,841	1,980
Refundable withholding tax	-	367	-	367
Others	619	466	616	464
<u>Less</u> Allowance for expected credit losses	(8)	(4)	(8)	(4)
Total	<u>22,167</u>	<u>17,796</u>	<u>22,164</u>	<u>17,794</u>

18. INTEREST BEARING LIABILITIES

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

Starting date according to the original borrowing agreements	Interest rate (% per annum)	Unit : Million Baht Consolidated and Separate financial statements	
		Amount	
		2025	2024
December 20, 2010	1.00 - 1.50	1,108	1,028
September 30, 2014 and August 27, 2018	1.00 - 1.50	421	390
July 10, 2018	1.00 - 1.50	911	844
October 8, 2019	1.00 - 1.50	924	853
February 26, 2020	1.00 - 1.50	1,403	1,301
Total		<u>4,767</u>	<u>4,416</u>
<u>Less</u> Long-term borrowing from financial institutions due within 1 year		(486)	-
Net from long-term borrowing from financial institutions due within 1 year		<u>4,281</u>	<u>4,416</u>

Such borrowings have maturity period from June 30, 2026 to December 30, 2035.

Long-term borrowings from financial institutions as at December 31, consisted of the following:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	2025	2024
Principal amount to be paid	7,232	7,232
<u>Less</u> Deferred interest expenses	<u>(2,465)</u>	<u>(2,816)</u>
Total	<u><u>4,767</u></u>	<u><u>4,416</u></u>

The Company considered adjusting the recorded debt value for borrowings from financial institutions. This adjustment follows the confirmation order from the Official Receiver to settle the debt with the financial institution Creditors. The financial liabilities have been remeasured at fair value using the discounted cash flow method with the market interest rate.

For the years ended December 31, 2025 and 2024, the Company did not have additional long-term borrowings from financial institutions, did not make any principal repayment and did not pledge fixed assets or other securities as collateral for any long-term borrowings from such financial institutions. The remaining outstanding principal debt will be settled from cash flows according to the schedule specified in the court-approved rehabilitation plan. Additionally, a new interest rate has been set for the remaining outstanding principal debt to be settled from cash flows, starting from the second half of the 13th year of the rehabilitation plan until the principal debt is fully settled, with an increase of 0.25% per annum from the original rate. This follows the Central Bankruptcy Court's approval of the request to amend the rehabilitation plan on October 20, 2022.

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

	Unit : Million Baht	
	Consolidated and Separate	
	financial statements	
	2025	2024
Principal amount to be paid	46,103	46,103
New deferred interest rate	1,045	1,045
<u>Less</u> Deferred interest expenses	<u>(18,222)</u>	<u>(19,992)</u>
Total	<u>28,926</u>	<u>27,156</u>

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in payment condition and interest rate to be in accordance with the business rehabilitation plan. The debentures have maturity period from December 30, 2028 to December 30, 2036 while the value of issued debenture had remained unchanged.

The Company has settled the debt by converting it into equity in the said proportion during 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 percent per annum.

For the years ended December 31, 2025 and 2024, the Company did not issue additional debentures and repayment any principals.

Detail of unsecured debentures as at December 31, are as follows:

Debenture	Amount (Million Baht)		Interest Rate (% per annum)	Interest Due	Repayment Due
	2025	2024			
August 2013 No 2 (Period 7 years)	771	771	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2028 ⁽²⁾
September 2015 No 2 (Period 5 years)	1,036	1,036	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2028 ⁽²⁾
June 2017 No 1 (Period 3 years)	644	644	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2028 ⁽²⁾
August 2018 No 2 (Period 2 years)	533	533	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2028 ⁽²⁾
November 2019 No 1 (Period 1 year)	1,276	1,276	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2028 ⁽²⁾
May 2011 No 2 (Period 10 years)	581	581	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 5 (Period 10 years)	1,418	1,418	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
February 2012 No 2 (Period 10 years)	1,444	1,444	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
March 2012 No 2 (Period 12 years)	1,049	1,049	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2032 ⁽²⁾
October 2012 No 3 (Period 10 years)	919	919	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
August 2013 No 3 (Period 10 years)	961	961	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2031 ⁽²⁾

Debenture	Amount (Million Baht)		Interest Rate (% per annum)	Interest Due	Repayment Due
	2025	2024			
February 2014					
No 2 (Period 7 years)	636	636	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 3 (Period 10 years)	705	705	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2032 ⁽²⁾
December 2014					
No 2 (Period 7 years)	895	895	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 3 (Period 10 years)	917	917	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2032 ⁽²⁾
April 2015					
No 3 (Period 7 years)	1,200	1,200	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
No 4 (Period 10 years)	1,490	1,490	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2033 ⁽²⁾
September 2015					
No 3 (Period 7 years)	1,486	1,486	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
No 4 (Period 10 years)	1,808	1,808	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2033 ⁽²⁾
December 2016					
No 2 (Period 5 years)	367	367	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 3 (Period 7 years)	580	580	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2031 ⁽²⁾
No 4 (Period 10 years)	1,802	1,802	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2034 ⁽²⁾
No 5 (Period 12 years)	1,260	1,260	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
June 2017					
No 2 (Period 5 years)	594	594	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
No 3 (Period 7 years)	629	629	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2032 ⁽²⁾
No 4 (Period 10 years)	1,895	1,895	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2035 ⁽²⁾
No 5 (Period 15 years)	1,243	1,243	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
February 2018					
No 1 (Period 5 years)	673	673	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2031 ⁽²⁾
No 2 (Period 7 years)	563	563	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2033 ⁽²⁾
No 3 (Period 10 years)	1,482	1,482	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
No 4 (Period 15 years)	879	879	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
August 2018					
No 3 (Period 3 years)	351	351	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 4 (Period 5 years)	331	331	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2031 ⁽²⁾
No 5 (Period 10 years)	1,497	1,497	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
No 6 (Period 12 years)	812	812	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
No 7 (Period 15 years)	840	840	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
May 2019					
No 2 (Period 2 years)	618	618	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 3 (Period 3 years)	1,363	1,363	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2030 ⁽²⁾
No 4 (Period 5 years)	649	649	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2032 ⁽²⁾
No 5 (Period 7 years)	346	346	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2034 ⁽²⁾
No 6 (Period 10 years)	1,509	1,509	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
No 7 (Period 15 years)	1,533	1,533	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
November 2019					
No 2 (Period 2 years)	478	478	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2029 ⁽²⁾
No 3 (Period 3 years and 3 months)	1,781	1,781	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2031 ⁽²⁾
No 4 (Period 10 years)	1,121	1,121	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
No 5 (Period 15 years)	1,138	1,138	1.50 - 1.75 ⁽¹⁾	First payment in 2024, paid by monthly basis ⁽¹⁾	Last workday of 2036 ⁽²⁾
Total	<u>46,103</u>	<u>46,103</u>			

⁽¹⁾ On October 20, 2022, the Central bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting the change in interest rate from outstanding principal which will be repaid by cashflow in the last 2 years before the maturity date according to the amendment of business rehabilitation plan. The interest rate increased by 0.25 percent per annum from original rate.

⁽²⁾ On October 20, 2022, the Central bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting the change in debt repayment method, from at first, they will be repaid by cash in full, change to the repayment by methods of debt-to-equity 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. On November 29, 2024, the Company allocated ordinary shares to each Creditor to settle debts as specified in the business rehabilitation plan. The remain outstanding debt will be repaid by the cash flow as specified period in the business rehabilitation plan which the Court already approved.

19. LEASE LIABILITIES

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

Maturity Analysis:	Consolidated		Unit : Million Baht Separate	
	financial statements		financial statements	
	2025	2024	2025	2024
Year 1	16,596	18,453	16,585	18,442
Year 2 - 5	56,928	64,601	56,924	64,587
Year 5 onwards	43,565	57,418	43,565	57,418
<u>Less deferred interest</u>	<u>(39,896)</u>	<u>(49,865)</u>	<u>(39,895)</u>	<u>(49,863)</u>
Total	77,193	90,607	77,179	90,584
Classification:				
Current	8,885	9,510	8,874	9,501
Non-current	68,308	81,097	68,305	81,083
Total	77,193	90,607	77,179	90,584

Changes in lease liabilities for the years ended December 31, are as follows:

	Consolidated		Unit : Million Baht Separate	
	financial statements		financial statements	
	2025	2024	2025	2024
Balance as at January 1,	90,607	84,261	90,584	84,254
<u>Increase</u> from new lease agreement	4,873	18,348	4,873	18,323
<u>Decrease</u> from remeasurement of lease liabilities	(890)	(102)	(890)	(102)
from termination of aircraft lease agreements (see Note 14)	(3,543)	-	(3,543)	-
from termination of other lease agreements	(61)	(418)	(61)	(418)
from transferred to payables	-	(588)	-	(588)
from payments	(8,670)	(8,751)	(8,661)	(8,742)
from adjusting from exchange rate	<u>(5,123)</u>	<u>(2,143)</u>	<u>(5,123)</u>	<u>(2,143)</u>
Balance as at December 31,	77,193	90,607	77,179	90,584

The Company has considered adjusting the recorded debt value for borrowings from the Financial Institution Creditors assigned to receive residual proceeds from the disposals of aircraft. This adjustment follows the confirmation order from the Official Receiver to settle the debt with the Financial Institution Creditors assigned to receive residual proceeds from the disposals of aircraft. The financial liabilities have been remeasured at fair value using the discounted cash flow method with the market interest rate and remeasured lease liabilities from the change in variable payments based on the reference interest rate. On November 29, 2024, the Company allocated ordinary shares to each Creditor to settle the debt at a rate of 24.50% of the outstanding principal debt as per the final order for debt settlement, as specified in the rehabilitation plan. The remaining outstanding principal debt will be settled from cash flows according to the schedule specified in the court-approved rehabilitation plan. Additionally, a new interest rate has been set for the remaining outstanding principal debt to be settled from cash flows, starting from the second half of the 13th year of the rehabilitation plan until the principal debt is fully settled, with an increase of 0.25% per annum from the original rate. This follows the Central Bankruptcy Court's approval of the request to amend the business rehabilitation plan on October 20, 2022. (2025: Nil)

20. TRADE AND OTHER PAYABLES

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Current				
Trade payables				
Related parties (see Note 6.2)	833	360	1,128	561
Other parties	7,456	7,680	7,443	7,607
Total trade payables	<u>8,289</u>	<u>8,040</u>	<u>8,571</u>	<u>8,168</u>
Other current payables				
Airport fees payable	7,421	6,806	7,421	6,806
Other parties	4,445	4,728	4,409	4,680
Total other current payables	<u>11,866</u>	<u>11,534</u>	<u>11,830</u>	<u>11,486</u>
Accrued expenses	7,080	6,038	7,122	5,790
Accrued interest expenses	236	261	236	261
Accrued flight service expenses	1,922	2,438	1,922	2,423
Total current portion	<u>29,393</u>	<u>28,311</u>	<u>29,681</u>	<u>28,128</u>
Non-current				
Trade payables				
Related parties (see Note 6.2)	1,108	1,395	1,108	1,395
Other parties	2,684	4,917	2,684	4,917
Other non-current payables - other parties	<u>1,510</u>	<u>2,852</u>	<u>1,510</u>	<u>2,852</u>
Total non-current portion	<u>5,302</u>	<u>9,164</u>	<u>5,302</u>	<u>9,164</u>
Total	<u>34,695</u>	<u>37,475</u>	<u>34,983</u>	<u>37,292</u>

Detail of non-current trade and other payables are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Non-current				
Trade payables				
Related parties				
Principal	1,121	1,749	1,121	1,749
Less Deferred interest expenses	<u>(13)</u>	<u>(354)</u>	<u>(13)</u>	<u>(354)</u>
Total trade payables - related parties	<u>1,108</u>	<u>1,395</u>	<u>1,108</u>	<u>1,395</u>
Other non-current parties				
Principal	3,649	10,579	3,649	10,579
Less Deferred interest expenses	<u>(965)</u>	<u>(5,662)</u>	<u>(965)</u>	<u>(5,662)</u>
Total trade payables - other parties	<u>2,684</u>	<u>4,917</u>	<u>2,684</u>	<u>4,917</u>
Other non-current payables				
Other parties				
Principal	1,594	7,789	1,594	7,789
Less Deferred interest expenses	<u>(84)</u>	<u>(4,937)</u>	<u>(84)</u>	<u>(4,937)</u>
Total other non-current payables	<u>1,510</u>	<u>2,852</u>	<u>1,510</u>	<u>2,852</u>
Total non-current trade and other payables	<u>5,302</u>	<u>9,164</u>	<u>5,302</u>	<u>9,164</u>

Trade and other payables have been adjusted in accordance with the debt amount, due date and interest rate according to the rehabilitation plan and Order from the Official Receiver, with the first installment scheduled for payment on June 30, 2024. Therefore, liabilities were adjusted and classified as non-current trade and other payables. For the year period ended December 31, 2025, the Company had an impact from the adjustment of trade and other payables to be in accordance with Order from the Official Receiver with loss on debt restructuring amounting to Baht 7 million.

21. DEFERRED REVENUE

Deferred revenue as at December 31, consist of:

	Unit : Million Baht Consolidated and Separate financial statements	
	2025	2024
Unearned transportation revenue	31,037	35,041
Customer loyalty program ⁽¹⁾	7,217	3,713
Total	<u>38,254</u>	<u>38,754</u>

The Company recognized the beginning balance of deferred revenue as an income for the years ended December 31, as following:

	Unit : Million Baht Consolidated and Separate financial statements	
	2025	2024
Unearned transportation revenue	20,836	15,563
Customer loyalty program ⁽¹⁾	1,473	920
Total	<u>22,309</u>	<u>16,483</u>

⁽¹⁾ Customer loyalty program measured at fair value which calculated by using the average revenue of each route divided by mileage redemption from the standard prize table, together with the contract cost with business partner divided by mileage redemption from the standard prize table. This fair value measurement was in level 3.

22. STAFF PENSION FUND

The Company has established pension fund of Thai Airways International Public Company Limited's staff. The Company contributed to the fund at a rate of 10 percent of employee salaries. The fund's assets, liabilities and fund balance are presented in the Company's statements of financial position. Interests and expenses arising from fund operations are recognized as incomes and expense as at December 31, are as follows:

	Unit : Million Baht Consolidated and Separate financial statements	
	2025	2024
Cash at bank (Presented as other non-current financial assets)	770	889
Other current assets	1	3
Total Assets	<u>771</u>	<u>892</u>
Other current liabilities		
Thai Airways International Public Company Limited's creditors	185	162
Accrued payment for staff termination	1	1
Staff pension fund	585	729
Total Liabilities	<u>771</u>	<u>892</u>

As at December 31, 2025 and 2024, the staff pension fund has remaining balances of Baht 585 million and Baht 729 million, respectively, equaled to the Company's obligations to employees.

For the years ended December 31, 2025 and 2024, the Company paid to employees who ceased to be members of the pension fund of Baht 156 million and Baht 165 million, respectively, and recognized a pension expense of Baht 12 million in each year.

As at December 31, 2025 and 2024, the balances presented as amounts payable to Thai Airways International Public Company Limited, as shown in the above tables, represented excess contributions made by the Company to the pension fund. These amounts were recognized as part of other non-current financial assets, totaling Baht 185 million and Baht 162 million, respectively.

On July 14, 2024, the Special Appeal Court ruled that the bank, where the staff pension fund had deposited funds, must return the seized funds to the staff pension fund amounting to Baht 2,336 million, along with bank deposit interest of Baht 24.55 million and default interest of Baht 285.28 million. The Staff Pension Fund received the seized bank deposits along with the bank deposit interest, and the Company received the default interest on August 20, 2024 (2025: Nil).

23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

In the years 2025 and 2024, the Company has the policy about non-current provisions for employee benefits, was post-employment benefit, the Company provided the defined benefit pension plan in accordance with the requirement of Thai Labor Protection Act B.E. 2541 and according to the Company's policy for providing retirement benefit to employees based on their rights and year of services.

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

	Consolidated		Unit : Million Baht	
	2025	2024	2025	2024
Present value of obligations	7,204	6,559	7,160	6,529
Items recognized in statements of comprehensive income for the years ended December 31,				
Recognized in profit or loss				
Post-employment benefits	444	325	430	315
Recognized in other comprehensive income				
Actuarial loss	697	1,819	695	1,819
Total	1,141	2,144	1,125	2,134

Movements of the present value of the provision for employee benefits for the years ended December 31, as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Balance as at January 1,	6,559	4,768	6,529	4,741
Defined benefit expense obligation recognized in profit or loss				
Current service costs	320	202	306	194
Interest costs	132	121	132	121
Past service costs	(8)	2	(8)	-
Actuarial (gain) loss - recognized in other comprehensive income				
Arising from experience adjustments	300	203	301	203
Arising from demographic assumptions	(26)	(10)	(28)	(10)
Arising from financial assumptions	423	1,626	422	1,626
Benefits paid by the plan	(496)	(353)	(494)	(346)
Balance as at December 31,	<u>7,204</u>	<u>6,559</u>	<u>7,160</u>	<u>6,529</u>

Principles actuarial assumptions as at December 31, (presented as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2025	2024	2025	2024
Discount rate (%)	1.40 - 2.74	2.20 - 2.74	1.40	2.20
Inflation rate (%)	2.00 - 3.00	2.00 - 3.00	2.00	2.00
Salary increasing rate (%)	0.00 - 5.00	0.00 - 5.00	0.00 - 5.00	0.00 - 5.00
Turnover rate (%)	0.00 - 25.00	0.00 - 30.00	0.00 - 4.69	0.00 - 3.75
Mortality rate	TMO17	TMO17	TMO17	TMO17

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

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Discount rate - increase by 1%	(523)	(510)	(520)	(508)
Discount rate - decrease by 1%	604	548	601	545
Salary rate - increase by 1%	642	609	639	606
Salary rate - decrease by 1%	(567)	(535)	(564)	(534)

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

24. OTHER NON - CURRENT PROVISIONS

Other non-current provisions as at December 31, are as follows:

	Unit : Million Baht Consolidate and Separate financial statements	
	2025	2024
Balance as at January 1,	34,580	29,340
<u>Increase</u> from recognize as expenses during the years	7,316	10,058
<u>Decrease</u> from maintenance during the years	(6,677)	(4,375)
from termination of aircraft lease agreements (see Note 14)	(5,290)	-
from adjust of unrealized foreign exchange rate	(1,555)	(443)
Balance as at December 31,	<u>28,374</u>	<u>34,580</u>

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

25. REVENUES

Disaggregation of revenue

The Group disaggregate revenue from sales and rendering of services with customers for over time 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 32).

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2025	2024	2025	2024
Timing of revenue recognition				
At a point in time				
Business unit				
Revenue from business units	2,206	2,117	2,206	2,117
Over time				
Air freight				
Revenue from passenger and excess baggage	154,737	159,104	154,737	159,104
Revenue from freight and mail	17,251	17,268	17,251	17,268
Revenue from business units	1,099	1,447	1,099	1,447
Business unit				
Revenue from warehouse services	3,353	2,906	3,353	2,906
Revenue from business units	3,196	3,093	3,196	3,093
Others				
Revenue from aircraft repair and maintenance services	1,220	988	1,220	988
Revenue from other activities	380	326	-	-
Total	<u>183,442</u>	<u>187,249</u>	<u>183,062</u>	<u>186,923</u>

26. OTHER INCOME

Other income for the years ended December 31, consisted of:

	Consolidated		Unit : Million Baht Separate	
	financial statements		financial statements	
	2025	2024	2025	2024
Revenue from airport tax on expired tickets	172	836	172	836
Revenue from licensed telecom business	18	-	18	-
Revenue from compensation insurance	266	15	266	15
Revenue from penalty and surcharge	219	395	254	443
Dividend income	23	23	60	56
Others	730	1,268	739	853
Total	1,428	2,537	1,509	2,203

27. IMPAIRMENT LOSS ON ASSETS

Impairment loss on assets for the years ended December 31, consisted of:

	Unit : Million Baht Consolidated and Separate	
	financial statements	
	2025	2024
Aircraft	1,022	6,182
Engine	472	296
Rotable aircraft's spare parts	147	5
Total	1,641	6,483

For the year ended December 31, 2025, the Company recognized impairment loss on assets of Baht 1,641 million are as follows:

- Recognized impairment loss on aircraft of Baht 1,022 million consisted of impairment loss on aircraft which were classified as non-current assets classified as held for sale in amount of Baht 124 million (see Note 11), impairment loss on aircraft which were included in property, plant and equipment in amount of Baht 898 million (see Note 13).
- Recognized impairment loss on engine of Baht 472 million consisted of impairment loss on engine which were classified as asset held for sale in other non-current asset in amount of Baht 9 million (see Note 11), impairment loss on engine which were included in property, plant and equipment of Baht 463 million (see Note 13).
- Recognized impairment loss on rotatable aircraft's spare parts in amount of Baht 147 million consisted of the impairment loss on rotatable aircraft's spare parts which were included in property, plant and equipment (see Note 13).

For the year ended December 31, 2024, the Company recognized impairment loss on assets of Baht 6,483 million are as follows:

- Recognized impairment loss on aircraft of Baht 6,182 million consisted of impairment loss on aircraft which were classified as non-current assets classified as held for sale in amount of Baht 299 million (see Note 11), impairment loss on aircraft which were included in property, plant and equipment in amount of Baht 5,883 million (see Note 13).
- Recognized impairment loss on engine of Baht 296 million consisted of impairment loss on engine which were classified as asset held for sale in other non-current asset in amount of Baht 19 million (see Note 11), impairment loss on engine which were included in property, plant and equipment of Baht 277 million (see Note 13).
- Recognized impairment loss on rotatable aircraft's spare parts in amount of Baht 5 million consisted of the impairment loss on rotatable aircraft's spare parts which were included in property, plant and equipment (see Note 13).

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

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
(Reversal) Expected credit loss of trade and other receivables				
- Related parties	-	(7)	172	(548)
- Other parties	196	(5)	196	(5)
(Reversal) Expected credit loss of other financial assets	(43)	34	(43)	36
Total	<u>153</u>	<u>22</u>	<u>325</u>	<u>(517)</u>

29. INCOME TAX INCOME (EXPENSE)

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2025	2024	2025	2024
Income tax recognized in profit or loss				
Income tax income (expenses)	(20)	(24)	1	-
Deferred income tax	2,493	(350)	2,498	(354)
Total	<u>2,473</u>	<u>(374)</u>	<u>2,499</u>	<u>(354)</u>

Reconciliation of effective tax rate, consisted of:

For the years ended December 31,	Unit : Million Baht			
	Consolidated financial statements		2024	
	2025	2024	Tax rate	Amount
	Tax rate	Amount	Tax rate	Amount
Profit (loss) for the years		30,941		(26,901)
Income tax expense (income)		(2,473)		374
Profit (loss) before income tax		<u>28,468</u>		<u>(26,527)</u>
Income tax using applicable tax rate	20	(5,694)	20	-
Tax effect of non-deductible (expenses) benefit				
Revenues and expenses from the promotional privileges		1,360		1,427
Revenues and expenses not deductible for tax purposes				
income tax expenses		1,718		(11,965)
Utilization of tax loss carry forwards		2,637		5,340
Temporary differences which were unrecognized to				
deferred tax assets		-		5,222
Recognition of deferred tax for the years		(2,493)		350
Adjustment from prior years		(1)		-
Income tax expense (income)	-	<u>(2,473)</u>	1	<u>374</u>

For the years ended December 31,	Unit : Million Baht			
	Separate financial statements		2024	
	2025	2024	Tax rate	Amount
	Tax rate	Amount	Tax rate	Amount
Profit (loss) for the years		30,283		(26,757)
Income tax expense (income)		(2,499)		354
Profit (loss) before income tax		<u>27,784</u>		<u>(26,403)</u>
Income tax using applicable tax rate	20	(5,557)	20	-
Tax effect of non-deductible (expenses) benefit				
Revenues and expenses from the promotional privileges		1,360		1,427
Revenues and expenses not deductible for tax purposes				
income tax expenses		1,560		(11,941)
Utilization of tax loss carry forwards		2,637		5,340
Temporary differences which were unrecognized to				
deferred tax assets		-		5,174
Recognition of deferred tax for the years		(2,498)		354
Adjustment from prior years		(1)		-
Income tax expense (income)	-	<u>(2,499)</u>	1	<u>354</u>

The Emergency Decree on Top-up Tax, B.E. 2567 (2024) has been announced in the Government Gazette on December 26, 2024, which relates to the International Taxation (Pillar Two) and will be effective from January 1, 2025, onwards.

The Group's management has assessed the requirements in accordance with the rules of the Decree and found that the Group does not meet the Top-up Tax criteria because the Group is not Multinational Enterprises (MNEs).

30. PROMOTIONAL PRIVILEGES

The Company was granted the promotional privileges under the Investment Promotional Act, (B.E. 2520) by the Board of Investment (“BOI”) under each promotion certificate as follows:

Item	Promotional Privileges		Commenced date of revenue generated
	No.	Approval date	
1	2363(2)/ 2013 ^o	August 6, 2013	September 4, 2016
2	2364(2)/ 2013	August 6, 2013	April 27, 2017
3	2365(2)/ 2013	August 6, 2013	July 20, 2017
4	2366(2)/ 2013	August 6, 2013	September 23, 2017
5	2367(2)/ 2013	August 6, 2013	February 7, 2018
6	65-0130-1-00-1-0	December 20, 2021	April 29, 2022
7	65-1587-1-00-1-0	November 3, 2022	June 1, 2023
8	66-1217-2-00-1-0	August 22, 2023	November 10, 2023
9	66-1479-2-00-1-0	October 10, 2023	December 1, 2023
10	67-0802-2-00-1-0	February 27, 2024	November 30, 2024
11	67-0928-2-00-1-0	March 28, 2024	June 28, 2024
12	68-0372-2-00-1-0	December 24, 2024	August 25, 2025
13	68-2360-2-00-1-0	October 29, 2025	November 21, 2025
14	68-2489-2-00-1-0	October 29, 2025	January 22, 2026

⁽¹⁾ The Promotion Privileges No. 1, maturity on September 3, 2024. The Company has not yet completed the formal cancellation of promotion cards with the Board of Investment.

Under some of conditions, privileges are consisted of:

- A) In accordance with the Section 25, grant permission to bring foreigner who are skilled workers or experts, spouses, and dependents of persons in such foreigner into the Kingdom of Thailand for the number and period as the Board permitted.
- B) In accordance with the Section 26, foreigner who are skilled workers or experts who were granted permission to stay in the Kingdom of Thailand in accordance with the Section 25, shall be granted a work permit for a specific position approved by the Board for the period of permitted stay in the Kingdom of Thailand.
- C) In accordance with the Section 28, granted exemption import duties for machinery as approved by the Board.
- D) In accordance with the Section 31, paragraph 1, granted corporate income tax exemption for net income from operations the promotional privileges which was not exceeded 100% of investment excluding land and working capital specific 8 years (Item 1-5) and tax exemption for Promotional Card (Item 6-14) has a period of 5 years from the date of first earning income from that business. Paragraph 4, in the event that the business operates at a loss during the period of exemption from corporate income tax, the promoted person will be allowed to deduct the annual loss incurred during that time from the net profit incurred after receiving the promotion. Exemption from corporate income tax for a period not exceeding 5 and 8 years from the date of expiration of that period. Which can choose to deduct it from the net profits of any year or many years.
- E) In accordance with the Section 34, granted exemption to include dividend received from operations the promotional privileges which exempted corporate income tax following Section 31, for income tax calculation for the exemption period.
- F) In accordance with the Section 37, granted permission to take remit money from the Kingdom of Thailand as foreign currency.

The Company must comply with various conditions specified in the BOI certificate in order to comply with the announcement of the Office of the Board of Investment No. Por. 14/2541, dated December 30, 1998, “Regarding the revenues reporting of a promoted industry”.

For the years ended December 31, the Group’s total revenues from sales were domestic sales, which were allocated to promoted and non-promoted activities as follows:

For the years ended December 31,	Consolidated financial statements				Unit : Million Baht	
	Promoted business		Non-promoted business		Total	
	2025	2024	2025	2024	2025	2024
Revenue from sales and services	66,414	73,665	117,028	113,584	183,442	187,249

For the years ended December 31,	Separate financial statements				Unit : Million Baht	
	Promoted business		Non-promoted business		Total	
	2025	2024	2025	2024	2025	2024
Revenue from sales and services	66,414	73,665	116,648	113,258	183,062	186,923

31. SHAREHOLDERS’ EQUITY

31.1 Revaluation surplus

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

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

31.2 Registered capital

The registration of the increase of paid-up share capital

On November 29, 2024, the Company registered with the Registrar of Public Companies, Department of Business Development, Ministry of Commerce, to increase the paid-up registered capital from debt-to-equity conversion under the business rehabilitation plan from Baht 21,827,719,170 to Baht 231,722,181,950 (23,172.21 million ordinary shares with a par value of Baht 10 per share). The debt-to-equity conversion is based on the price of Baht 4.48 per share, which has been mutually agreed upon by both parties as the fair value of the ordinary shares for the conversion. This price results in shares discount amounting to Baht 115,861,743,454 and loss from the debt-to-equity conversion of Baht 40,581,843,342.

Subsequently, on December 20, 2024, the Company registered with the Registrar of Public Companies, Department of Business Development, Ministry of Commerce, to increase the paid-up registered capital from the issuance of additional shares from Baht 231,722,181,950 to Baht 283,032,915,670 (28,303.29 million ordinary shares with a par value of Baht 10 per share). Newly issued ordinary shares is based on a price of Baht 4.48 per share, which has been mutually agreed upon by both parties as the fair value of the ordinary shares. This price results in shares discount amounting to Baht 28,323,525,013.

31.3 Legal reserve

In accordance with Section 116 of the the Public Limited Company Act B.E. 2535 (1992), the company is required to appropriate a reserve (“legal reserve”) of at least 5 percent of its annual net profit after deducting any accumulated losses (if any) until the reserve reaches at least 10 percent of the registered capital. This reserve cannot be used for dividend payments.

As at December 31, 2025, the Company’s legal reserve in amount of Baht 1,505 million (2024: Nil).

32. OPERATING SEGMENT

Identifying factors of the reportable segments

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

The Company has 3 reportable segments, consisting of:

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

Measurement criteria

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

Profit (loss) before income tax of each segment 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.

For the years ended December 31, 2025 and 2024, the Group did not have revenues from sales and services with a single external customer contributed to 10% or more of total revenues.

32.1 Financial information by segment

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

	Unit : Million Baht							
	Consolidated financial statements						Total	
	Air transportation		Business units		Other activities		2025	2024
	2025	2024	2025	2024	2025	2024	2025	2024
External revenues (see Note 25)	173,087	177,819	8,755	8,116	1,600	1,314	183,442	187,249
Inter-segment revenue (expenses)	(10,848)	(9,842)	8,565	7,767	2,283	2,075	-	-
Interest income	4,456	2,925	-	-	3	4	4,459	2,929
Gain on measurement derivatives	-	107	-	-	-	-	-	107
Gain on foreign exchange rates - net	658	-	-	-	(5)	-	653	-
Gain on termination of aircraft lease agreements	4,230	-	-	-	-	-	4,230	-
Other income	1,286	2,387	120	132	21	18	1,427	2,537
Total revenues	172,869	173,396	17,440	16,015	3,902	3,411	194,211	192,822
Aircraft fuel expenses	(47,376)	(50,474)	-	-	-	-	(47,376)	(50,474)
Employee benefits expenses	(9,211)	(7,370)	(4,198)	(3,272)	(1,795)	(1,466)	(15,204)	(12,108)
Flight service expenses	(19,662)	(18,315)	(21)	(17)	-	-	(19,683)	(18,332)
Depreciation and amortization expenses	(12,703)	(11,851)	(793)	(626)	(495)	(549)	(13,991)	(13,026)
Impairment loss on assets	(1,641)	(6,483)	-	-	-	-	(1,641)	(6,483)
Other expenses	(45,222)	(47,253)	(7,633)	(6,233)	(483)	(544)	(53,338)	(54,030)
Loss on debt restructuring	(7)	(45,271)	-	-	-	-	(7)	(45,271)
Loss on foreign exchange rates - net	-	(906)	-	-	-	-	-	(906)
Finance costs	(13,153)	(18,780)	-	-	(1)	(1)	(13,154)	(18,781)
Loss on measurement derivatives	(1,384)	-	-	-	-	-	(1,384)	-
Shares of profit of investments in associates using the equity method	34	63	-	-	-	-	34	63
Total expenses	(150,325)	(206,640)	(12,645)	(10,148)	(2,774)	(2,560)	(165,744)	(219,348)
Profit (loss) before income tax income (expenses)	22,544	(33,244)	4,795	5,867	1,128	851	28,467	(26,526)
Income tax income (expenses)	2,498	(353)	-	-	(25)	(21)	2,473	(374)
Profit (loss) by segments	25,042	(33,597)	4,795	5,867	1,103	830	30,940	(26,900)

Assets and liabilities of the Group are classified by segment as at December 31, consisted of the following:

	Unit : Million Baht							
	Consolidated financial statements						Total	
	Air transportation		Business units		Other activities		2025	2024
	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	140,135	131,707	750	597	1,000	971	141,885	133,275
Investments in associates	698	682	-	-	-	-	698	682
Property, plant and equipment	36,278	30,637	4,738	5,030	1,340	1,358	42,356	37,025
Right-of-use assets	65,550	71,556	2,570	2,642	1,163	1,169	69,283	75,367
Other non-current assets	48,211	44,407	1	1	11	17	48,223	44,425
Non-allocated assets	1,614	1,734	-	-	-	-	1,614	1,734
Total assets							304,059	292,508
Current liabilities	72,642	71,820	506	458	893	965	74,041	73,243
Non-current liabilities	150,478	170,268	-	-	82	64	150,560	170,332
Non-allocated liabilities	3,547	3,344	-	-	-	-	3,547	3,344
Total liabilities							228,148	246,919

32.2 Revenues by geographical segment

Operating segments classified by geography in the consolidated financial statements for the years ended December 31, are as follows:

	Unit: Million Baht Consolidated financial statements	
	2025	2024
Domestic revenues		
Air transportation	6,078	14,282
Business units	8,755	8,116
Other activities	1,600	1,314
Foreign revenues		
Air transportation		
Asia	85,307	87,916
Europe	64,453	59,676
Australia	17,249	15,945
Total revenues	<u>183,442</u>	<u>187,249</u>

33. PROVIDENT FUND

The Group and their employees have joint to establish a provident fund in accordance with the Thai Provident Fund Act B.E. 2530 and the Provident Fund Act B.E. 2542 (No. 2). The employees will pay contributions and the Group matches the individuals' contributions to the fund monthly.

Provident fund is managed by Krungthai Asset Management Public Company Limited, One Asset Management Company Limited and Principle Asset Management Company Limited and will be paid to employees, when the employees resign according to regulations of the Group's fund. For the years ended December 31, 2025 and 2024, the Group recognized the contribution paid as an expense in the consolidated financial statements in the amount of Baht 519 million and Baht 391 million, respectively

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management objectives

The Group's 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 level and size of risk. These risks included market risk as well as currency risk, interest rate risk, fuel price risk, credit risk and liquidity risk.

The Company 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.

As at December 31, 2025 and 2024, the Company has entered into derivative financial instruments to hedge foreign exchange risk.

34.2 Market risk

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

- Forward foreign exchange contracts to hedge the exchange rate risk;
- Interest rate swaps to mitigate the risk of rising interest rates;
- Commodity option to mitigate the fuel price risk of purchased or sale inventory

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

34.2.1 Foreign currency risk management

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

As the Company generates revenue in THB and foreign currency by more than 50 currencies, which are mainly in currencies 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 the "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 rates in the financial statements. In addition, the Company manages 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 contract to hedge the future obligation that has underlying exposures.

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

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2025	2024	2025	2024
US Dollar	-	159	1,278	52

As at December 31, 2025, the Company has CCS transactions with financial institution, consisting of 14 foreign exchange contracts. The exchanges were made from US dollars to Thai Baht, with a total notional amount of USD 669 million, which will mature in 2028 - 2034. As at December 31, 2025, the carrying amounts are recognized as long-term derivative liabilities in amount of Baht 1,278 million.

As at December 31, 2024, the Company has CCS transactions with a financial institution, consisting of 7 foreign exchange contracts. The exchanges were made from US dollars to Thai Baht, with a total notional amount of USD 377 million, which will mature in 2028 - 2033. As at December 31, 2024, the carrying amounts are recognized as long-term derivative assets in the amount of Baht 159 million and long-term derivative liabilities in amount of Baht 52 million.

For the years ended December 31, 2025 and 2024, the Company recognized gain (loss) on measurement derivatives in amount of Baht (1,384) million and Baht 107 million, respectively.

According to the terms of the agreement, the Company is required to provide collateral for the transaction. As at December 31, 2025 and 2024, the Company has placed collateral in amount of Baht 1,841 million and Baht 1,980 million, respectively, which is presented as part of other non-current assets (see Note 17).

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

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2025	2024	2025	2024
US Dollar	111,007	82,798	(113,513)	(99,367)
Yen	2,616	3,192	(4,269)	(5,179)
Euro	5,249	7,726	(4,278)	(5,046)
Others	13,573	12,743	(1,956)	(1,463)

Foreign currency sensitivity analysis

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

The following table detailed the Group's sensitivity to a 10% of appreciation and depreciation of Baht currency which comparing with relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation as at December 31, for a 10% change in foreign currency rates.

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2025	2024	2025	2024
Gain (Loss)				
- Appreciate 10%	(13,245)	(10,646)	12,402	11,106
- Depreciate 10%	13,245	10,646	(12,402)	(11,106)

34.2.2 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds and finance lease payable at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate portion between fixed and floating rate borrowings and using interest rate swap contracts. Hedging activities will be evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

Interest rate sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit or loss for the years ended December 31, 2025 and 2024 would decrease/increase by Baht 63 million and Baht 116 million, respectively (Excluding rent of aircraft operating leases). This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowing.

Interest rate swap contracts

The Group will consider to enter into contracts to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts will enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the data at the reporting date and the credit risk inherent in the contract.

As at December 31, 2025 and 2024, the Company did not have interest rate swap contract transaction.

34.2.3 Fuel price risk

Fuel price risk in the Company primarily arises from price fluctuation availability of jet fuel. Fuel price fluctuation depends on demand and supply of global market including the impact of economic situation and uncertainty political worldwide, which has direct impact on the Company's operating due to fuel is the important factor in the aviation industry approximately 25 - 40% of airline cost. The Company has made jet fuel price hedging policy in order to reduce the risk of fuel price volatility and for the price of sustainable aviation fuel (SAF) to meet the Company's target and protect the value of the Company for shareholders and all stakeholders which did not intend to make income or 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 more than 60% of annual fuel consumption. Whereby the budget and tenor of each contract would be for a period of not more than 24 months which use financial instruments as follows; Swaps, options and/or mix of said instruments. Currently, the Company collect the compensation for fuel price fluctuations that exceed the base fuel price included in the airplane ticket through "Fuel Surcharge". The Company determines the surcharge rate based on market conditions, competitiveness, fuel price volatility, market response and the estimated changes in fuel price.

As at December 31, 2025, the Company held a derivative instrument in the form of fuel price swap agreements, designated as a cash flow hedge against the volatility of fuel prices. The Company entered into the fuel price swap agreements with a financial institution and oil distributor in line with its risk management strategy. The notional purchase volume of the fuel price swap agreements totaled 5.78 million barrels and is scheduled to mature in March 2026, June 2026, September 2026 and December 2026 (2024: Nil).

As at December 31, 2025, carrying amounts are recognized as short-term derivative assets in the amount of Baht 15 million and short-term derivative liabilities in amount of Baht 60 million (2024: Nil).

For the year ended December 31, 2025, the Company recognized loss from changes in the fair value of hedging productive niche cash flow in amount of Baht 45 million (2024: Nil).

Effect from hedging to statements of financial position as at December 31, 2025

Derivative instruments - outstanding balance	Consolidated and Separate financial statements			Carrying amount of derivative instrument Assets/(Liabilities)	Changes in fair value for recognizing ineffective hedges
	Average exercise price	Amount			
	Put option	Call option	Barrel	Million Baht	Million Baht
3 - 6 months	50	71	225,000	1	-
6 - 12 months	52	74	5,550,000	(46)	-
				(45)	-

Hedged items	Consolidated and Separate financial statements			Reserve for hedging costs
	Changes in fair value for recognizing ineffective hedges	Cash flow hedge reserve for continuing hedge	Cash flow hedge reserves arising from the hedge of the risk relationship that will no longer exist	
Purchase forecast	-	-	-	(45)
	-	-	-	(45)

Unit : Million Baht

34.3 Credit risk management

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

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 statements of financial position.

34.4 Liquidity and interest risk management

As at December 31, 2025 and 2024, ultimate responsibility for liquidity risk management and the payment period are in accordance with the Company's management, 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.

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

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

Unit : Million Baht					
As at December 31, 2025	Effective interest rate (per annum)	Consolidated financial statements			Carrying amount
		Less than 1 year	More than 1 year	Total ⁽¹⁾	
Trade and other payables	5.52 - 15.17	29,393	6,364	35,757	34,695
Long-term borrowings from related parties	1.52 - 9.72	501	7,892	8,393	6,787
Long-term borrowings from financial institutions	9.21 - 12.58	486	6,746	7,232	4,767
Debentures	8.07 - 9.72	-	46,103	46,103	28,926

Unit : Million Baht					
As at December 31, 2024	Effective interest rate (per annum)	Consolidated financial statements			Carrying amount
		Less than 1 year	More than 1 year	Total ⁽¹⁾	
Trade and other payables	5.52 - 15.17	28,311	20,117	48,428	37,475
Long-term borrowings from related parties	1.52 - 9.72	-	8,393	8,393	6,562
Long-term borrowings from financial institutions	9.21 - 12.58	-	7,232	7,232	4,416
Debentures	8.07 - 9.72	-	46,103	46,103	27,156

Unit : Million Baht					
As at December 31, 2025	Effective interest rate (per annum)	Separate financial statements			Carrying amount
		Less than 1 year	More than 1 year	Total ⁽¹⁾	
Trade and other payables	5.52 - 15.17	29,681	6,364	36,045	34,983
Long-term borrowings from related parties	1.52 - 9.72	501	7,892	8,393	6,787
Long-term borrowings from financial institutions	9.21 - 12.58	486	6,746	7,232	4,767
Debentures	8.07 - 9.72	-	46,103	46,103	28,926

Unit : Million Baht					
As at December 31, 2024	Effective interest rate (per annum)	Separate financial statements			Carrying amount
		Less than 1 year	More than 1 year	Total ⁽¹⁾	
Trade and other payables	5.52 - 15.17	28,128	20,117	48,245	37,292
Long-term borrowings from related parties	1.52 - 9.72	-	8,393	8,393	6,562
Long-term borrowings from financial institutions	9.21 - 12.58	-	7,232	7,232	4,416
Debentures	8.07 - 9.72	-	46,103	46,103	27,156

⁽¹⁾ Undiscounted contractual liabilities amount

34.5 Classes and categories of financial instruments and their fair values

The following table combines information of:

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

As at December 31, 2025 and 2024, cash and cash equivalents, trade receivables, other receivables, their carrying amounts approximate their fair value because of short-term maturity.

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

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

Financial assets and financial liabilities measured at fair value

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

	Level of fair value	Consolidated financial statements		Unit : Million Baht Separate financial statements	
		2025	2024	2025	2024
Financial assets and liabilities measured at fair value through profit or loss					
Other non-current financial assets					
Investment in debt securities	Level 2	39	42	39	42
Investment in market equity securities	Level 1	112	156	110	155
Investment in non-market equity securities	Level 3	-	40	-	40
Long-term derivative assets	Level 2	-	159	-	159
Long-term derivative liabilities	Level 2	1,278	52	1,278	52
Financial assets and liabilities measured at fair value through other comprehensive income					
Short-term derivative assets	Level 2	15	-	15	-
Short-term derivative liabilities	Level 2	60	-	60	-
Other non-current financial assets					
Investment in non-marketable equity securities	Level 3	46	36	46	36

The following table discloses 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 end of 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.
Derivative assets and derivative liabilities	Discounted cash flow valuation is based on estimated future cash flows, where most of the inputs used in the valuation are observable in the relevant market at the end of the reporting date, such as spot exchange rates, forward exchange rates of foreign currencies, and commodity forward price curves. The valuation also takes into account the impact of counterparty credit risk in determining the fair value of derivatives.

For the years ended December 31, 2025 and 2024, the Company did not transfer financial instruments between the fair value hierarchy.

Reconciliation of recurring fair value measurements of financial assets categorised within Level 3 of the fair value hierarchy as at December 31, are as follows:

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	2025	2024	2025	2024
Non-marketable equity securities				
- measured at fair value through profit or loss (FVTPL)				
Beginning balances of the years	40		312	
Net gain recognized into profit or loss	(40)		(272)	
Ending balances of the years	<u>-</u>		<u>40</u>	
	Consolidated financial statements		Unit : Million Baht	
			Separate financial statements	
	2025	2024	2025	2024
Non-marketable equity securities				
- measured at fair value through other comprehensive income (FVTOCI)				
Beginning balances of the years	36	26	36	22
Transferred during the years	-	-	-	4
Net gain recognized into other comprehensive income	10	10	10	10
Ending balances of the years	<u>46</u>	<u>36</u>	<u>46</u>	<u>36</u>

35. COMMITMENTS AND CONTINGENT LIABILITIES

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

35.1 Bank guarantees

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

	Unit : Million (Currency)	
	Consolidated and separate financial statements	
	2025	2024
Bank Guarantee		
Issued by domestic banks		
THB Currency	270	239
Issued by foreign banks		
USD Currency	80	30
AUD Currency	3	3
INR Currency	603	372
SAR Currency	2	-
AED Currency	1	1
HKD Currency	3	3
NPR Currency	43	43
NOK Currency	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.

35.2 COMMITMENTS

As at December 31, 2025 and 2024, the Company is awaiting delivery of aircraft, with a total future payment obligation under the aircraft operating lease agreements of approximately USD 3,341 million and USD 2,014 million, respectively, and agreements to procure assets totaling approximately USD 10,000 million and USD 8,000 million. The Company has partially paid the pre-delivery payment for the aircraft.

36. SIGNIFICANT LITIGATIONS AND DISPUTES

36.1 Significant litigation

- For the year ended December 31, 2024, the Company was a defendant in 6 cases filed by several individuals and domestic companies, with a total claim amount of Baht 68 million. Subsequently, during year 2025, the Court of First Instance rendered judgments in favor of the Company in 4 cases, whereby the Company is not required to make any payments to the plaintiffs and rendered judgments ordering the Company to pay the plaintiffs in 2 cases, totaling Baht 18 million.
- During 2025, the Company was a defendant in 7 cases filed by several individuals and domestic companies, totalling of Baht 237 million.

Accordingly, as at December 31, 2025, the litigations are currently under consideration by the Court of First Instance and the Court of Appeal. The Company is unable to reliably estimate the potential impact arising from the aforementioned lawsuits and believes that it is not probable that a material liability will arise, in respect of these litigation, the financial statements

36.2 Damage Claim Disputes

The Company had received claims for damages as at December 31, 2025 and 2024, from individuals and foreign companies totaling 49 disputes amounting to approximately Baht 127 million and 32 disputes amounting to approximately Baht 109 million, respectively.

Accordingly, these claims are currently under negotiation with the claimants. The Company is unable to reliably estimate the potential impact that may arise from such claims.

36.3 Tax dispute

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 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 the 682 disputes that occurred during the years 2012 - 2018. Subsequently, during the third quarter of 2025, the Company agreed to settle the dispute by consenting to compensate based on the value of the goods, totaling Baht 46 million. The Company recorded the amount as an expense and completed the payment in August 2025.

37. EVENTS AFTER REPORTING PERIOD

On February 25, 2026, the Board of Directors' Meeting passed a resolution to propose to the Company's Annual General Meeting of Shareholders for the year 2026 for consideration and approval of the allocation of net profit from the year 2025 for the payment of an annual dividend at the rate of Baht 0.21 per share.

38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issuance by the Board of Directors of the Company on February 25, 2026.