

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE PLAN ADMINISTRATOR

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, 2022, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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, 2022, 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.

Emphasis of matter

We draw attention to Notes 1 and 5 to the financial statements, in the second quarter of year 2020, the Company was under the Automatic Stay status according to the Order to accept the rehabilitation petition of the Central Bankruptcy Court on May 27, 2020. The Central Bankruptcy Court issued an Order approving the rehabilitation plan on June 15, 2021. Finally, on October 20, 2022, the Central Bankruptcy Court issued an Order approving the proposal for plan amendment which the Plan Administrator submitted petition for plan amendment on July 1, 2022. Accordingly, the plan amendment reduces the restrictions in business management and improves the feasibility to implement the rehabilitation plan. Furthermore, the current situation shows that the epidemic crisis of COVID-19 began to improve around the world. Consequently, the international travel and public health measures were gradually relaxed and resulted to the recovery of the airline business. However, the achievements of the rehabilitation plan depend on its ability to implement and rehabilitate according to all conditions as specified in the completion of business rehabilitation plan. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were 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 these matters.

Key Audit Matters	Audit Responses
<p>Going concern</p> <p>As at December 31, 2022, the Group's and the Company's current liabilities exceeded its current assets by Baht 3,853 million and Baht 2,016 million in the consolidated and separate financial statements, respectively. In addition, the Group and the Company also have the capital deficiency by Baht 71,025 million and Baht 63,493 million in the consolidated and separate financial statements, respectively. In addition, the Company is under rehabilitation plan.</p> <p>The management believes that the preparation of financial statements based on a going concern basis is still appropriate to the Group and the Company (see Notes 1 and 5 to the financial statements) because the Group and the Company improve business operation by making the business plans and financial plans in order to have sufficient cash flow to pay for various obligations when become due and restructure the liabilities under the rehabilitation plan so they can continue to operate the business for at least a year from the date of approval of the financial statements ("going concern period").</p> <p>We have identified a key audit matter related to going concern as a result of the judgement required to conclude there is not a material uncertainty related to going concern.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Critically assessed assumption in the business plans and financial plans of the Group including details of the terms and conditions of the rehabilitation plan. • Evaluated the reasonableness of input and assumption used in cash flow forecast which was prepared by the management by comparison against historical performance, current economic and industry indicators, publicly available information and the rehabilitation plan. • Involved our internal specialist and challenged the key assumptions include those relating to revenue and the significant payments in cash flow forecast for going concern period by reading analyst report, industry data and other external information and comparing these with management's estimates to determine if they provided corroborative or contradictory evidence in relation to management assumption, comparing forecast sales and key expenses with recent historical financial information to consider the reasonableness of forecasting as well as reviewing the accuracy of the financial model formula. • Considered the sensitivity of cash flow from the impact of changes in key assumptions such as revenue growth rate. • Examined events after the end of the reporting period to determine events that affect the Group's and the Company's ability to continue as a going concern. • Obtained a management's representation letter about the business plans and financial plans of the Group and the Company and the feasibility of such plans. • Evaluated disclosure on going concern against the requirement of TAS 1.

Key Audit Matters	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 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 on the accuracy on recognition of revenue from passenger fare.</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 assessed and tested the Group's internal controls on the passenger fare process by making enquiry of responsible personnel and selecting representative samples to test the implementation 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. • Examining a sample of passenger fare to underlying records including evidence of payment and flight records to assess the accuracy of the revenue recognized. • 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.

Key Audit Matters	Audit Responses
<p>Assessing impairment of aircrafts and related assets</p> <p>Management performs an impairment assessment of the cash-generating units by comparing its carrying value with its recoverable amount.</p> <p>We identified the assessment of impairment of aircraft and related assets in the cases that the recoverable amount obtained from value-in-use as a key audit matter because it uses the significant accounting estimate that required management to exercise a high degree of judgement in estimating revenue growth and discount rate which is relevant to the future cash flows.</p> <p>Accounting policies of impairment and details of aircraft and related assets were disclosed in the Notes 3.11 and 4.1 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Reviewed minutes of the Plan Administrator, Creditors, Executive Management, those Charged with Governance meetings and held discussion with senior management to understand to rationale and assumption and consider if they were reflected in the value-in-use calculation prepared by Management. • Obtained an understanding of process in determining the estimate for impairment of aircrafts and related assets and tested of design and implementation of Group's internal control. • Involved internal valuation specialist to assess and test the appropriateness and possibility of the methodology and significant assumptions applied by the management in projected cash flow relating to the value-in-use, including the consideration of revenue growth, which is based on utilization of the fleet and flight plan, and discount rate with reference to our understanding of the business, historical trends and available industry information and market data. • Performed sensitivity analyzes on the key assumptions, included projected profitability, expected growth rates and discount rates adopted in the discounted cash flow forecasts and assessing whether there was any indicator of management bias in the selection of this assumptions. • Preformed analytical review on information relevant to the loss on impairment of aircrafts and related assets. • Checked the arithmetical accuracy of the computation used in assessing of value-in-use. • Reviewed the disclosures in respect of the impairment assessment of these assets

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, 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 management and 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'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 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 matters. We describe these matters 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 23, 2023

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7.1	34,539,793,772	5,514,653,800	34,042,074,166	5,121,813,222
Trade and other current receivables	6, 8	16,955,034,829	10,022,226,844	17,040,069,085	12,536,138,839
Inventories and supplies	9	4,448,944,904	4,131,546,294	4,427,515,059	4,114,052,208
Current tax assets		317,595,696	204,702,448	317,595,696	204,687,687
Other current assets		795,858,833	601,419,991	795,821,693	601,370,481
Non-current assets classified as held for sale	10	2,746,514,121	4,320,962,383	2,746,514,121	4,320,962,383
Total Current Assets		59,803,742,155	24,795,511,760	59,369,589,820	26,899,024,820
NON-CURRENT ASSETS					
Other non-current financial assets	22, 34.5	3,243,541,000	3,314,741,146	3,212,334,853	3,308,383,171
Investments in associates	11.1	511,002,483	515,307,376	383,334,000	383,334,000
Investments in subsidiaries	11.2	-	-	10,209,920	10,209,920
Non-current receivable under lease agreements	6.3	-	-	6,495,040,409	7,086,677,261
Property, plant and equipment	12	45,968,605,615	34,493,245,202	45,918,253,719	34,442,683,416
Right-of-use assets	13	61,868,826,214	69,651,695,912	56,295,477,032	62,326,397,358
Intangible assets	14	166,069,480	213,376,966	145,112,285	176,961,857
Deferred tax assets	15	9,599,009,022	8,274,742,579	9,591,946,667	8,258,409,755
Maintenance reserves	16	14,328,757,735	15,489,511,397	14,328,757,735	15,426,952,515
Other non-current assets	17	2,688,165,526	4,471,121,630	2,548,555,188	4,340,400,133
Total Non-current Assets		138,373,977,075	136,423,742,208	138,929,021,808	135,760,409,386
TOTAL ASSETS		198,177,719,230	161,219,253,968	198,298,611,628	162,659,434,206

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, 2022

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	6, 20	25,036,720,096	28,076,044,447	23,148,070,066	27,359,944,841
Deferred revenue	21	35,679,208,931	17,753,074,488	35,344,600,968	17,416,845,556
Current portion of long-term liabilities					
Long term borrowing from related party	6.2, 7.3	453,754,166	-	453,754,166	-
Leases liabilities	7.3, 19	1,979,804,017	605,964,141	1,975,960,540	593,972,474
Short-term borrowings from related parties	6.2, 7.3	39,000,000	-	-	-
Corporate income tax payable		4,500,589	-	-	-
Accrued dividends		54,565,362	54,473,562	54,228,762	54,228,762
Other current liabilities		409,029,424	858,742,679	408,993,722	849,105,210
Total current Liabilities		63,656,582,585	47,348,299,317	61,385,608,224	46,274,096,843
NON-CURRENT LIABILITIES					
Long-term liabilities					
Long-term borrowings from financial institutions	7.3, 18.1	7,717,759,083	10,575,571,433	7,717,759,083	10,575,571,433
Long-term borrowings from related parties	6.2, 7.3	23,907,474,750	18,559,461,364	23,907,474,750	18,559,461,364
Leases liabilities	7.3, 19	85,141,788,721	74,595,455,465	85,140,838,305	74,592,636,469
Debentures	7.3, 18.2	42,764,683,547	35,538,679,443	42,764,683,547	35,538,679,443
Trade and other non-current payables	6, 20	13,796,918,544	19,560,109,462	13,796,918,544	19,560,109,462
Staff pension fund	22	931,905,658	1,028,854,319	931,905,658	1,028,854,319
Non-current provisions for employee benefit	23	4,496,194,282	5,172,907,152	4,414,525,009	5,083,353,215
Other non-current provisions	24	26,776,840,778	20,071,788,288	19,848,841,569	16,129,323,670
Other non-current liabilities		12,207,708	18,606,004	1,883,304,922	1,975,264,816
Total Non-Current Liabilities		205,545,773,071	185,121,432,930	200,406,251,387	183,043,254,191
TOTAL LIABILITIES		269,202,355,656	232,469,732,247	261,791,859,611	229,317,351,034

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, 2022

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
33,682.46 million ordinary shares of Baht 10 each	31.2	<u>336,824,601,650</u>		<u>336,824,601,650</u>	
2,182.77 million ordinary shares of Baht 10 each			<u>21,827,719,170</u>		<u>21,827,719,170</u>
Issued and paid-up share capital					
2,182.77 million ordinary shares of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Share premium on ordinary shares		1,862,979,154	1,862,979,154	1,862,979,154	1,862,979,154
DEFICIT					
Unappropriated (deficit)		(103,848,403,956)	(104,673,778,434)	(96,236,279,467)	(100,007,567,657)
Other components of shareholders' equity		<u>9,074,992,677</u>	<u>9,659,970,951</u>	<u>9,052,333,160</u>	<u>9,658,952,505</u>
Total shareholders' equity arributable					
to owners of the Company (capital deficiency)		(71,082,712,955)	(71,323,109,159)	(63,493,247,983)	(66,657,916,828)
Non-controlling interests		<u>58,076,529</u>	<u>72,630,880</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY					
(CAPITAL DEFICIENCY)		<u>(71,024,636,426)</u>	<u>(71,250,478,279)</u>	<u>(63,493,247,983)</u>	<u>(66,657,916,828)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>198,177,719,230</u>	<u>161,219,253,968</u>	<u>198,298,611,628</u>	<u>162,659,434,206</u>

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

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(Mr.Chai Eamsiri)
Chief Executive Officer

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(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Notes	2022	2021	2022	2021
Revenues	32.1, 32.2				
Revenues from sales or rendering services	25, 30				
Passenger and excess baggage		73,408,336,989	5,528,478,386	64,861,663,334	3,278,227,439
Freight and mail		23,784,429,737	10,928,144,157	23,742,720,039	10,905,174,586
Other business		6,674,148,536	5,115,564,667	7,792,713,532	5,528,571,580
Total revenues from sales or rendering of services		103,866,915,262	21,572,187,210	96,397,096,905	19,711,973,605
Other income					
Interest income		65,581,603	21,793,772	64,628,633	20,949,350
Gain on sales of investments	26.1	16,132,150	2,833,995,048	16,132,150	3,452,826,293
Gain on debt restructuring	5.4.1	-	61,807,531,743	-	61,807,531,743
Other income	26.2	1,263,679,423	3,745,498,501	1,207,101,166	3,958,659,360
Total other income		1,345,393,176	68,408,819,064	1,287,861,949	69,239,966,746
Total Revenues		105,212,308,438	89,981,006,274	97,684,958,854	88,951,940,351
Expenses					
Aircraft fuel expenses		38,378,379,705	5,925,995,708	34,593,190,240	5,182,947,122
Employee benefits expenses		7,686,639,751	6,410,708,578	7,057,945,214	5,933,995,638
Flight service expenses		9,045,391,313	2,414,749,132	8,244,619,756	2,225,169,015
Crew expenses		2,601,237,567	614,805,003	2,245,318,666	480,665,182
Aircraft repair and maintenance costs		11,650,522,924	5,704,148,369	8,928,322,175	3,432,651,328
Depreciation and amortization expenses		9,880,894,144	12,544,140,777	8,562,601,157	11,940,055,210
Lease of aircraft and spare parts		5,226,737,469	1,265,078,604	5,140,568,427	966,320,246
Inventories and supplies expenses		2,875,564,311	490,613,298	2,647,134,569	414,612,112
Selling and advertising expenses		4,731,725,276	837,204,401	3,998,109,403	568,420,119
Reversal impairment loss on aircrafts, right-of-use assets and rotatable aircraft spare parts	27	(9,520,673,393)	(20,012,894,944)	(9,520,673,393)	(20,012,894,944)
Loss on debt restructuring	5.4.1	5,238,410,546	-	5,238,410,546	-
Net foreign exchange loss		1,511,791,603	7,617,838,853	1,487,667,625	8,472,005,931
Other expenses		4,787,503,883	4,387,995,221	4,153,553,346	4,006,817,683
Total Expenses		94,094,125,099	28,200,383,000	82,776,767,731	23,610,764,642
Profit from operating activities		11,118,183,339	61,780,623,274	14,908,191,123	65,341,175,709
Finance costs		12,686,734,414	9,489,834,715	11,148,073,266	9,371,302,348
Impairment loss determined in accordance with TFRS 9 (reversal)	28	112,948,211	(169,949,931)	2,514,074,153	472,610,579
Share of loss of associates using the equity method		4,304,893	127,203,254	-	-
Profit (loss) before income tax expense		(1,685,804,179)	52,333,535,236	1,246,043,704	55,497,262,782
Income tax income	29	1,434,193,377	2,779,768,097	1,450,554,558	2,777,338,740
PROFIT (LOSS) FOR THE YEARS		(251,610,802)	55,113,303,333	2,696,598,262	58,274,601,522

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2022	2021	2022	2021
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on revaluation of assets	12, 31	-	1,709,185,596	-	1,709,185,597
Income tax relating to revaluation of assets		-	(341,837,119)	-	(341,837,120)
Gains (losses) on investment in equity designated at fair value through other comprehensive income		36,870,104	2,418,525	15,229,032	3,428,760
Income tax related to investment in equity designated at fair value through other comprehensive income		(3,045,807)	(31)	(3,045,807)	-
Acturial gains on employee benefit obligations	23	592,791,998	1,164,516,201	569,859,198	1,165,549,964
Income tax related to actuarial gains on employee benefit obligations		(113,971,840)	(233,109,993)	(113,971,840)	(233,109,993)
Total components of other comprehensive income that will not be reclassified to profit or loss		512,644,455	2,301,173,179	468,070,583	2,303,217,208
Other comprehensive income (loss) for the years - net of tax		512,644,455	2,301,173,179	468,070,583	2,303,217,208
Total comprehensive income (loss) for the years		261,033,653	57,414,476,512	3,164,668,845	60,577,818,730
Profit (loss) attributable to					
Owners of the parent		(272,248,251)	55,118,210,406	2,696,598,262	58,274,601,522
Non-controlling interests		20,637,449	(4,907,073)	-	-
		(251,610,802)	55,113,303,333	2,696,598,262	58,274,601,522
Total comprehensive income (loss) attributable to					
Owners of the parent		240,396,204	57,419,383,585	3,164,668,845	60,577,818,730
Non-controlling interests		20,637,449	(4,907,073)	-	-
		261,033,653	57,414,476,512	3,164,668,845	60,577,818,730
Profit (loss) per share					
Number of ordinary shares (shares)		2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic earnings (loss) per share (Baht per share)		(0.12)	25.25	1.24	26.70

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, 2022

UNIT : BAHT

Consolidated financial statements												
Notes	Shareholders' equity attributable to owners of the Company								Non-controlling Interests	Total Shareholders' Equity		
	Issued and Paid-up Share Capital	Share premium on Ordinary Shares	Retained Earnings (deficit)		Other Components of shareholders' equity						Total Shareholders' equity attributable to owners of the parent company	
			Appropriated Legal reserve	Unappropriated	Gain (loss) on cash flow hedges - net of tax	Gain on revaluation of assets - net of tax	Gains (losses) on investment in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity				
Balance as at January 1, 2021	21,827,719,170	1,862,979,154	-	(161,898,334,024)	-	9,457,797,725	7,345,231	9,465,142,956	(128,742,492,744)	77,629,763	(128,664,862,981)	
Changes in Shareholders' Equity												
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-	-	(91,810)	(91,810)	
Transfer of gain on selling assets revaluation	31	-	-	1,174,938,976	-	(1,174,938,976)	-	(1,174,938,976)	-	-	-	
Total comprehensive income (loss) for the year		-	-	56,049,616,614	-	1,367,348,477	2,418,494	1,369,766,971	57,419,383,585	(4,907,073)	57,414,476,512	
Balance as at December 31, 2021		21,827,719,170	1,862,979,154	-	(104,673,778,434)	-	9,650,207,226	9,763,725	9,659,970,951	(71,323,109,159)	72,630,880	(71,250,478,279)
Balance as at January 1, 2022		21,827,719,170	1,862,979,154	-	(104,673,778,434)	-	9,650,207,226	9,763,725	9,659,970,951	(71,323,109,159)	72,630,880	(71,250,478,279)
Changes in Shareholders' Equity												
Dividends paid		-	-	-	-	-	-	-	-	(35,100,000)	(35,100,000)	
Dividends paid to cumulative preferred shares		-	-	-	-	-	-	-	-	(91,800)	(91,800)	
Transfer of gain on selling assets revaluation	31	-	-	-	618,802,571	-	(618,802,571)	-	(618,802,571)	-	-	
Total comprehensive income (loss) for the year		-	-	-	206,571,907	-	-	33,824,297	33,824,297	240,396,204	20,637,449	261,033,653
Balance as at December 31, 2022		21,827,719,170	1,862,979,154	-	(103,848,403,956)	-	9,031,404,655	43,588,022	9,074,992,677	(71,082,712,955)	58,076,529	(71,024,636,426)

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, 2022

UNIT : BAHT

Separate financial statements									
Notes	Issued and Paid-up Share Capital	Share premium on Ordinary Shares	Retained Earnings (deficit)		Other Components of shareholders' equity				Total Shareholders' Equity
			Appropriated Legal reserve	Unappropriated	Other Comprehensive income (loss)				
					Gain (loss) on cash flow hedges - net of tax	Gain on revaluation of assets - net of tax	Gains losses on investment in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at January 1, 2021	21,827,719,170	1,862,979,154	-	(160,389,548,126)	-	9,457,797,725	5,316,519	9,463,114,244	(127,235,735,558)
Changes in Shareholders' Equity									
Transfer of gain on selling assets revaluation 31	-	-	-	1,174,938,976	-	(1,174,938,976)	-	(1,174,938,976)	-
Total comprehensive income (loss) for the year	-	-	-	59,207,041,493	-	1,367,348,477	3,428,760	1,370,777,237	60,577,818,730
Balance as at December 31, 2021	21,827,719,170	1,862,979,154	-	(100,007,567,657)	-	9,650,207,226	8,745,279	9,658,952,505	(66,657,916,828)
Balance as at January 1, 2022	21,827,719,170	1,862,979,154	-	(100,007,567,657)	-	9,650,207,226	8,745,279	9,658,952,505	(66,657,916,828)
Changes in Shareholders' Equity									
Transfer of gain on selling assets revaluation 31	-	-	-	618,802,571	-	(618,802,571)	-	(618,802,571)	-
Total comprehensive income (loss) for the year	-	-	-	3,152,485,620	-	-	12,183,225	12,183,225	3,164,668,845
Balance as at December 31, 2022	21,827,719,170	1,862,979,154	-	(96,236,279,466)	-	9,031,404,655	20,928,504	9,052,333,159	(63,493,247,983)

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 CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (Loss) for the years		(251,610,802)	55,113,303,333	2,696,598,262	58,274,601,522
Adjustment to reconcile profit and loss					
Income tax income		(1,434,193,377)	(2,779,768,097)	(1,450,554,558)	(2,777,338,740)
Depreciation and amortization expense		9,880,894,144	12,544,140,777	8,562,601,157	11,940,055,210
Dividend received		(6,344)	(1,420,207)	(42,906,176)	(22,420,207)
Share of loss from associates using the equity method		4,304,893	127,203,254	-	-
Interest income		(65,029,136)	(21,793,774)	(64,076,165)	(20,949,350)
Finance costs		12,686,734,414	9,489,834,715	11,148,073,266	9,371,302,348
Gain on disposal of fixed assets		(783,383,072)	(1,592,512,125)	(783,383,072)	(1,592,661,953)
Gain on sale of investments		(16,132,150)	(2,833,995,048)	(16,132,150)	(3,452,826,293)
(Gain) loss arising from financial asset designated at fair value through profit or loss		(83,432,071)	95,355,169	(83,432,071)	95,355,169
Gain on reclassification of investments		-	(326,880,595)	-	(546,587,135)
Unrealized loss on foreign exchange rates		3,688,702,815	11,649,228,756	4,337,448,630	13,154,594,295
Provisions for pension fund	22	25,370,932	45,153,644	25,370,932	45,153,644
(Reversal) provision for employee benefits	23	99,877,973	(4,353,749,684)	83,619,436	(4,373,561,289)
(Reversal) provision for long-term aircraft maintenance		3,525,086,542	123,711,875	3,220,610,218	(1,392,596,370)
Loss on inventories and supplies obsolescence		5,004,893	199,133,494	5,004,893	199,133,494
(Reversal) credit loss on financial assets	28	112,948,211	(169,949,931)	2,514,074,153	472,610,579
Loss on right-of-use contract termination		69,862,722	64,052,244	69,862,722	64,052,244
Loss on write off asset		17,675,360	-	17,675,360	-
Gain on offsetting obligation of service and engine maintenance fee		-	(1,457,095,281)	-	(1,457,095,281)
Loss (Gain) on debt restructuring		5,238,410,546	(61,807,531,743)	5,238,410,546	(61,807,531,743)
Reversal impairment loss on aircraft, right-of-use assets and rotable aircraft's spare part	27	(9,520,673,393)	(20,012,894,944)	(9,520,673,393)	(20,012,894,944)
Gain (Loss) from operating before changes in operating assets and liabilities		23,200,413,100	(5,906,474,168)	25,958,191,990	(3,839,604,800)
Operating assets decrease (increase)					
Trade and other current receivables		(7,963,364,783)	(2,407,768,380)	(7,099,607,224)	(2,266,040,105)
Lease receivables		-	-	622,366,586	(1,115,189,480)
Inventories and supplies		(322,403,502)	(89,545,341)	(318,467,744)	(99,914,474)
Other current assets		(234,517,310)	(61,388,810)	(203,253,695)	(61,612,824)
Maintenance reserves		(43,364,711)	(181,875,822)	(201,994,656)	(181,875,822)
Other non-current financial assets		144,860,409	1,239,344,116	145,301,203	1,241,188,716
Other non-current assets		1,701,824,691	(45,219,709)	1,651,058,591	(7,289,956)

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 CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		(4,189,134,226)	(3,114,997,911)	(8,426,520,807)	(3,843,161,050)
Deferred revenues		17,926,066,366	1,595,471,523	17,927,687,335	1,499,327,946
Other current liabilities		(634,508,278)	614,271,644	(648,119,186)	614,276,397
Staff pension fund		(118,114,828)	(962,293,919)	(118,114,828)	(962,293,919)
Other non-current liabilities		(91,492,234)	(79,053,754)	(91,959,893)	(110,345,861)
Net cash provided by (used in) operations		29,376,264,694	(9,399,530,531)	29,196,567,672	(9,132,535,232)
Employee benefit paid		(159,202,788)	(236,284,183)	(157,992,388)	(236,284,183)
Income tax paid		(328,675,148)	(211,377,116)	(317,595,696)	(204,687,687)
Income tax refunded		219,041,639	-	199,768,202	-
Net cash flows provided by (used in) operating activities		29,107,428,397	(9,847,191,830)	28,920,747,790	(9,573,507,102)
CASH FLOWS FROM INVESTING ACTIVITIES					
Deposit from sale of asset		195,979,527	-	195,979,527	-
Cash paid for purchase of property, plant and equipment		(206,896,041)	(116,611,697)	(195,634,384)	(91,405,212)
Cash paid for purchase of intangible assets		(27,718,804)	(18,993,369)	(6,929,861)	(6,739,785)
Cash received from sales of non-current assets classified as held for sale		2,318,679,444	3,842,274,804	2,318,679,444	3,842,230,983
Cash received from sales of investments		64,629,569	3,709,609,670	67,836,669	3,709,609,670
Interest received		56,353,974	19,437,892	55,401,003	18,593,469
Dividend received		35,576	1,979,678	42,906,176	1,979,678
Net cash flows provided by investing activities		2,401,063,245	7,437,696,978	2,478,238,574	7,474,268,803
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term borrowings from related parties	7.3	39,000,000	-	-	-
Cash paid for lease liabilities	7.3	(1,802,524,298)	(494,513,897)	(1,792,321,122)	(483,967,706)
Cash paid for interest paid		-	(263,040,774)	-	(263,040,774)
Dividend paid		(15,384)	(8,564)	-	(8,564)
Dividend of subsidiary paid to non-controlling interests		(35,115,216)	-	-	-
Net cash flows used in financing activities		(1,798,654,898)	(757,563,235)	(1,792,321,122)	(747,017,044)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate					
of exchange rate		29,709,836,744	(3,167,058,087)	29,606,665,242	(2,846,255,343)
Effect of exchange rate changes on cash and cash equivalents		(665,939,327)	6,579,675	(667,646,853)	6,155,586
Effects of changes in credit loss on cash and cash equivalents		(18,757,445)	1,409,462	(18,757,445)	1,409,462
Cash and cash equivalents at beginning of the years	7.1	5,514,653,800	8,673,722,750	5,121,813,222	7,960,503,517
Cash and cash equivalents at ending of the years	7.1	34,539,793,772	5,514,653,800	34,042,074,166	5,121,813,222

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, 2022

Notes	Contents
1	General information and operations and going concerns
2	Basis of preparation and presentation of the financial statements
3	Significant accounting policies
4	Critical accounting judgements and key source of estimation uncertainty
5	Rehabilitation plans
6	Related parties transactions
7	Additional cash flow information
8	Trade and other current receivables
9	Inventories
10	Non-current assets classified as held for sale
11	Investments
12	Property, plant and equipment
13	Right-of-use assets
14	Intangible assets
15	Deferred taxes assets
16	Maintenance reserves
17	Other non-current assets
18	Interest-bearing liabilities
19	Lease liabilities
20	Trade and other payables
21	Deferred revenue
22	Staff pension fund
23	Non-current provisions for employee benefits
24	Other non-current provisions
25	Revenues
26	Gain on sale of investments and other income
27	Impairment loss on aircrafts, right-of-use asset and rotatable aircraft spareparts (reversal)
28	Impairment loss determined in accordance with TFRS 9 (reversal)
29	Income tax income
30	Promotional privileges
31	Shareholders' equity
32	Operating segment
33	Provident fund
34	Financial instruments
35	Commitments and contingent liabilities
36	Dispute and significant litigations
37	Events 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, 2022

1. GENERAL INFORMATION AND OPERATIONS AND GOING CONCERNS

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, 2022 and 2021, the Company’s major shareholder and ultimate parent company is the Ministry of Finance by holding 47.86% of the Company’s issued and paid-up shares.

The Company’s principal activities are the operation of airline business and business units which related directly with transportation. As at December 31, 2022, the Company had the routes network servicing to 33 destinations in 23 countries all over the world, and Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 23 destinations in 8 countries, whereas 10 destinations were domestic (excluding Bangkok).

As at December 31, 2021, the Company had the routes network servicing to 22 destinations in 16 countries all over the world, whereas 1 destination was domestic (excluding Bangkok), and Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 14 domestic (excluding Bangkok).

On May 26, 2020, the Company submitted a petition to enter into a business rehabilitation process and proposed the rehabilitation planner (“the Planners”) to the Central Bankruptcy Court. On May 27, 2020, the Central Bankruptcy Court accepted the business rehabilitation petition for further consideration. Subsequently, on June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors’ meeting on May 19, 2021. As a result, the nomination of the Plan Administrator, whose names were proposed according to the business rehabilitation plan and the amendment petitions became the Plan Administrators. The two of the Plan Administrators are authorized to jointly sign to bind the Company. The Plan Administrators are authorized to operate the business, manage the Company’s assets, and implement the business rehabilitation plan. The essential parts of the business rehabilitation plan are capital restructuring, debt repayment of each class of the creditors, and the completion of the business rehabilitation plan.

Subsequently, on July 1, 2022, the Plan Administrator submitted the petition for plan amendment to the Official Receiver. On September 1, 2022, the Official Receiver arranged the creditors’ meeting and the creditors accepted the proposal for plan amendment. Finally, October 20, 2022, the Central Bankruptcy Court issued an order approving on proposal for plan amendment. The details of the revision of the business rehabilitation plan are disclosed in Note 5.3.

The current situation shows that the epidemic crisis of Coronavirus disease 2019 (“COVID-19”) began to reduce the violence around the world. Consequently, the international travel and public health measures were gradually relaxed and obviously inclines to improve as recovery of the airline business. The Company’s management has closely monitored the progress of the situation and assessed the impact on business operations and the financial impact on the value of assets and provisions.

As at December 31, 2022, the Company and its subsidiaries (the “Group”) had current liabilities in excess of current assets by Baht 3,853 million and by Baht 2,016 million in the consolidated and separate financial statements, respectively, which is mainly the result of the Group and the Company’s deferred revenue by Baht 35,679 million and by Baht 35,345 million, respectively. In addition, the Group and the Company have the capital deficiency by Baht 71,025 million and Baht 63,493 million in the consolidated and separate financial statements, respectively.

The Company’s management believes that the preparation of financial statements on going concern basis is still appropriate because the Company is in the process of business rehabilitation. During this period, the Company is able to continue its necessary activities for operation as usual in order to enable the Company to continue as a going concern for at least 12 months from the date in the statements of financial position. However, the Company’s ability to continue as going concern is subjected to ability to implement the plan and to rehabilitate according to all conditions as specified in the rehabilitation plan and reorganize the business operation appropriately in term of flight route planning, the number of flights and management of aircraft in the fleet in responding to such recovering situation of the airline business in order to maintain the appropriate financial liquidity.

Major assets and liabilities recorded as at December 31, 2022 have been adjusted as a result of the approved rehabilitation plan. Right-of-use assets was remeasured from lease modification, maintenance reserves and security deposit were adjusted as specified in Letter of Intent (“LOI”) or new lease agreement with lessors. Accrued interest expenses from the loans, debentures, operating lease and finance leases have adjusted default interest rate at the rate of 1.25% to 23% per annum to interest rate in accordance with the rehabilitation plan. For financial liabilities, the Company remeasured liabilities that received an Order from the Official Receiver for the application of debt repayment in business reorganization except debenture creditors. The Company adjusted all debenture payables in accordance with the business rehabilitation plan as the Company assessed as there is material certainty that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver (see Note 5).

As at December 31, 2022, the company remeasured financial liabilities according to the amendment of the business rehabilitation plan. The company remeasured the principal of debt under the business rehabilitation plan which will be converted to ordinary shares at baht 2.5452 per share for loan creditors from major shareholders that are not financial institutions, financial institution creditors assigned to receive residual proceeds from the disposal of aircraft, unsecured financial institution creditors and bond creditors. The repayment will be made within the year 2024 (see Note 5).

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

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

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

- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2022 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The consolidated and separate statements of financial position as at December 31, 2021, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which have been audited.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The subsidiaries are as follows:

Company's Name	Type of business	Main location of incorporation	Ownership percentage	
			As at December 31, 2022	As at December 31, 2021
Held by the Company:				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology for travel services	Thailand	55	55
2. WingSpan Services Company Limited	Providing specialized personnel services to the Company	Thailand	49 ⁽¹⁾	49 ⁽¹⁾
3. Thai Smile Airways Company Limited	Air transportation services	Thailand	100	100
Held by the Company and 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 Eumg Luang Company Limited	Tourism Business	Thailand	49 ⁽¹⁾	49 ⁽¹⁾

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

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

During the year, the Group has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

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

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Group are as follows:

Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.9 "Financial Instruments"

The amendment clarifies that in applying the "10 per cent" test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2022 and 2021 were prepared by using the financial statements of its subsidiaries and associates as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

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

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

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

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at 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 receivables and other receivables are stated at their invoice value less allowance for expected credit losses.

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

3.5 Inventories and supplies

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

3.6 Non-current assets held for sale

Non-current assets and disposal asset groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset 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 recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

(1) Amortized cost and effective interest method

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

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

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

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

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

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

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

(3) Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

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

Impairment of financial assets

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

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

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

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

(1) Write-off policy

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

(2) Measurement and recognition of expected credit losses

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

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

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

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

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the 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 a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

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

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

Hedge accounting

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

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

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

Cash flow hedges

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

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

3.8 Investments in subsidiaries and associates

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

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

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. When the Group’s share of losses of an associate equals or exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized 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 statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

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

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

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

Disposal of investments

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

If the Group disposes of a partial of its holding investment, the deemed cost of the sold investment 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, building improvement, buildings under land lease agreement, aircraft and aircraft overhaul costs (D-check), aircraft under leases agreement, aircraft improvement, rotatable aircraft's spare parts including machine, engine and passenger seat, tools and plant and equipment are measured at cost less accumulated depreciation and allowance for impairment.

Since 2021, building is presented at a revalued amount using Cost Approach method. The revaluation was done by the independent appraiser. The revaluation shall be made every 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 land is transferred directly to retained earnings and is not taken into account in calculating the profit or loss on disposal.

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

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

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

Subsequent costs

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

Depreciation

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

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

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

The Group do not depreciate land.

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

3.10 Intangible assets

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

Amortization

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

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

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

3.11 Impairment of non-financial asset

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

3.12 Provision

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

3.13 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other 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 statement of profit or loss and other comprehensive income in the period which they incur.

Short-term employee benefits

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

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

3.14 Revenue recognition

3.14.1 Passenger and excess baggage revenue

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

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

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 transfer the control of goods to the customer or delivers goods to the customer, excludes value-added tax. Revenue from dispatch services are recognized when services are provided.

3.14.4 Dividend income

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

3.14.5 Interest income and other income

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

3.15 Expense recognition

Expenses are recognized on an accrual basis.

3.16 Finance costs

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

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

3.17 Leases

The Group as lessee

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

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

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

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

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

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

The Group remeasures the 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 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 asset 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 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 of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Lease of aircraft and spare part” in profit or loss.
3. As a practical expedient, International Financial Reporting Standard 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 lessor

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

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

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

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

3.18 Income tax expense

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

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

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

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

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

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

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

3.19 Earnings (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.

3.20 Fair value measurements

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

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

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

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

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

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

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

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

The independent appraiser assesses fair value less cost to sale by desktop appraisal method adjusted by fair value of inflation 2% which is considerate 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 judgement to reflect the best estimate at that time to forecast the future result. Accordingly, actual results may differ from this estimate.

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

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

The source of expected future taxable profit is 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 each reporting period.

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

The Group could not determine the implicit interest rate of the lease. Therefore, the management is required to exercise judgement in estimating its incremental borrowing rate ("IBR") to discount lease liabilities. The IBR is the 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 Market interest rate for discounting cash flows for the write-off of financial liabilities.

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

4.7 Fair value appraisal of land

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

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

4.8 Fair valuation of buildings and structures

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

Independent building appraiser analyzed by using key principles which are cost estimation for the construction of a new replacement building in accordance with the construction price as of the appraisal date, minus the depreciation over the period of use of the property, as well as consider various factors 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. REHABILITATION PLANS

5.1. Entering into the business rehabilitation process

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

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

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

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

On March 2, 2021, the Planners submitted the rehabilitation plan to the Official Receiver and on May 7, 2021, the Planners submitted a petition to amend the rehabilitation plan to the Official Receiver. The Official Receiver scheduled the meeting with the creditors to consider the rehabilitation plan on May 12, 2021. Then, on May 19, 2021, the creditors' meeting passed a resolution in accordance with the Section 90/46 of the Bankruptcy Act B.E. 2483, accepted the rehabilitation plan dated March 2, 2021, and the plan as amended per 3 plan amendment petitions, which were proposed by the Planner and two creditors, as well as nominated 5 plan administrators, i.e., Mr. Piyasvasti Amranand, Mr. Pornchai Thiravet, Mr. Siri Jirapongphan, Mr. Kraisorn Barameeauychai, and Mr. Chansin Treenuchagron. The Central Bankruptcy Court held the hearing to consider the rehabilitation plan on May 28, 2021.

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors' meeting on May 19, 2021, which resulted in the nominated Plan Administrator in accordance with the business rehabilitation plan and the amendment petitions of 5 persons became the Plan Administrator. The 2 of the Plan Administrators are authorized to jointly sign to bind the Company. The Plan Administrator is authorized to operate the business, manage the Company's assets, and implement the business rehabilitation plan. The essential parts of rehabilitation plan on June 15, 2021, are disclosed in Note 5.2.

On July 1, 2022, the Plan Administrator submitted the petition to amend the business rehabilitation plan, and subsequently submitted the petition to amend petition to amend the business rehabilitation plan dated 1 July 2022 totaling 2 petitions to the Official Receiver, the Legal Execution Department. On 1 September 2022, the Official Receiver convened the creditors' meeting. The creditors' meeting had its resolution pursuant to Section 90/46 of the Bankruptcy Act B.E. 2483 accepted the proposal for the plan amendment of the Plan Administrator which was submitted to the Official Receiver.

On October 20, 2022, the Central Bankruptcy Court issued an order approving the proposal for the plan amendment. The summary of essential parts of the approved plan amendment are disclosed in Note 5.3.

On October 21, 2022, the Company informed the resignation of 2 Plan Administrators which were Mr. Siri Jirapongphan and Mr. Kraisorn Barameeauychai. In this regard, the remaining Plan Administrators have the power to act in accordance with section 90/65 (6) of the Bankruptcy Act B.E. 2483 (as amended) and clause 10.6 (2) of the Company's business rehabilitation plan.

5.2 Essential parts of the business rehabilitation plan which approved by the Central Bankruptcy Court on June 15, 2021

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

5.2.1 Capital restructuring

- The capital reduction by write-off the unissued and unsold registered share capital of 516,129,033 shares within 60 days of the date on which the Central Bankruptcy Court issued an order approving the business rehabilitation plan.

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

5.2.2 Debt repayment of each class of the creditors

The business rehabilitation plan classified creditors into 36 groups, consisting of 1 group of secured creditor and 35 groups of unsecured creditors. Each class of the creditors had different payment method, term, debt repayment period and related interest as specified in the business rehabilitation plan. Such debt may alter, depending on the final order for debt repayment from the Official Receiver and/or the Court (as the case may be) and the business rehabilitation plan specified the debt repayment shall be made in compliance with the final order of the Official Receiver, the Central Bankruptcy Court, the Court of Appeal for Specialized Case, or the Supreme Court (as the case may be).

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

5.2.3 Completion of the business rehabilitation plan

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

- (1) The Company registers the capital increase and obtains new credit facility as specified conditions stated in the business rehabilitation plan.
- (2) The Company implements the business rehabilitation plan without any default for 5 years consecutive period from the date on which the Central Bankruptcy Court approves the business rehabilitation plan.
- (3) The Company has earnings before interest, tax, depreciation and amortization (“EBITDA”) from operation after deducting cash outflow for aircraft lease liabilities repayment under the aircraft leases agreement, in an average amount not less than Baht 20,000 million per annum for 2 years prior to the successful outcome of the business rehabilitation plan being reported to the Court whereby the EBITDA in the latter year shall not be lower than Baht 20,000 million.

- (4) The Company appoints new directors, in case there is a change in shareholders as specified conditions stated in the business rehabilitation plan.

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

5.3 Essential parts of the plan amendment as approved by the Central Bankruptcy Court on October 20, 2022

5.3.1 Debt repayment methods

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

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

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

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

- (3) Class 5 Financial institution Creditors entitled to receive residual proceeds from the disposal of aircraft, Class 6 Unsecured financial institution Creditors, and Creditors Class 18 - 31 Bond Creditor.

The amendment of this part is change of debt repayment methods from full repayment by cash in the year 12th to 15th of the business rehabilitation plan (depending on the class of creditors) to the repayment by conversion of the principal under the business rehabilitation plan for 24.50 percent of each creditors' outstanding debt according to the final debt repayment order to a newly issued ordinary share, at Baht 2.5452 per share, and the repayment will be made within the year 2024. The remaining debt will be repaid by the cash flow as specified period in the primary business rehabilitation plan which the Court already approved. Furthermore, the amendment stipulates that the creditors shall be entitled to an interest of the outstanding principal which will be repaid by a debt-to-equity conversion to a newly issued ordinary share during the period that the debt-to-equity conversion not yet been made. The interest rate will be an average of a new interest rate under the business rehabilitation plan which the Court already approved. Moreover, the amendment added a new interest rate by adding the interest at the rate of 0.25 percent per annum to the original rate from the outstanding principal which will be repaid by the cash flow in the second half of the year 13th of the plan until the payment is made in full (for Class 5 Creditor and Class 6 Creditors) and in the last 2 year of the maturity period of bonds under the business rehabilitation plan (for Class 18 - 31 Creditors).

(4) Class 9 Ticket refund Creditors

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

5.3.2 Capital Restructuring

The capital restructuring can be summarized as follows:

(1) The Company will increase its registered capital for an amount up to Baht 216,773,146,220 by issuing newly ordinary shares up to 21,677,314,622 shares with the par value of Baht 10 per share. The Company will allocate the newly issued ordinary shares as follows:

(a) To allot newly issued ordinary shares, not exceeding 4,911,236,813 shares with the par value of Baht 10 per share, for supporting the exercise of the right of a new financial supporter to purchase them in accordance with the share option agreement at the price of Baht 2.5452 per share.

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

(b) To allot newly issued ordinary share, not exceeding 14,862,369,633 shares with the par value of Baht 10 per share, for the debt repayment to the creditors under the business rehabilitation plan by conversion of the debt to a newly issued ordinary share under the following conditions:

- To repay the outstanding principal of Class 4 Creditor for Baht 12,827,461,287 by conversion of this debt into the newly issued ordinary share, not exceeding 5,039,896,007 shares, at Baht 2.5452 per share.

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

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

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

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

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

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

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

5.3.4 Business Rehabilitation Plan Completion

The rehabilitation process of the Company shall be considered as completion upon the following:

- (1) The Company registers the capital increase as specified conditions stated in the business rehabilitation plan.
- (2) The Company implements the business rehabilitation plan without any default.
- (3) The Company has earnings before interest, tax, depreciation, and amortization ("EBITDA") from operation after deducting cash outflow for aircraft lease liabilities repayment under the aircraft lease agreement, not less than Baht 20,000 million for 12 months before reporting of successful outcome of the business rehabilitation plan being reported to the Court and the shareholder's equity is positive and
- (4) The Company appoints new directors, in case there is change in shareholders as specified condition stated in the business rehabilitation plan.

5.4 Implementation of the business rehabilitation plan

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

After the Central Bankruptcy Court had issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors' meeting held on May 19, 2021. The Company processed the adjustment of capital structure and debt restructuring by an Order received from the Official Receiver.

On July 8, 2021, the Plan Administrator's meeting No. 5/2021 passed the resolution to approve the decrease of registered share capital of Baht 26,989,009,500 to Baht 21,827,719,170 by writing off the unissued and unsold share of 516,129,033 shares as stipulated in the rehabilitation plan. The Company submitted a petition to the Central Bankruptcy Court for requesting the Central Bankruptcy Court's approval to the Plan Administrators to decrease the Company's registered share capital and completed the registration with the Department of Business Development, Ministry of Commerce, on August 17, 2021.

For financial liabilities measured at amortized cost, using the effective interest method and determined whether there is material difference between pre-adjusted and post-adjusted of financial liabilities. Financial liabilities with material differences will recognize as the new financial liabilities at fair value by discount cash flow method, using market rate. Different amount between carrying amount of original financial liabilities and present value of new financial liabilities will be recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income. If such new financial liabilities do not have material difference, the Company will recognize the modified financial liabilities by discount cash flow, using original effective interest rate. The difference is recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income.

5.4.1.1 Value of assets and liabilities recorded as at December 31, 2022 have been adjusted in accordance with the business rehabilitation plan as follow:

- (1) The Company received an Order from the Official Receiver to pay debt to certain trade payables and other payables and certain loan creditors. The Company adjusted such trade payables and other payables and loan creditors according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Note 20), resulting the Company recognized gain from liabilities adjustment in accordance with an Order from the Official Receiver in amount of Baht 1,052 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 6,232 million for the substantial modification in value of liabilities as the recognition of new financial liabilities.
- (2) The Company adjusted the finance leases and operating leases by changing the rental rate, reference interest rate, and terms and conditions for payment schedule in accordance with amendment agreement with the lessor for 6 aircrafts under finance lease and 10 aircrafts under operating lease resulted in changing in value of right-of-use assets and lease liabilities (see Notes 13 and 19).

In addition, the Company adjusted maintenance reserve, security deposit and lease liabilities that incurred before September 14, 2020 for the aforementioned operating lease agreement and recognized loss on debt restructuring of Baht 475 million.

- (3) The Company terminated the Declaration of Onerous Contracts of 9 aircrafts under the financial lease agreement and delivered 5 aircrafts to the lessor. The Company adjusted right-of-use asset, lease liabilities, payable under lease agreement and relevant expenses. As a result, the Company recognized loss on debt restructuring of Baht 1,923 million.
- (4) The Company has adjusted the loan creditors and bond creditors according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan amendment as approved by the Central Bankruptcy Court (see Notes 5.3.1(2) and 5.3.1(3)). As a result, the Company recognized loss on debt restructuring of Baht 10,124 million.

Gains (loss) on debt restructuring for the year ended December 31, 2022 in the consolidated and separate financial statements are as follow:

Unit : Million Baht	
Gain on derecognition of financial liabilities measured at amortized cost (see Note 5.4.1.1 (1))	6,232
Gain on liabilities adjustment in accordance with an Order from the Official Receiver (see Note 5.4.1.1 (1))	1,052
Loss from adjustment of assets and liabilities in accordance with the amendment lease agreement (see Note 5.4.1.1 (2))	(475)
Loss from termination of onerous contract (see Note 5.4.1.1 (3))	(1,923)
Loss on liabilities adjustment in accordance with the business rehabilitation plan amendment (see Note 5.4.1.1 (4))	(10,124)
Total	<u><u>(5,238)</u></u>

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

- (1) On July 8, 2021, the Plan Administrator's meeting No. 5/2021 passed the resolution to approve the decrease of registered share capital of Baht 26,989,009,500 to Baht 21,827,719,170 by writing-off the unissued and unsold share of 516,129,033 shares as stipulated in the rehabilitation plan. The Company submitted a petition to the Central Bankruptcy Court for requesting the Central Bankruptcy Court's approval to the Plan Administrators to decrease the Company's registered share capital and completed the registration with the Department of Business Development, Ministry of Commerce, on August 17, 2021.
- (2) The Company adjusted interest and maturity dates of borrowings, debentures and lease liabilities in accordance with the business rehabilitation plan (see Notes 6.2 and 18), resulting the Company had gain on debt restructuring in amount of Baht 7,612 million in the consolidated and separate statements of profit or loss and other comprehensive income.

- (3) The Company received an order from the Official Receiver to pay debt to some loan creditors. The Company adjusted loan creditors according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Notes 6.2 and 18), and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 10,621 million for the substantial modification in value of liabilities as the recognition of new financial liabilities, including recognized gain on modification of financial liabilities measured at amortized cost in amount of Baht 83 million in the consolidated and separate statement of profit or loss and other comprehensive income.
- (4) The Company received an order from the Official Receiver to pay debt to certain debenture holders. The Company adjusted debenture liabilities according to an order from the Official Receiver, resulting the Company had gain on debt restructuring in amount of Baht 4 million. The Company also adjusted maturity date and interest rate of debentures in accordance with the business rehabilitation plan. Moreover, the Company adjusted all debenture payables measured at amortized cost in accordance with the business rehabilitation plan as the Company assessed as there is material certainty that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver. The Company recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 38,963 million (see Note 18.2) in the consolidated and separate statement of profit or loss and other comprehensive income.
- (5) The Company received an order from the Official Receiver to pay debt to certain trade payables and other payables. The Company adjusted trade payable and other payable according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Note 20), resulting the Company recognized expense in amount of Baht 560 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 2,223 million for the substantial modification in value of liabilities as the recognition of new financial liabilities in the consolidated and separate statements of profit or loss and other comprehensive income.
- (6) The Company adjusted the liabilities from the major creditor of engine maintenance service agreements who was necessary for business operation in accordance with the business rehabilitation plan, resulting the Company had gain on debt restructuring in amount of Baht 2,766 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 413 million for the substantial modification in value of liabilities as the recognition of new financial liabilities in the consolidated and separate statements of profit or loss and other comprehensive income.

- (7) The Company adjusted the finance leases and operating leases by changing the rental rate, reference interest rate and terms and conditions for payment in accordance with LOI, resulting changing in value of right of use assets and lease liabilities (see Notes 13 and 19). As at December 31, 2021, the Company has amendment agreement with lessor for 6 aircrafts under finance lease and 11 aircrafts under operating lease.

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

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

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

	Unit : Million Baht
Gain on reversal of default interest (see Note 5.4.1.2 (2))	7,612
Gain on derecognition of financial liabilities measured at amortized cost (see Notes 5.4.1.2 (3) - (6))	52,220
Gain on modification of financial liabilities measured at amortized cost (see Note 5.4.1.2 (3))	83
Gain on debenture adjustment (See note 5.4.1.2 (4))	4
Recognize expense (see Note 5.4.1.2 (5))	(560)
Gain on adjusting liabilities under engine maintenance service agreements (see Note 5.4.1.2 (6))	2,766
Loss from amendment agreement (see Note 5.4.1.2 (7))	(761)
Gain from termination of onerous contract (see Note 5.4.1.2 (8))	443
Total	61,807

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

For trade and other payables, loan creditors, shareholder creditors, aircraft lease creditors and aircraft finance lease creditors, the Company is in the debt's verification process with the Official Receiver and will be adjusted upon receiving an order from the Official Receiver. The Company's management is in the process to consider the impact to liabilities which may be changed when the debt verification with the Official Receiver is completed.

6. RELATED PARTIES TRANSACTIONS

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

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

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

Relationships with related parties other than subsidiaries and associates as at December 31, 2022 were 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.	Krunghai Bank Co., Ltd.	Commercial Bank	Thailand	Common shareholders
6.	Thailand Post Co., Ltd.	Postal Business	Thailand	Related party
7.	PTT Public Company Limited	Energy & Utilities	Thailand	Related party
8.	Tourism Authority of Thailand	Tourism	Thailand	Related party
9.	Airports of Thailand Public Company Limited	Airport of Thailand	Thailand	Related party
10.	MCOT Public Company Limited	Communication	Thailand	Related party
11.	Civil Aviation Training Center	Aviation Training	Thailand	Related party
12.	Aeronautical Radio of Thailand Ltd.	Air Traffic Control	Thailand	Related party
13.	National Telecom Public Company Limited	Telecommunications	Thailand	Related party

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Major shareholder				
Sales and rendering of services	1	-	1	-
Purchases of goods and receiving of services	2	3	2	3
Interest expenses	255	565	255	565
Subsidiaries				
Sales and rendering of services	-	-	3,391	1,346
Purchases of goods and receiving of services	-	-	3,375	521
Associates				
Purchases of goods and receiving of services	39	33	39	33
Dividend received	-	21	-	21
Related party				
Sales and rendering of services	21	4	21	4
Purchases of goods and receiving of services	4,304	8,791	4,304	8,791
Remuneration of Directors and Executives				
Short-term executives Compensation	33	26	26	18
Board of Directors 'remuneration	26	15	22	14
Employee benefit obligation	1	7	1	7

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

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Trade and other current receivables				
Subsidiaries	-	-	11,203	10,782
Related party	34	14	34	14
Total	<u>34</u>	<u>14</u>	<u>11,237</u>	<u>10,796</u>

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2022	2021	2022	2021
Trade account payable and other current liabilities (see Note 20)				
Subsidiaries	-	-	173	129
Associates	19	2	19	2
Related party	86	78	86	78
Total	<u>105</u>	<u>80</u>	<u>278</u>	<u>209</u>
Trade account payable and other non-current payables (see Note 20)				
Associates	17	17	17	17
Related party	933	938	933	938
Total	<u>950</u>	<u>955</u>	<u>950</u>	<u>955</u>

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

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2022	2021	2022	2021
Short-term borrowings from related parties				
From domestic financial institution controlled by major shareholder	39	-	-	-
Long-term borrowings from related parties				
From foreign financial institution through major shareholder	11,722	6,082	11,722	6,082
From domestic financial institution controlled by major shareholder	12,639	12,477	12,639	12,477
Total long-term borrowings from related parties	<u>24,361</u>	<u>18,559</u>	<u>24,361</u>	<u>18,559</u>
Total	<u>24,400</u>	<u>18,559</u>	<u>24,361</u>	<u>18,559</u>

During the year ended December 31, 2022, the Company did not make any repayment of principle or addition borrowing from related parties. On October 20, 2022, the Central Bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting the change in the debt repayment method to be paid by converting certain debt into ordinary shares according to the amendment of rehabilitation plan. Including the change in maturity date and interest rate of borrowing from related parties to be in accordance with the amendment of business rehabilitation plan (see Note 5.3).

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

As at December 31, 2022 and 2021, the Company adjusted outstanding debt to repay of the borrowing from foreign financial institution through major shareholder and borrowing from domestic financial institution controlled by major shareholder which the Company received an order from the Official Receiver. However, the remaining borrowings from domestic financial institution controlled by major shareholder are in the process of debt verification with the Official Receiver.

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

Unit: Million Baht						
Consolidated and Separated Financial Statements						
	Maturity Date		Interest rate (% per annum)		Amount	
	2022	2021	2022	2021	2022	2021
Current Portion						
From domestic financial institution controlled by the major shareholder ⁽³⁾	June 15, 2023	-	5.75	-	454	-
Non-current Liabilities						
From domestic financial institution controlled by the major shareholder ⁽¹⁾	December 30, 2035	December 30, 2035	1.00 - 1.50	1.00 - 1.50	10,746	10,714
From foreign financial institution through major shareholder ⁽²⁾	December 30, 2024	December 30, 2032	1.50	1.50	11,722	6,082
From domestic financial institution controlled by the major shareholder ⁽³⁾	-	June 15, 2023	-	5.75 - 18.00	-	568
From domestic financial institution controlled by the major shareholder ⁽⁴⁾	December 30, 2035	December 30, 2035	1.00 - 1.50	1.00 - 1.50	1,439	1,195
Total					<u>24,361</u>	<u>18,559</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 debt repayment method of long-term borrowing from related parties to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 5.3.1). Therefore, as at December 31, 2022, the Company adjusted the outstanding debt from certain financial institutions according to the order from the Official Receiver and remeasure financial liabilities with effective interest rates.

⁽²⁾ Borrowings from foreign financial institution through major shareholder was the borrowing that the Ministry of Finance entered into the borrowing agreements with foreign financial institution and the Ministry of Finance had given such borrowing to the Company. On October 20, 2022, the Central Bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting the change in debt repayment method of such long-term loan to be paid by converting whole of debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 5.3.1). Therefore, as at December 31, 2022, the Company adjusted the outstanding debt according to the order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

⁽³⁾ Borrowings from domestic financial institution controlled by the major shareholder was the borrowings in Yen currency, having the requirement to register the aircraft (A330-300, 2 aircrafts) as business collateral, with the total credit of Yen 4,200 million as a repayment collateral.

On October 20, 2022, the Central Bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting in adding the debt repayment means. The Company have additional right to repay the debt from cashflow which received from the business operation. This will allow the Company to return the collateralized aircraft for using in business operation (see Note 5.3.1(1)). Later, the Company paid the outstanding principal on January 4, 2023 at an interest rate 5.75 percent.

⁽⁴⁾ On October 20, 2022, the Central Bankruptcy Court issued an order to approve the amendment of business rehabilitation plan, resulting the change in debt repayment method of long-term borrowing from domestic financial institution controlled by the major shareholder to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 5.3.1(3)). Therefore, as at December 31, 2022, the Company adjusted the outstanding debt according to the order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

6.3 Significant agreements with related parties

Aircraft lease agreements

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

	Unit : Million Baht	
	Minimum lease payments	
	Separate financial statement	
	2022	2021
Amounts receivable under finance leases:		
Year 1	1,198	1,108
Year 2-5	6,030	4,769
Year 5 Onwards	2,825	4,954
Undiscounted lease payments	10,053	10,831
Less Unearned finance income	(2,942)	(3,244)
Net investment in the lease	7,111	7,587
Undiscounted lease payments analyzed as:		
Recoverable within 12 months	1,198	1,108
Recoverable after 12 months	8,855	9,723
	10,053	10,831
Net investment in the lease analyzed as:		
Recoverable within 12 months	616	500
Recoverable after 12 months	6,495	7,087
	7,111	7,587

Services agreement

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

Leasing Space Agreement and license to operate business agreement

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

7. ADDITIONAL CASH FLOWS INFORMATION

7.1 Cash and Cash Equivalents

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Cash - Domestic	8	11	6	9
Cash - Foreign	5	3	4	3
Bank deposit - Domestic	13,492	3,181	13,023	2,822
Bank deposit - Foreign	21,057	2,324	21,031	2,292
Total cash and cash equivalents	34,562	5,519	34,064	5,126
<u>Less</u> Credit loss allowance	(22)	(4)	(22)	(4)
Total cash and cash equivalents	34,540	5,515	34,042	5,122

As at December 31, 2022, the Company had remained domestic bank deposit from sales investment of Bangkok Aviation Fuel Services Public Company Limited in amount of Baht 0.26 million which had restricted purpose for reimbursement direct expenses related to passenger flight operation, reimburse expenses related to cargo flight and expenses related to Mutual Separation Plan (MSP) according to the Central Bankruptcy Court order for rehabilitation.

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Payable for purchase of assets	1,212	397	1,212	397
Lease payables	(529)	2,889	(529)	2,889
Offsetting maintenance reserves and other payables	1,892	55	1,892	55
Offsetting security deposits and payables according to lease creditors	-	252	-	252
Adjustment Right-of-use assets by LOI	-	54,661	-	54,661
Reclassify accrued employee benefits	29	4,400	29	4,400

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						
As at December 31, 2022	Consolidated financial statements					Balance as at December 31, 2022
	Balance as at January 1, 2022	Cash flows from financing activities	Changes from non-cash items Exchange rate	Increase	Others	
Short-term borrowings from related parties	-	39	-	-	-	39
Long-term borrowings from financial institutions	10,575	-	-	-	(2,857) ⁽²⁾⁽⁵⁾	7,718
Long-term borrowings from related parties	18,559	-	-	-	5,802 ⁽¹⁾⁽²⁾⁽⁵⁾	24,361
Lease liabilities	75,201	(1,803)	1,200	7,592	4,932 ⁽³⁾	87,122
Debentures	35,539	-	-	-	7,226 ⁽²⁾⁽⁵⁾	42,765
Total	139,874	(1,764)	1,200	7,592	15,103	162,005

Unit : Million Baht							
As at December 31, 2021	Consolidated financial statements						Balance as at December 31, 2021
	Balance as at January 1, 2021	Cash flows from financing activities	Classification of non-current portion	Exchange rate	Effect from TFRS 16 ⁽⁶⁾	Others	
Short-term borrowings from financial institutions	3,730	-	(3,730)	-	-	-	-
Short-term borrowings from related parties	11,261	-	(11,261)	-	-	-	-
Long-term borrowings from financial institutions	8,511	-	3,730	-	-	(1,666) ⁽²⁾⁽⁵⁾	10,575
Long-term borrowings from related parties	14,896	-	11,261	932	-	(8,530) ⁽²⁾⁽⁵⁾	18,559
Lease liabilities	123,801	(495)	-	7,191	(53,726)	(1,570) ⁽³⁾	75,201
Debentures	71,608	-	-	-	-	(36,069) ⁽⁴⁾	35,539
Total	233,807	(495)	-	8,123	(53,726)	(47,835)	139,874

⁽¹⁾ Changing from modification of financial liabilities measured at amortized cost (see Note 5.4.1)

⁽²⁾ Changing from derecognition of financial liabilities measured at amortized cost (see Note 5.4.1)

⁽³⁾ Reclassification of lease payables and other lease modification (see Note 19).

⁽⁴⁾ Effect of the adjustment of debenture in accordance with business rehabilitation plan (see Note 5.4.1 and 18.2) and the recognition of finance cost measured at amortized cost.

⁽⁵⁾ Recognition of finance cost measured at amortized cost.

⁽⁶⁾ Effect of the adjustment of liabilities from the lease modification and remeasurement of lease liabilities from the change in variable payments based on the reference interest rate (see Note 19)

Unit : Million Baht

As at December 31, 2022	Balance as at January 1, 2022	Cash flows from financing activities	Changes from non-cash items			Balance as at December 31, 2022
			Exchange rate	Increased	Others	
Long-term borrowings from financial institutions	10,575	-	-	-	(2,857) ⁽²⁾⁽⁵⁾	7,718
Long-term borrowings from related parties	18,559	-	-	-	5,802 ⁽¹⁾⁽²⁾⁽⁵⁾	24,361
Lease liabilities	75,187	(1,792)	1,200	7,590	4,932 ⁽³⁾	87,117
Debentures	35,539	-	-	-	7,226 ⁽²⁾⁽⁵⁾	42,765
Total	139,860	(1,792)	1,200	7,590	15,103	161,961

Unit : Million Baht

As at December 31, 2021	Balance as at January 1, 2021	Cash flows from financing activities	Separate financial statements Changes from non-cash items				Balance as at December 31, 2021
			Classification of non- current portion	Exchange rate	Effect from TFRS 16 ⁽⁶⁾	Others	
Short-term borrowings from financial institutions	3,730	-	(3,730)	-	-	-	-
Short-term borrowings from related parties	11,261	-	(11,261)	-	-	-	-
Long-term borrowings from financial institutions	8,511	-	3,730	-	-	(1,666) ⁽¹⁾⁽⁵⁾	10,575
Long-term borrowings from related parties	14,896	-	11,261	932	-	(8,530) ⁽¹⁾⁽⁵⁾	18,559
Lease liabilities	123,787	(484)	-	7,191	(53,726)	(1,581) ⁽³⁾	75,187
Debentures	71,608	-	-	-	-	(36,069) ⁽⁴⁾	35,539
Total	233,793	(484)	-	8,123	(53,726)	(47,846)	139,860

(1) Changing from modification of financial liabilities measured at amortized cost (see Note 5.4.1)

(2) Changing from derecognition of financial liabilities measured at amortized cost (see Note 5.4.1)

(3) Reclassification of lease payables and other lease modification (see Note 19).

(4) Effect of the adjustment of debenture in accordance with business rehabilitation plan (see Note 5.4.1 and 18.2) and the recognition of finance cost measured at amortized cost.

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

(6) Effect of the adjustment of liabilities from the lease modification and remeasurement of lease liabilities from the change in variable payments based on the reference interest rate (see Note 19)

8. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Trade receivables				
Related parties (see Note 6.2)	34	14	2,576	1,623
Other parties	11,180	6,597	10,582	6,290
<u>Less</u> Credit loss allowance	(1,555)	(1,465)	(3,825)	(2,927)
Total trade receivables	9,659	5,146	9,333	4,986
Other receivables				
Related parties (see Note 6.2)	-	-	8,661	9,173
Other parties	1,978	1,806	1,555	1,415
<u>Less</u> Credit loss allowance	(186)	(187)	(8,531)	(6,929)
Total other receivables	1,792	1,619	1,685	3,659
	11,451	6,765	11,018	8,645
Current receivable under finance lease agreement (see Note 6.3)	-	-	616	500
Accrued income	969	1,103	1,008	1,202
Receivable - the Revenue Department	207	202	207	202
Prepaid expenses and deposits	4,328	1,952	4,191	1,987
Total	16,955	10,022	17,040	12,536

As at December 31, 2022 and 2021, the Company recognized Expected Credit Loss (ECL) in separate financial statements in accordance with TFRS 9. Most of the expected credit loss were credit loss of trade and other current receivables of Thai Smile Airways Company Limited, a subsidiary, of Baht 10,654 million and Baht 8,256 million, respectively. In addition, the Company recognized expected credit loss for other receivables in amount of Baht 1,702 million and 1,600 million, respectively.

Aging analysis for trade receivables, consisted of the following:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Related parties				
Within credit terms	3	-	236	93
Overdue:				
Less than 6 months	14	-	314	57
6 - 12 months	3	9	510	97
1 - 2 years	9	5	141	821
Over 2 years	5	-	1,375	555
	34	14	2,576	1,623
<u>Less</u> Credit loss allowance	(13)	-	(2,321)	(1,515)
	21	14	255	108
Other parties				
Within credit terms	6,472	2,528	5,931	2,291
Overdue:				
Less than 6 months	2,987	1,664	2,972	1,658
6 - 12 months	137	885	137	885
1 - 2 years	167	321	167	320
Over 2 years	1,417	1,199	1,375	1,136
	11,180	6,597	10,582	6,290
<u>Less</u> Credit loss allowance	(1,542)	(1,465)	(1,504)	(1,412)
	9,638	5,132	9,078	4,878
Total	9,659	5,146	9,333	4,986

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Balance as at January 1,	1,465	1,553	2,927	2,896
Net remeasurement of credit loss allowance (Reverse)	90	(88)	898	31
Balance as at December 31,	<u>1,555</u>	<u>1,465</u>	<u>3,825</u>	<u>2,927</u>

9. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Aircraft spare parts	3,537	3,433	3,537	3,433
Slow moving aircraft spare parts and held for sale	4,734	4,782	4,734	4,782
Vehicle spare parts and ground support equipment	295	292	295	292
Fuel and oil for aircraft	235	60	235	60
Inventories for sales	230	153	227	150
Cabin and catering supplies	175	178	164	172
Supplies and other consumables	15	17	15	16
Inventories and spare parts for flight simulator and other supplies	99	107	92	100
Inventories and spare parts in transit	203	83	203	83
Obsolete and damaged inventories for disposal	28	128	28	128
Total inventories and supplies	<u>9,551</u>	<u>9,233</u>	<u>9,530</u>	<u>9,216</u>
<u>Less</u> Allowance for diminution in value of inventories	<u>(5,102)</u>	<u>(5,102)</u>	<u>(5,102)</u>	<u>(5,102)</u>
Total inventories	<u>4,449</u>	<u>4,131</u>	<u>4,428</u>	<u>4,114</u>

For the years ended December 31, 2022 and 2021, the Company recognized allowance for diminution in value of inventories in the consolidated and separate statements of profit or loss and other comprehensive income, consist of the following:

	Unit : Million Baht Consolidated and Separate financial statements	
	2022	2021
Loss on diminution in value of inventories	-	199

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

As at December 31, 2022	Consolidated and Separate financial statement					Balance as at December 31, 2022
	Balance as at January 1, 2022	Addition	Impairment	Disposal	Transfer	
Aircraft	3,110	124	648	(711)	(724)	2,447
Engine	123	21	(12)	(76)	-	56
Land	1,081	-	-	(739)	(98)	244
Other assets	7	10	-	(9)	(8)	-
Total	4,321	155	636	(1,535)	(830)	2,747

As at December 31, 2021	Consolidated financial statement				Balance as at December 31, 2021
	Balance as at January 1, 2021	Addition	Impairment	Disposal	
Aircraft	85	3,246	(172)	(49)	3,110
Engine	-	107	60	(44)	123
Investment in equity	708	-	-	(708)	-
Land	-	3,155	-	(2,074)	1,081
Other assets	-	44	-	(37)	7
Total	793	6,552	(112)	(2,912)	4,321

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

Significant movement during the year 2022 as follows:

- On May 13, 2022, the Plan Administrator approved to bring back 3 A330 aircrafts into service with net book values of Baht 724 million and the Company reclassified the mentioned assets from non-current assets classified as held for sale to property, plant and equipment.
- On December 31, 2022, the Company reclassified land and office buildings in Chiang-Mai and Phitsanulok from non-current assets classified as held for sale to other non-current assets (see Note 17) with net book values of Baht 102 million and 4 million, respectively.
- For the year ended December 31, 2022, the Company reversed impairment losses from 16 aircrafts in amount of Baht 648 million and recorded the loss from impairment of spare engines amounting to Baht 12 million (see Note 27).

11. INVESTMENTS

11.1 Investments in associates

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

Unit : Million Baht												
	Country of incorporation	Nature of business	Percentage of shareholding (%)		Paid-up capital		Consolidated financial statements		Separate financial statements		Dividend income	
Associates			2022	2021	2022	2021	Equity method 2022	2021	Cost method - net 2022	2021	2022	2021
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40.00	40.00	120	120	49	53	48	48	-	-
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30.00	30.00	100	100	143	154	30	30	-	21
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30.00	30.00	1,018	1,018	319	308	305	305	-	-
Total							511	515	383	383	-	21

11.2 Investments in subsidiaries

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

Unit : Million Baht														
Subsidiaries	Country of incorporation	Nature of business	Separate financial statements											
			Percentage of Shareholding (%)		Paid-up capital		Cost Method		Allowance for impairment		Cost Method - net		Dividend income	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Thai-Amadeus Southeast Asia Company Limited	Thailand	Integrated travel information technology service	55.00	55.00	15	15	8	8	-	-	8	8	43	-
WingSpan Services Company Limited	Thailand	Specialized personnel services for companies	49.00	49.00	2	2	1	1	-	-	1	1	-	-
Thai Flight Training Company Limited	Thailand	Training service aviation	49.00	49.00	2	2	1	1	-	-	1	1	-	-
Thai Smile Airways Company Limited ⁽¹⁾	Thailand	Air transportation services	100.00	100.00	1,800	1,800	1,800	1,800	(1,800)	(1,800)	-	-	-	-
Total							1,810	1,810	(1,800)	(1,800)	10	10	43	-

⁽¹⁾ As at December 31, 2022 and 2021, the Company had assessed the performance of Thai Smile Airways Company Limited which continuously had accumulated loss and capital deficiency. The Company assessed as there had the impairment indicator in investment in Thai Smile Airways Company Limited and had the recoverable amount of such investment was less than net carrying amount. Therefore, the Company recognized an allowance for impairment of such investment of Baht 1,800 million in the statement of profit or loss and other comprehensive income.

12. PROPERTY, PLANT AND EQUIPMENT

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

As at December 31, 2022	Consolidated financial statements				Unit : Million Baht
	Balance as at January 1, 2022	Increase	Decrease	Transfer in (Transfer out)	Balance as at December 31, 2022
Cost					
Lands	9,570	-	-	-	9,570
Buildings	1,714	-	-	-	1,714
Building improvement	4,657	1	(120)	(205)	4,333
Building under land lease agreement	8,753	-	(26)	-	8,727
Aircrafts	99,366	182	(518)	45,680	144,710
Aircraft improvement	14,097	-	-	(4,363)	9,734
Rotable aircraft's spare parts	36,635	217	(216)	(686)	35,950
Tools, plant and equipment	29,854	26	(179)	(1,314)	28,387
Total cost	204,646	426	(1,059)	39,112	243,125
Accumulated depreciation					
Buildings	-	(88)	-	-	(88)
Building improvement	(4,184)	(89)	120	241	(3,912)
Building under land lease agreement	(5,701)	(205)	25	-	(5,881)
Aircrafts	(74,748)	(545)	509	(21,443)	(96,227)
Aircraft improvement	(10,739)	(699)	-	4,105	(7,333)
Rotable aircraft's spare parts	(25,218)	(985)	139	599	(25,465)
Tools, plant and equipment	(28,022)	(627)	180	1,369	(27,100)
Total accumulated depreciation	(148,612)	(3,238)	973	(15,129)	(166,006)
Assets under installation	181	369	-	(113)	437
<u>Less</u> Allowance for impairment	(21,722)	(13)	7,519	(17,371)	(31,587)
Total property, plant and equipment	34,493				45,969

Unit : Million Baht

As at December 31, 2021	Consolidated financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Lands	12,624	-	-	(3,054)	9,570
Buildings	2,566	1,709	-	(2,561)	1,714
Building improvement	5,356	-	(121)	(578)	4,657
Building under land lease agreement	8,868	-	-	(115)	8,753
Aircrafts	163,474	-	(291)	(63,817)	99,366
Aircraft improvement	14,724	-	(627)	-	14,097
Rotable aircraft's spare parts	37,963	45	(2)	(1,371)	36,635
Tools, plant and equipment	31,627	4	(103)	(1,674)	29,854
Total cost	277,202	1,758	(1,144)	(73,170)	204,646
Accumulated depreciation					
Buildings	(2,547)	(2)	-	2,549	-
Building improvement	(4,790)	(92)	120	578	(4,184)
Building under land lease agreement	(5,611)	(205)	-	115	(5,701)
Aircrafts	(126,300)	(656)	147	52,061	(74,748)
Aircraft improvement	(10,593)	(773)	627	-	(10,739)
Rotable aircraft's spare parts	(25,463)	(1,042)	2	1,285	(25,218)
Tools, plant and equipment	(29,098)	(678)	99	1,655	(28,022)
Total accumulated depreciation	(204,402)	(3,448)	995	58,243	(148,612)
Assets under installation	183	24	-	(26)	181
Less Allowance for impairment	(30,856)	(530)	802	8,862	(21,722)
Total property, plant and equipment	42,127				34,493
Depreciation for the years ended December 31,					
2022				Million Baht	3,238
2021				Million Baht	3,448

Unit : Million Baht

As at December 31, 2022	Separate financial statements				Balance as at December 31, 2022
	Balance as at January 1, 2022	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Lands	9,570	-	-	-	9,570
Buildings	1,714	-	-	-	1,714
Building improvement	4,614	-	(120)	(205)	4,289
Building under land lease agreement	8,753	-	(26)	-	8,727
Aircrafts	99,366	182	(518)	45,680	144,710
Aircraft improvement	14,097	-	-	(4,363)	9,734
Rotable aircraft's spare parts	36,635	217	(216)	(686)	35,950
Tools, plant and equipment	29,768	3	(178)	(1,313)	28,280
Total cost	204,517	402	(1,058)	39,113	242,974
Accumulated depreciation					
Buildings	-	(88)	-	-	(88)
Building improvement	(4,146)	(85)	120	240	(3,871)
Building under land lease agreement	(5,701)	(205)	25	-	(5,881)
Aircrafts	(74,748)	(545)	509	(21,443)	(96,227)
Aircraft improvement	(10,738)	(699)	-	4,104	(7,333)
Rotable aircraft's spare parts	(25,219)	(985)	139	600	(25,465)
Tools, plant and equipment	(27,959)	(621)	179	1,367	(27,034)
Total accumulated depreciation	(148,511)	(3,228)	972	(15,132)	(165,899)
Assets under installation	159	364	-	(93)	430
<u>Less</u> Allowance for impairment	(21,722)	(13)	7,519	(17,371)	(31,587)
Total property, plant and equipment	34,443				45,918

Unit : Million Baht

As at December 31, 2021	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Lands	12,624	-	-	(3,054)	9,570
Buildings	2,566	1,709	-	(2,561)	1,714
Building improvement	5,314	-	(122)	(578)	4,614
Building under land lease agreement	8,868	-	-	(115)	8,753
Aircrafts	163,474	-	(291)	(63,817)	99,366
Aircraft improvement	14,724	-	(627)	-	14,097
Rotable aircraft's spare parts	37,963	45	(2)	(1,371)	36,635
Tools, plant and equipment	31,519	2	(76)	(1,677)	29,768
Total cost	277,052	1,756	(1,118)	(73,173)	204,517
Accumulated depreciation					
Buildings	(2,547)	(2)	-	2,549	-
Building improvement	(4,760)	(88)	120	582	(4,146)
Building under land lease agreement	(5,611)	(205)	-	115	(5,701)
Aircrafts	(126,300)	(656)	147	52,061	(74,748)
Aircraft improvement	(10,592)	(773)	627	-	(10,738)
Rotable aircraft's spare parts	(25,464)	(1,042)	2	1,285	(25,219)
Tools, plant and equipment	(29,003)	(673)	73	1,644	(27,959)
Total accumulated depreciation	(204,277)	(3,439)	969	58,236	(148,511)
Assets under installation	174	1	-	(16)	159
Less Allowance for impairment	(30,856)	(530)	802	8,862	(21,722)
Total property, plant and equipment	42,093				34,443
Depreciation for the years ended December 31,					
2022				Million Baht	3,228
2021				Million Baht	3,439

As at December 31, 2022, the Company had 86 aircrafts in operation, consisting of 27 Company's aircrafts which presented as property, plant and equipment, and 59 aircrafts under lease agreements which presented as right-of-used assets (see Note 13).

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

As at December 31, 2022 and 2021, property, plant and equipment included the building on leased land which were leased from Airports of Thailand Public Company Limited ("AOT") at Suvarnabhumi Airport with the carrying amount of Baht 2,835 million and Baht 3,039 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. At the end of the contract period, the ownership of the buildings and their component parts will be transferred to the Ministry of Finance. Moreover, the Company had building on leased land which are leased from Airports of Thailand Public Company Limited at Don Mueang Airport, which were fully depreciated. The lease agreement at Don Mueang Airport was under the negotiation process with Airports of Thailand Public Company Limited (see Notes 6.3 and 36.3).

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

The Company did not adjust fair value on buildings which have been constructed under lease agreement with Airports of Thailand Public Company Limited ("AOT") on the space at Suvarnabhumi and Don Mueang Airports which the carrying amount of building is Baht 2,835 million due to the ownership on such buildings have been transferred to the Ministry of Finance because the Company ended status as a state-owned enterprise in accordance with The Law on Budgeting Method as specific requirement in lease agreement. However, the Company still has the right of use such buildings and structure in its operations until the lease agreements expire or terminate. In addition, building which has been constructed on Don Mueang Airport, is being negotiated on the lease disputed and the business license agreement because of the consideration of increasing in the rental fee and minimum payment from the specific rate in the previous agreement. The condition, rental fee and minimum payment of the new lease agreement is being negotiated.

For the year ended December 31, 2022, the Company recorded an impairment loss of relating of rotatable aircraft's spare parts in amount of Baht 13 million, and the Company reversed impairment loss totaling Baht 7,519 million which consisted of the reversal of the impairment loss on aircraft amounting Baht 6,459 million and the reversal of the impairment loss on engine spare parts amounting to Baht 1,060 million. (see Note 27).

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

As at December 31, 2022 and 2021, 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 amounted to Baht 31,227 million and Baht 34,744 million, respectively.

13. RIGHT-OF-USE ASSETS

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

Unit : Million Baht					
As at December 31, 2022	Balance as at January 1, 2022	Consolidated financial statements Increase	Decrease	Adjustment/ Transfer	Balance as at December 31, 2022
Cost					
Land and Buildings	5,610	491	(298)	(20)	5,783
Aircrafts	152,790	7,328	(25,359)	(37,450)	97,309
Equipment	103	-	(3)	(1)	99
Total cost	158,503	7,819	(25,660)	(37,471)	103,191
Accumulated depreciation					
Land and Buildings	(1,288)	(498)	179	-	(1,607)
Aircrafts	(61,328)	(6,071)	11,547	18,537	(37,315)
Equipment	(66)	(20)	2	-	(84)
Total accumulated depreciation	(62,682)	(6,589)	11,728	18,537	(39,006)
Less Allowance for impairment	(26,169)	-	11,506	12,347	(2,316)
Total Right-of-use assets	69,652				61,869

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

Depreciation for the years ended December 31,		
2022	Million Baht	6,589
2021	Million Baht	9,033

Unit : Million Baht					
As at December 31, 2022	Balance as at January 1, 2022	Separate financial statements			Balance as at December 31, 2022
		Increase	Decrease	Adjustment/ Transfer	
Cost					
Land and Buildings	5,579	491	(298)	(20)	5,752
Aircrafts	143,039	7,328	(25,359)	(36,071)	88,937
Equipment	81	-	(3)	(1)	77
Total cost	148,699	7,819	(25,660)	(36,092)	94,766
Accumulated depreciation					
Land and Buildings	(1,269)	(488)	167	-	(1,590)
Aircrafts	(58,883)	(4,794)	11,547	17,629	(34,501)
Equipment	(52)	(14)	2	-	(64)
Total accumulated depreciation	(60,204)	(5,296)	11,716	17,629	(36,155)
Less Allowance for impairment	(26,169)	-	11,506	12,347	(2,316)
Total Right-of-use assets	62,326				56,295

Unit : Million Baht					
As at December 31, 2021	Balance as at January 1, 2021	Separate financial statements			Balance as at December 31, 2021
		Increase	Decrease	Adjustment/ Transfer	
Cost					
Land and Buildings	8,603	57	(500)	(2,581)	5,579
Aircrafts	207,687	-	(9,987)	(54,661)	143,039
Equipment	173	-	(92)	-	81
Total cost	216,463	57	(10,579)	(57,242)	148,699
Accumulated depreciation					
Land and Buildings	(932)	(589)	252	-	(1,269)
Aircrafts	(54,927)	(7,857)	3,901	-	(58,883)
Equipment	(53)	(9)	10	-	(52)
Total accumulated depreciation	(55,912)	(8,455)	4,163	-	(60,204)
Less Allowance for impairment	(49,630)	-	23,769	(308)	(26,169)
Total Right-of-use assets	110,921				62,326
Depreciation for the years ended December 31,					
2022				Million Baht	5,296
2021				Million Baht	8,455

As at December 31, 2022, the Company adjusted right-of-use assets according to settlement agreement of 4 A380 aircrafts with lessors amounting to Baht 30,116 million and adjusted right-of-use assets by lease liabilities remeasurement from changing in variable lease payments amounting to Baht 5,955 million in consolidated financial statement and separate financial statement.

As at December 31, 2021, the Company adjusted right-of-use assets according to the rental and lease period conditions as specified in the LOI or new lease agreements with lessors of each lease agreement which was effective since the Central Bankruptcy Court issued an order to approve the business rehabilitation on date June 15, 2021. The Company applied discount rate by using the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum

During the years ended December 31, 2022 and 2021, the Company reversed impairment loss of right-of-use assets in the amount of Baht 1,360 million and Baht 19,841 million, respectively in statement of profit or loss and other comprehensive income (see Note 27). In addition, the Company adjusted allowance for impairment from onerous contract termination in the amount of Baht 10,146 million and Baht 3,928 million, respectively (see Note 5.3).

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Amounts recognized in profit or loss				
Interest expense relating to lease liabilities	4,023	3,534	4,023	3,416
Expense relating to short-term leases	279	446	275	446
Expense relating to leases of low value assets	1	6	1	-
Expense relating to variable lease payments not included in the measurement of the lease liability	5,227	1,265	5,140	966
(Reversal) Income from sub-lease of right-of-use assets	-	-	214	(69)

For the years ended December 31, 2022 and 2021, the total cash outflow for leases amount is equaled to Baht 10,955 million and Baht 4,866 million, respectively.

14. INTANGIBLE ASSETS

Intangible assets as at December 31, are as follows:

As at December 31, 2022	Balance as at January 1, 2022	Consolidated financial statements			Balance as at December 31, 2022
		Increase	Decrease	Transfer in (Transfer out)	
Cost					
Computer software	3,813	7	-	(20)	3,800
Total cost	3,813	7	-	(20)	3,800
Accumulated amortization					
Computer software	(3,600)	(53)	-	19	(3,634)
Total accumulated amortization	(3,600)	(53)	-	19	(3,634)
Total intangible assets	213				166

Unit : Million Baht					
As at December 31, 2021	Consolidated financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Computer software	3,823	7	(6)	(11)	3,813
Total cost	3,823	7	(6)	(11)	3,813
Accumulated amortization					
Computer software	(3,554)	(63)	6	11	(3,600)
Total accumulated amortization	(3,554)	(63)	6	11	(3,600)
Computer software under installation	5	-	-	(5)	-
Total intangible assets	274				213
Amortization for the years ended December 31,					
2022				Million Baht	53
2021				Million Baht	63

Unit : Million Baht					
As at December 31, 2022	Separate financial statements				Balance as at December 31, 2022
	Balance as at January 1, 2022	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Computer software	3,702	7	-	(20)	3,689
Total cost	3,702	7	-	(20)	3,689
Accumulated amortization					
Computer software	(3,525)	(38)	-	19	(3,544)
Total accumulated amortization	(3,525)	(38)	-	19	(3,544)
Total intangible assets	177				145

Unit : Million Baht					
As at December 31, 2021	Separate financial statements				Balance as at December 31, 2021
	Balance as at January 1, 2021	Increase	Decrease	Transfer in (Transfer out)	
Cost					
Computer software	3,707	7	(1)	(11)	3,702
Total cost	3,707	7	(1)	(11)	3,702
Accumulated amortization					
Computer software	(3,490)	(47)	1	11	(3,525)
Total accumulated amortization	(3,490)	(47)	1	11	(3,525)
Computer software under installation	5	-	-	(5)	-
Total intangible assets	222				177
Amortization for the years ended December 31,					
2022				Million Baht	38
2021				Million Baht	47

As at December 31, 2022 and 2021, the Group had certain intangible assets which were fully amortized but are still in use. The net book value amounts before deducting accumulated amortization of those assets amounted to Baht 3,375 million and Baht 3,338 million, respectively, in the consolidated and separate financial statements.

15. DEFERRED TAXES ASSETS

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

Unit : Million Baht				
As at December 31, 2022	Consolidated Financial Statements			
	As at January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2022
Deferred taxes assets	20,583	(921)	(114)	19,548
Deferred taxes liabilities	(12,308)	2,362	(3)	(9,949)
Total	8,275	1,441	(117)	9,599

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

Unit : Million Baht				
As at December 31, 2022	Separate Financial Statements			
	As at January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2022
Deferred taxes assets	20,567	(912)	(114)	19,541
Deferred taxes liabilities	(12,308)	2,362	(3)	(9,949)
Total	8,259	1,450	(117)	9,592

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

As at December 31, 2022, the Group has deferred taxes assets (liabilities) in the amount of Baht 9,599 million in the consolidated financial statements resulting from, in 2022, the Group recognized deferred taxes assets in the amount of Baht (1,035) million in the consolidated statement of profit or loss by Baht (921) million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets, provision for employee benefit obligations and tax losses carried forward and utilized in the separate statement of other comprehensive income by Baht (114) million from changes in actuarial assumption of provision for employee benefit obligations. The Company recognized deferred taxes liabilities in the amount of Baht 2,362 million in the consolidated statement of profit or loss by Baht 2,362 million which came from changes in amortization of intangible assets and gain of remeasurement of financial liabilities and recognized in the separate statement of other comprehensive income by Baht (3) million from changes in gain investment in equity designed at fair value.

As at December 31, 2022, the Group has deferred taxes assets (liabilities) in the amount of Baht 9,592 million in the separate financial statements resulting from, in 2022, the Company recognized deferred taxes assets in the amount of Baht (1,026) million in the separate statement of profit or loss by Baht (912) million, causing from changes in the contribution to staff provident and pension fund, allowance for impairment of assets, provision for employee benefit obligations and tax losses carried forward and utilized in the separate statement of other comprehensive income by Baht (114) million from changes in actuarial assumption of provision for employee benefit obligations. The Company recognized deferred taxes liabilities in the amount of Baht 2,362 million in the separate statement of profit or loss by Baht 2,362 million which came from changes in amortization of intangible assets and gain of remeasurement of financial liabilities and recognized in the separate statement of other comprehensive income by Baht (3) million from changes in gain investment in equity designed at fair value.

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

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

The Company recognized deferred tax assets by considering that it is probable that the Company will have future taxable profit sufficient to utilize the accumulated tax losses.

The Company has carefully considered such future taxable profit with the assumption that the aviation industry will gradually recover and opening countries tends to be better. As a result, aviation business revenue will recover in line with the aviation industry situation. The company has more efficient flight management, including the facts about the cost reduction from the company's business reform plan that has already occurred which are the reduction of the number and personnel expenses, downsizing type and fleet of aircrafts, fuel efficiency improvement, optimizing scheduling and proper maintenance, and reductions in aircraft rental fees. The Company still had unused tax losses and deductible temporary differences in the amount of Baht 91,311 million that were not recognized as deferred tax assets due to uncertainty in the adequacy of future taxable profits.

16. MAINTENANCE RESERVES

Maintenance reserves as at December 31, are as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Maintenance reserves				
at the beginning of the year	15,490	14,121	15,427	14,121
<u>Add</u> Increased	606	182	606	182
<u>Less</u> Claim	(326)	-	(326)	-
<u>Add</u> Adjusted from exchange rate	473	1,650	536	1,587
<u>Less</u> Adjusted from lease modification	(1,916)	(462)	(1,916)	(462)
<u>Less</u> Credit loss allowance	-	(1)	-	(1)
<u>Add</u> Reversal credit loss allowance	2	-	2	-
Maintenance reserves				
at the ending of the year	14,329	15,490	14,329	15,427

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

During the year ended December 31, 2022, and 2021, the Company adjusted lease modification in amount of Baht 1,916 million and Baht 462 million in consolidated and separate financial statements respectively, (see Note 5.4.1.2 (7)) because during the year 2022, the Company made amendment agreement with lessor which the condition of the amendment stipulated that the Company adjusted maintenance reserve with the lease liabilities that incurred before September 14, 2020.

17. OTHER NON-CURRENT ASSETS

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

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Non-performing assets (see Note 17.1)	231	236	231	236
Security deposits under aircraft	797	1,874	798	1,874
lease agreement				
Accrued income from passenger	472	1,598	472	1,598
Others	1,189	767	1,049	636
<u>Less</u> Credit loss allowance	(1)	(4)	(1)	(4)
Total	2,688	4,471	2,549	4,340

17.1 Non-performing assets

As at December 31, 2022 and 2021, the Company had non-performing assets in the consolidated and separate financial statements in the amount of Baht 231 million and Baht 236 million, respectively, which presented in the net amount after deducting allowance for expected credit losses.

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

For the year ended December 31, 2022

	As at January 1, 2022	Addition	Impairment	Transfer	Unit : Million Baht As at December 31, 2022
Aircraft (see Note 10)	124	-	-	(124)	-
Engines (flight equipment)	1	22	19	(21)	21
Land	-	98	-	-	98
Other assets	111	11	-	(10)	112
Total	<u>236</u>	<u>131</u>	<u>19</u>	<u>(155)</u>	<u>231</u>

For the year ended December 31, 2021

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

During the year ended December 31, 2022, the Company reversed impairment loss on non-performing engines foreclosed in amount of Baht 19 million, which were consisted of reversal of impairment loss of 3 engines (see Note 27).

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

18. INTEREST BEARING LIABILITIES

18.1. Long-term borrowings from financial institutions

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

Maturity Date	Principle repayment due date	Interest rate (% per annum)		Unit : Million Baht Consolidated and separate financial statements	
		2022	2021	2022	2021
December 20, 2010	December 30, 2035	1.00 - 1.50	1.00 - 1.50	1,808	2,920
October 8, 2019	December 30, 2035	1.00 - 1.50	1.00 - 1.50	1,152	955
September 30, 2014 and August 27, 2018	December 30, 2035	1.00 - 1.50	1.00 - 1.50	686	570
July 10, 2018	December 30, 2035	1.00 - 1.50	1.00 - 1.50	1,486	2,400
Short-term borrowing from financial institutions	December 30, 2035	1.00 - 1.50	1.00 - 1.50	2,586	3,730
Total				7,718	10,575
<u>Less</u> Current portion				-	-
Remaining portion of long-term borrowings				7,718	10,575

	Unit : Million Baht Consolidated and separate financial statements	
	2022	2021
As at 31 December		
Principle	12,241	12,241
<u>Less</u> Deferred interest expenses	(4,523)	(1,666)
<u>Less</u> Current portion	-	-
Total Long-term borrowings from financial institutions	7,718	10,575

During the year ended December 31, 2022 and 2021, the Company did not have additional long-term borrowings from financial institutions, did not make any repayment and did not pledge fixed assets or other securities as collateral for any borrowings.

The Company adjusted outstanding debt to repay which the Company received an order from the Official Receiver measured the fair value of financial liabilities by discount cash flow method using market rate. However, the remaining borrowings from financial institution controlled are in the process of debt verification with the Official Receiver (see Note 5.3.1 (3)).

18.2. Debentures

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

	Unit : Million Baht	
	Consolidated and separate financial statements	
	2022	2021
Debenture due within 1 year	-	-
Over 1 year	42,765	35,539
Total	42,765	35,539

	Unit : Million Baht	
	Consolidated and separate financial statements	
	2022	2021
As at 31 December		
Principle	71,604	71,604
<u>Less</u> Deferred interest expenses	<u>(28,839)</u>	<u>(36,065)</u>
Total Debentures	42,765	35,539

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

However, 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 methods, from at first, they will be repaid by cash in full in this year 12th to 15th of the business rehabilitation plan (depending on the class of creditor), 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. The repayment will be made within the year 2024. The remaining outstanding debt will be repaid by cashflow as specified period in the business rehabilitation plan which the court already approved. Furthermore, the amendment of business rehabilitation plan added a new interest rate for outstanding principal liable from cash flow, by adding the interest at the rate of 0.25 percent per annum to original rate for the last two year (see Note 5.3.1 (3)).

Detail of unsecured debentures as at December 31 as follow:

Debenture	Amount		Interest Rate (% per annum)		Interest Due		Unit : Million Baht Repayment Due	
	2022	2021	2022	2021	2022	2021	2022	2021
August 2013 No. 2 (Period 7 years)	1,250	1,250	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2028 ⁽²⁾	Last workday of 2028
September 2015 No 2 (Period 5 years)	1,500	1,500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2028 ⁽²⁾	Last workday of 2028
June 2017 No.1 (Period 3 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2028 ⁽²⁾	Last workday of 2028
August 2018 No 2 (Period 2 years)	798	798	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2028 ⁽²⁾	Last workday of 2028
November 2019 No.1 (Period 1 year)	2,035	2,035	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2028 ⁽²⁾	Last workday of 2028
May 2011 No.2 (Period 10 years)	833	833	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No. 5 (Period 10 years)	2,167	2,167	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
February 2012 No. 2 (Period 10 years)	2,000	2,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
March 2012 No. 2 (Period 12 years)	1,500	1,500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2032 ⁽²⁾	Last workday of 2032
October 2012 No. 3 (Period 10 years)	1,500	1,500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
August 2013 No 3 (Period 10 years)	1,500	1,500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2031 ⁽²⁾	Last workday of 2031
February 2014 No 2 (Period 7 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No 3 (Period 10 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2032 ⁽²⁾	Last workday of 2032
December 2014 No 2 (Period 7 years)	1,340	1,340	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No 3 (Period 10 years)	1,430	1,430	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2032 ⁽²⁾	Last workday of 2032
April 2015 No 3 (Period 7 years)	1,999	1,999	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
No 4 (Period 10 years)	2,299	2,299	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2033 ⁽²⁾	Last workday of 2033

Debenture	Amount		Interest Rate (% per annum)		Interest Due		Unit : Million Baht Repayment Due	
	2022	2021	2022	2021	2022	2021	2022	2021
September 2015 No. 3 (Period 7 years)	2,500	2,500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
No 4 (Period 10 years))	3,000	3,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2033 ⁽²⁾	Last workday of 2033
December 2016 No 2 (Period 5 years)	500	500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No 3 (Period 7 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2031 ⁽²⁾	Last workday of 2031
No 4 (Period 10 years)	3,000	3,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2034 ⁽²⁾	Last workday of 2034
No 5 (Period 12 years)	2,000	2,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2536
June 2017 No 2 (Period 5 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
No 3 (Period 7 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2032 ⁽²⁾	Last workday of 2032
No 4 (Period 10 years)	3,000	3,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2035 ⁽²⁾	Last workday of 2035
No 5 (Period 15 years)	2,000	2,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
February 2018 No 1 (Period 5 years)	1,200	1,200	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2031 ⁽²⁾	Last workday of 2031
No 2 (Period 7 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2033 ⁽²⁾	Last workday of 2033
No 3 (Period 10 years)	2,400	2,400	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
No 4 (Period 15 years)	1,400	1,400	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
August 2018 No 3 (Period 3 years)	500	500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No 4 (Period 5 years)	500	500	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2031 ⁽²⁾	Last workday of 2031
No 5 (Period 10 years)	2,200	2,200	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
No 6 (Period 12 years)	1,200	1,200	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
No 7 (Period 15 years)	1,300	1,300	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036

Debenture	Amount		Interest Rate (% per annum)		Interest Due		Unit : Million Baht Repayment Due	
	2022	2021	2022	2021	2022	2021	2022	2021
May 2019								
No 2 (Period 2 years)	1,000	1,000	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No 3 (Period 3 years)	1,970	1,970	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2030 ⁽²⁾	Last workday of 2030
No 4 (Period 5 years)	910	910	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2032 ⁽²⁾	Last workday of 2032
No 5 (Period 7 years)	610	610	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2034 ⁽²⁾	Last workday of 2034
No 6 (Period 10 years)	2,320	2,320	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
No 7 (Period 15 years)	2,190	2,190	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
November 2019								
No 2 (Period 2 years)	634	634	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2029 ⁽²⁾	Last workday of 2029
No. 3 (Period 3 years and 3 months)	2,453	2,453	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2031 ⁽²⁾	Last workday of 2031
No 4 (Period 10 years)	1,899	1,899	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
No 5 (Period 15 years)	1,767	1,767	1.50 – 1.75 ⁽¹⁾	1.50	First payment in 2024, paid by monthly basis ⁽¹⁾	First payment in 2024, paid by monthly basis	Last workday of 2036 ⁽²⁾	Last workday of 2036
Total	71,604	71,604						

⁽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 outstanding principal which will be repaid by cashflow in the last two year 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 to be ordinary shares at Baht 2.5453 per share. The repayment will be made within the year 2024. The remain outstanding debt will be repaid by the cash flow as specified period in the business rehabilitation plan which the Court already approved. Furthermore, the amendment stipulates that the creditors shall be entitled to an interest of the outstanding principal which will be repaid by a debt-to-equity conversion to a newly issued ordinary share, during the period that the debt-to-equity conversion has not yet been made. The interest rate will be an average of a new interest rate under the business rehabilitation plan which the Court already approved.

19. LEASE LIABILITIES

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2022	2021	2022	2021
Maturity Analysis:				
Year 1	9,210	2,572	9,206	2,561
Year 2 - 5	51,152	51,109	51,152	51,106
Year 5 onwards	64,635	66,050	64,635	66,050
<u>Less deferred interest</u>	<u>(37,876)</u>	<u>(44,530)</u>	<u>(37,876)</u>	<u>(44,530)</u>
Total	87,121	75,201	87,117	75,187
Classification:				
Current				
- Lease liabilities	1,980	606	1,976	594
Non-current				
- Lease liabilities	85,141	74,595	85,141	74,593
Total	87,121	75,201	87,117	75,187

As at December 31, 2022, the Group has expenses related to the payment of variable rentals excluding the measurement of lease liabilities which were recording as aircrafts and spare parts rental expense in amount of Baht 5,227 million and Baht 5,141 million in the consolidated financial statements and separate financial statements, respectively.

As at December 31, 2021, the Group has expenses related to the payment of variable rentals excluding the measurement of lease liabilities which were recording as aircrafts and spare parts rental expense in amount of Baht 1,239 million and Baht 966 million in the consolidated financial statements and separate financial statements, respectively.

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

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2022	2021	2022	2021
Balance at the beginning of years	75,201	123,801	75,187	123,787
Increase	7,592	70	7,590	57
Remeasure lease liabilities from lease modification	5,675	(53,728)	5,675	(53,726)
Adjust Interest	2,013	4,118	2,013	4,118
Termination of contract	(2,228)	(2,867)	(2,227)	(2,867)
Reclassify to lease payables	(529)	(2,889)	(529)	(2,889)
Payment	(1,803)	(495)	(1,792)	(484)
Adjust from exchange rate	1,200	7,191	1,200	7,191
Balance at the end of years	<u>87,121</u>	<u>75,201</u>	<u>87,117</u>	<u>75,187</u>

As at December 31, 2021, the Company remeasured lease liabilities according to rental discount from Covid-19 and lease period conditions as specified in the LOI or new lease agreements with lessors of each lease agreement which was effective since the Central Bankruptcy Court issued an order to approve the business rehabilitation on date June 15, 2021. The Company applied discounted rate by using the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum for lease remeasurement and resulted to decrease of lease liabilities in amount of Baht 54,661 million for leased aircrafts of 39 operating leases and 15 finance leases. The Company classified lease liabilities to be in accordance with the condition in LOI and amendment lease agreement and remeasured lease liabilities from the change in variable payments based on the reference interest rate

20. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Current				
Trade payables				
Related parties (see Note 6.2)	105	80	278	209
Others	4,605	4,493	4,461	4,137
Total trade payables	4,710	4,573	4,739	4,346
Other payables				
Airport fees payable	4,716	2,349	4,716	2,349
Others	7,798	11,447	7,111	11,374
Total other payables	12,514	13,796	11,827	13,723
Accrued expenses	5,712	2,627	4,642	2,258
Accrued interest expenses	747	1,014	747	1,014
Accrued flight service expenses	1,325	1,666	1,164	1,619
Accrued employee benefits (see Notes 22 and 23)	29	4,400	29	4,400
Total Current portion	25,037	28,076	23,148	27,360
Non-current				
Trade payables				
Related parties (see Note 6.2)	950	955	950	955
Others	10,605	10,902	10,605	10,902
Trade payable - others	2,242	7,703	2,242	7,703
Total Non-current portion	13,797	19,560	13,797	19,560
Total trade and other payables	38,834	47,636	36,945	46,920

Unit : Million Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade and other non-current payables				
Trade payables				
Related parties				
Principal	955	961	955	961
Less deferred interest expenses	(5)	(6)	(5)	(6)
Total trade payables - related parties				
(see note 6.2)	950	955	950	955
Others				
Principal	12,912	12,989	12,912	12,989
Less deferred interest expenses	(2,307)	(2,087)	(2,307)	(2,087)
Total trade payables - others	10,605	10,902	10,605	10,902
Other payables				
Other payables - others				
Principal	2,412	8,074	2,412	8,074
Less deferred interest expenses	(170)	(371)	(170)	(371)
Total other payables - others	2,242	7,703	2,242	7,703
Total trade and other non-current payables	13,797	19,560	13,797	19,560

As at December 31, 2022, the Company additionally received an order from the Official Receiver to pay debt to trade and other payables. The Company adjusted trade and other payables to be in accordance with the debt amount, due date and interest rate according to the rehabilitation plan and order from the Official Receiver, which will have the first installment period on June 30, 2024. Therefore, liabilities were adjusted and classified as non-current trade and other payables. The Company had an impact from the adjustment of trade and other payables for the year ended December 31, 2022 to be in accordance with the debt balance of Baht 1,052 million. (see Note 5.4.1.1 (1))

21. DEFERRED REVENUE

Deferred revenue as at December 31, are as follows:

Unit : Million Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Unearned transportation revenue	30,587	13,092	30,163	12,756
Customer Loyalty program	5,092	4,661	5,182	4,661
	<u>35,679</u>	<u>17,753</u>	<u>35,345</u>	<u>17,417</u>

Information shows the amount of revenue recognized during the year ended December 31, 2022 and 2021, relating to the beginning balance in deferred revenue.

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Unearned transportation revenue	1,453	173	1,279	107
Customer Loyalty Program ⁽¹⁾	97	3	97	3

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

	Unit : Million Baht Consolidated and Separate financial statements	
	2022	2021
Bank deposit		
(Presented in other non - current financial assets)	70	34
Net pension receivable - THAI		
(Presented in other non - current financial assets)	804	959
Others current assets	62	53
Total Assets	936	1,046
Accrued payment for staff termination		
(Presented in trade and other current payables)	4	17
Staff pension fund	932	1,029
Total Liabilities	936	1,046

As at December 31, 2022 and 2021, the staff pension fund has remaining balances of Baht 932 million and Baht 1,029 million, respectively, equaled to the Company's obligations to pay for employees.

During the years ended December 31, 2022 and 2021, the Company paid to employees who ceased to be members of the provident fund in the amount of Baht 135 million and Baht 975 million, respectively. And paid to staff termination under early retirement project (MSP-A, MSP-B MSP-C and MSP-D) in the amount of Baht 62 million and Baht 687 million, respectively.

As at December 31, 2022, the Company has accrued payment for staff leaving from provident fund in the amount of Baht 4 million, presented as trade and other current payables (see Note 20).

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

As at December 31, 2022 the balance of net pension receivable - THAI in amount of Baht 804 million was resulted of the bank deposit of pension had temporarily seized by the bank in amount of Baht 2,331 million and adjusted interest of bank deposit in amount of Baht 5 million, totaling of Baht 2,336 million. The amount was net of the bank deposit which the Company had contributed in excess of Baht 235 million. As a result, the pension fund could not pay the employee. Therefore, the Company had to reserve funds to pay the employee who retired under the early retirement program and terminated from the fund in amount of Baht 1,297 million. (2021 : Baht 869 million).

23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

In the year 2022 and 2021 the Company has the policy about non-current provisions for employee benefits, are classified as follows:

23.1 Post-employment benefit

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

23.2 Encashment of unutilized holiday leaves

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

23.3 Free air ticket

The Company provided benefit to the employees who have been working with the Company for 15 years, rewarded for 1 free confirmed ticket on the Company's routes, and every next 5 years from the latest reward if employees continue working with the Company. The employees can accumulate and use these awards whenever they desire. However, the Company adjust such benefit in the year 2022.

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Present value of obligations	<u>4,496</u>	<u>5,173</u>	<u>4,414</u>	<u>5,083</u>
Items recognized in statement of profit or loss and other comprehensive income for the years ended December 31,				
Recognized in profit or loss				
Post-employment benefits	79	(4,198)	60	(4,218)
Other long-term benefits	(2)	(156)	(2)	(156)
Recognized in other comprehensive income				
Actuarial gains	(593)	(1,164)	(570)	(1,166)
Total	<u>(516)</u>	<u>(5,518)</u>	<u>(512)</u>	<u>(5,540)</u>

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Defined benefit obligations at the beginning of the year	5,173	15,316	5,083	15,242
Defined benefit expense obligation recognized in profit or loss				
Current service costs	203	445	185	426
Interest costs	95	160	94	159
Past service costs	(219)	(5,398)	(219)	(5,398)
Actuarial (gain) loss from other long-term benefits	(2)	439	(2)	439
Actuarial (gain) loss - recognized in other comprehensive income				
Arising from experience adjustments	(544)	(274)	(527)	(268)
Arising from financial assumptions	(49)	(890)	(43)	(898)
Classified as accrued employee benefits	(25)	(4,389)	(25)	(4,383)
Benefits paid by the plan	(136)	(236)	(132)	(236)
Defined benefit obligations at the ending of the year	<u>4,496</u>	<u>5,173</u>	<u>4,414</u>	<u>5,083</u>

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate (%)	1.21 - 2.78	1.21 - 2.78	2.70	2.30
Inflation rate (%)	2.00	1.70	2.00	1.70
Salary increasing rate (%)	0.00 - 5.00	0.00 - 5.00	0.00 - 2.00	0.00 - 1.70
Turnover rate (%)	0.00 - 35.00	0.00 - 35.00	0.00 - 2.50	0.00 - 2.50
Mortality	TMO17	TMO17	TMO17	TMO17

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

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

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2022	2021	2022	2021
Discount rate - increase by 1%	(4,012)	(4,556)	(4,006)	(4,550)
Discount rate - decrease by 1%	4,652	5,346	4,645	5,338
Salary rate - increase by 1%	4,788	5,390	4,781	5,380
Salary rate - decrease by 1%	(4,087)	(4,555)	(4,081)	(4,561)

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.

Early Retirement Program

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

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

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

As at December 31, 2022, the Company has approved the benefits paid for retirement employees. Resulting the Company has accrued liability employee benefit in amount of Baht 25 million, presented as part of the trade and other current payables (2021 : Nil) (see Note 20).

As at December 31, 2021, the Company has approved the benefits paid for employees of the MSP-A MSP-B MSP-C and MSP-D. Resulting the Company has accrued employee benefit in amount of Baht 4,383 million, presented as part of the trade and other current payables (2022 : Nil) (see Note 20).

24. OTHER NON-CURRENT PROVISIONS

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

	Consolidated financial Statements		Unit : Million Baht Separate financial Statements	
	2022	2021	2022	2021
Other non-current provisions at the beginning of the year	20,072	18,454	16,129	16,028
Movement increase during the year	6,262	2,120	3,277	603
Reversal estimate provision for maintenance reserve	-	(1,996)	-	(1,996)
Adjust exchange rate	443	1,494	443	1,494
Other non-current provisions at the ending of the year	<u>26,777</u>	<u>20,072</u>	<u>19,849</u>	<u>16,129</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 operating lease of aircraft maintenance, aircraft's engines and other components maintenance over the lease period including preparation of aircraft conditions before handover to lessors at the end of the lease. The Company estimates expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which are calculated along with usage time proportion.

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

25. REVENUES

Disaggregation of revenue

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

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Timing of revenue recognition				
At a point in time				
Business unit				
Revenue from business units	5,817	4,493	7,283	4,999
Others				
Other service revenue	429	195	-	-
Over time				
Air transportation				
Revenue from passenger and excess baggage	73,408	5,528	64,862	3,278
Revenue from freight	23,784	10,928	23,743	10,905
Business unit				
Revenue from aircraft maintenance services	429	428	509	530
Total	<u>103,867</u>	<u>21,572</u>	<u>96,397</u>	<u>19,712</u>

26. GAIN ON SALE OF INVESTMENTS AND OTHER INCOME

26.1 Gain on sale of investments

Gain on sale of investments for the year ended December 31, 2022 and 2021 consisted of:

During the year 2022, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited (BAFs) by 8.91 million shares at Baht 26.00 - 29.50 per share, in amount of Baht 246 million and recognized gain on sale of investments in amount of Baht 16 million in the consolidated and separate financial statements.

During the year 2021, on January 19, 2021, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited (BAFs) in amount of Baht 2,712 million, and recognized gain on sale of investments in amount of Baht 2,004 million and Baht 2,633 million, in the consolidated and separate financial statements, respectively.

Later on, during the period from September 21 to November 25, 2021, the Company sold additional investment in Bangkok Aviation Fuel Services Public Company Limited at the price of Baht 27.50 - 32.00 per share, totaling Baht 718 million and recognized gain on sale of investments in amount of Baht 710 million and 700 million in the consolidated and separate financial statements.

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

26.2 Other income

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Other income from offsetting obligation of service and engine maintenance fee	-	1,457	-	1,457
Gain on disposal of assets	783	1,593	783	1,593
Others	481	695	424	909
Total	1,264	3,745	1,207	3,959

During the year ended December 31, 2022, the Company made a profit from the sale of land and Rak Khun Thao Fah Building in amount of Baht 55 million, profit from the sale of land and office buildings in Silom in amount of Baht 45 million, profit from the sales of land and office buildings in Khon Kaen, Udon Thani, Chiang Rai totaling amount of Baht 18 million, profit from the sale condominium in Singapore in amount of Baht 101 million, profit from the sale aircrafts in amount of Baht 106 million, engine in the amount of Baht 386 million and profit from the sales of other assets in the amount of Baht 72 million in the consolidated and separate financial statements.

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

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

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

	Unit : Million Baht	
	Consolidated and separate financial statements	
	2022	2021
Aircraft and right-of-use asset (see Note 10, Note 12 and Note 13)	(8,467)	(19,228)
Engine	(1,067)	(862)
Rotable aircraft's spare parts	13	77
Total	(9,521)	(20,013)

For the year ended December 31, 2022, impairment loss on aircraft, right-of-use asset, engine and rotatable aircraft's spare part (reversal) of Baht 9,521 million are as follows:

- Reversal of impairment loss on aircraft and right-of-use assets in the amount of Baht 8,467 million consisted of reversal of impairment loss on aircraft which were classified as non-current assets classified as held for sale in amount of Baht 648 million (see Note 10), reversal of impairment loss on aircraft which were included in property, plant and equipment in amount of Baht 6,459 million (see Note 12) and reversal of impairment loss on right-of-use asset in the amount of Baht 1,360 million (see Note 13).
- Reversal of impairment loss on engine in the amount of Baht 1,067 million consisted of reversal of impairment loss on engine which were included in property, plant and equipment in amount of Baht 1,060 million (see Note 12), reversal of impairment loss on engine which were classified as other non-current asset in the amount of Baht 19 million (see Note 17) and recognize impairment loss on asset held for sale in the amount of Baht 12 million (see Note 10).
- Impairment loss on rotatable aircraft's spare parts in the amount of Baht 13 million consisted of the impairment loss on rotatable aircraft's spare parts which were included in property, plant and equipment (see Note 12).

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

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

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

28. IMPAIRMENT LOSS DETERMINED IN ACCORDANCE WITH TFRS 9

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Expected credit loss of trade and other receivables				
- Related companies (see Note 8)	-	-	2,398	613
- Other companies (see Note 8)	99	(171)	102	(141)
Reversal of Expected credit loss of other financial assets	14	1	14	1
Total	<u>113</u>	<u>(170)</u>	<u>2,514</u>	<u>473</u>

29. INCOME TAX INCOME

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2022	2021	2022	2021
Income tax recognized in profit or loss				
Income tax expenses	(7)	-	-	-
Deferred income tax	1,441	2,780	1,451	2,777
Total	<u>1,434</u>	<u>2,780</u>	<u>1,451</u>	<u>2,777</u>

Reconciliation of effective tax rate

	Unit : Million Baht			
	Consolidated financial statements		2021	
	2022	2021	2022	2021
	Tax rate	Amount	Tax rate	Amount
Profit for the years		(252)		55,113
Income tax expenses		(1,434)		(2,780)
Profit (loss) before income tax		<u>(1,686)</u>		<u>52,333</u>
Income tax using applicable tax rate (tax rate 20%)	20	337	20	(10,467)
Tax effect of non-deductible (expenses) benefit				
Revenues and expenses from the promotional privileges		(885)		(4,479)
Revenues and expenses not deductible for tax purposes				
income tax expenses for the current year		1,505		11,884
Effect of taxable losses not recognized				
deferred tax asset		(950)		3,062
Recognition of deferred tax for the years		<u>(1,441)</u>		<u>(2,780)</u>
Income tax income	-	<u>(1,434)</u>	-	<u>(2,780)</u>

Unit : Million Baht				
Separate financial statements				
		2022	2021	
	Tax rate	Amount	Tax rate	Amount
Profit for the years		2,697		58,274
Income tax expenses		(1,451)		(2,777)
Profit before income tax expense		1,246		55,497
Income tax using applicable tax rate (tax rate 20%)	20	(250)	20	(11,099)
Tax effect of non-deductible (expenses) benefit				
Revenues and expenses from the promotional privileges		(885)		(4,479)
Revenues and expenses not deductible for tax purposes				
income tax expense for the current year		2,564		13,080
Effect of taxable loss not recognized as deferred tax asset		(1,429)		2,498
Recognition of deferred tax for the years		(1,451)		(2,777)
Income tax income	-	(1,451)	-	(2,777)

30. PROMOTIONAL PRIVILEGES

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

The Company

Promotional Card		Commenced date of revenue generated
No.	Date	
*1214(2)/2552	8 December 2008	4 April 2009
*1874(2)/2552	14 September 2009	30 March 2011
*1446(2)/2554	21 February 2011	24 May 2011
*1178(2)/2555	29 December 2011	26 December 2011
*1627(2)/2555	28 March 2012	12 March 2012
*2576(2)/2555	14 September 2012	8 August 2012
*2577(2)/2555	14 September 2012	6 October 2012
*1220(2)/2556	26 December 2012	5 February 2013
*1221(2)/2556	26 December 2012	25 March 2013
*1590(2)/2556	13 March 2013	13 March 2013
2357(2)/2556	6 August 2013	23 January 2014
2358(2)/2556	6 August 2013	25 July 2014
2360(2)/2556	6 August 2013	25 January 2015
2362(2)/2556	6 August 2013	1 May 2015
2363(2)/2556	6 August 2013	4 September 2016
2364(2)/2556	6 August 2013	27 April 2017
2365(2)/2556	6 August 2013	20 July 2017
2366(2)/2556	6 August 2013	23 September 2017
2367(2)/2556	6 August 2013	7 February 2018
65-0130-1-00-1-0	29 December 2021	29 April 2021

Subsidiaries

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

Under some of conditions, privileges are consisted of:

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

* Cancellation of 10 promotional privileges (BOI) which granted on December 28, 2022

** Cancellation of 6 promotional privileges (BOI) for 20 A320-200 aircrafts which granted on December 28, 2022

The Group has to follow specification and conditions as listed in the investment promotional certificate to comply with the announcement of the Board of Investment No. Por. 14/2541 dated December 30, 1998 regarding the revenues reporting of a promoted industry, for the years ended December 31, 2022 and 2021, the Group's total revenues from sales were domestic sales, which were allocated to promoted and non-promoted activities as follows:

Unit: Million Baht						
Consolidated financial statements						
	Promoted business		Non-promoted business		Total	
	2022	2021	2022	2021	2022	2021
Revenue from sales or services	47,965	10,598	56,120	10,974	104,085	21,572

Unit: Million Baht						
Separate financial statement						
	Promoted business		Non-promoted business		Total	
	2022	2021	2022	2021	2022	2021
Revenue from sales or services	47,965	8,325	48,651	11,387	96,616	19,712

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 The registration of the increase of registered capital

On December 14, 2022, the Company already completed the registration of the increase of the Company's registered capital from the original registered capital of Baht 21,827,719,170 to Baht 336,824,601,650.

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.

Gain (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.

During the year ended December 31, 2022 and 2021, 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 year ended December 31, are as follows:

	Unit : Million Baht							
	Consolidated financial statements						Total	
	Air Transportation		Business Units		Other Activities		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021
External Revenues (see Note 25)	95,549	15,882	5,976	4,051	2,342	1,639	103,867	21,572
Inter - segment revenue (expenses)	(4,695)	(1,486)	3,222	642	1,473	844	-	-
Interest income	65	22	-	-	-	-	65	22
Other income	1,230	6,547	37	22	13	10	1,280	6,579
Gain from debt restructuring	-	61,808	-	-	-	-	-	61,808
Total Revenues	92,149	82,773	9,235	4,715	3,828	2,493	105,212	89,981
Aircraft fuel expenses	(38,378)	(5,926)	-	-	-	-	(38,378)	(5,926)
Employee benefits expenses	(3,942)	(2,261)	(2,468)	(2,689)	(1,277)	(1,461)	(7,687)	(6,411)
Flight service expenses	(9,034)	(2,412)	(11)	(2)	-	-	(9,045)	(2,414)
Depreciation and amortization expenses	(8,564)	(11,132)	(651)	(620)	(666)	(792)	(9,881)	(12,544)
Impairment loss on fixed assets	9,521	20,012	-	-	-	-	9,521	20,012
Other expenses	(28,849)	(10,093)	(2,628)	(1,288)	(510)	(1,749)	(31,987)	(13,130)
Loss on foreign currency exchange	(1,512)	(7,624)	-	-	-	6	(1,512)	(7,618)
Finance costs	(12,687)	(9,489)	-	-	-	(1)	(12,687)	(9,490)
Share of loss on investment in associates	(4)	(127)	-	-	-	-	(4)	(127)
Loss on debt restructuring	(5,238)	-	-	-	-	-	(5,238)	-
Total Expenses	(98,687)	(29,052)	(5,758)	(4,599)	(2,453)	(3,997)	(106,898)	(37,648)
Profit (loss) before income tax expenses	(6,538)	53,721	3,477	116	1,375	(1,504)	(1,686)	52,333
Income tax income (expenses)	1,450	2,777	-	-	(16)	3	1,434	2,780
Profit (loss) by segments	(5,088)	56,498	3,477	116	1,359	(1,501)	(252)	55,113

	Consolidated financial statements						Unit : Million Baht	
	Air Transportation		Business Units		Other Units		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Current assets	55,642	21,299	598	504	817	703	57,057	22,506
Investments in associates and other long-term investment	511	515	-	-	-	-	511	515
Property, plant and equipment	39,120	27,223	5,239	5,437	1,610	1,834	45,969	34,494
Right-of-use assets	58,262	64,006	2,757	4,311	850	1,335	61,869	69,652
Other non-current assets	30,011	31,739	-	-	14	24	30,025	31,763
Non-allocated assets	2,747	2,289					2,747	2,289
Total assets							198,178	161,219
Current liabilities	56,843	40,710	349	342	516	501	57,708	41,553
Non-current liabilities	205,517	185,102	-	-	29	19	205,546	185,121
Non-allocated liabilities	5,949	5,795					5,949	5,795
Total Liabilities							269,203	232,469

32.2 Revenues by Geographical Segment

Operating segments classified by geographical in the consolidated financial statements for the year ended December 31 are as follows:

	Unit: Million Baht	
	Consolidated	financial statements
	2022	2021
Domestic Revenues		
Air Transportation	6,425	1,756
Business Unit	5,976	4,051
Others	2,342	1,639
Foreign Revenues		
Air transportation		
Asia	42,206	7,909
Europe	37,900	5,224
Australia & New Zealand	9,018	993
Total Revenues	103,867	21,572

33. PROVIDENT FUND

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

Provident Fund is managed by Krungthai Asset Management Public Company Limited, One Asset Management Company Limited and Principle Asset Management Company Limited and Bualuang Securities Public Company Limited and will pay to employees when the employees resign according to regulations of the Group's fund. For the years ended December 31, 2022 and 2021, the Group recognized the contribution paid as an expense in the consolidated financial statement in the amount of Baht 323 million and Baht 265 million, respectively, and the Company recognized that contribution paid as an expense in the separate financial statements in the amount of Baht 300 million and Baht 256 million, respectively.

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management objectives

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

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

As at December 31, 2022 and 2021, the Company did not have derivative financial instrument transactions because the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

34.2 Market risk

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

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

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

34.2.1 Foreign currency risk management

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

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

The Company has managed the risk of exchange rates fluctuations which is uncontrolled factors by using “Matching Currency” strategy to manage this risk by matching currency between the expense and revenue and arranging for loan and restructure loan to coincide with net operating cash flow, together with the reduction of foreign currency debt risk by entering into Thai baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statements. In addition, the Company managed source of fund and has a policy to enter into cross currency swap (CCS) when the financial market is favorable to the Company and forward contract to hedge the future obligation that has underlying exposures.

As at December 31, 2022 and 2021, the Company did not have CCS transaction and forward contract because the Company has entered the business rehabilitation process. Therefore, the Company has not entered into the contract.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities as at December 31, 2022 are as follows:

	Unit : Million Baht	
	Consolidated and Separate	
	financial statements	
	Assets	Liabilities
US Dollar	38,981	116,953
Yen	2,380	4,549
Euro	4,579	10,138
Others	4,199	10,602

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, 2022 for a 10% change in foreign currency rates.

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	Assets	Liabilities
Gain (loss)		
- Appreciate 10%	(5,014)	14,224
- Depreciate 10%	5,014	(14,224)

34.2.2 Interest rate risk management

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

Interest rate sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit or loss for the year ended December 31, 2022 and 2021 would decrease/increase by Baht 308 million and Baht 324 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

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

As at December 31, 2022 and 2021, the Company does not have interest rate swap contract transaction due to the Company has entered the business rehabilitation process. Therefore, the Company has not entered into the additional contract.

34.2.3 Fuel price risk

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

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

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

As at December 31, 2022 and 2021, the Company did not have any derivative transaction for hedge fuel price because the Company has entered the business rehabilitation process. Therefore, the Company has not entered into the additional contract.

34.3 Credit risk management

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

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

34.4 Liquidity and interest risk management

As at December 31, 2022 and 2021, ultimate responsibility for liquidity risk management rests with the Plan Administrators, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding including financial liabilities which are not derivatives. The framework of risk management is within the business rehabilitation plan process, which was on processing as the business rehabilitation plan of Central Bankruptcy Court as described in Note 5.

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.

As at December 31, 2022	Consolidated Financial Statements				
	Effective Interest Rate Per annum	Less than 1 year	More than 1 year	Total	Carrying Amount
Trade and other payables	6.79-10.60	25,037	16,340	41,377	38,834
Loans from related parties	8.86	454	28,938	29,329	24,361
Loans from financial institution	1.52-11.68	-	12,671	12,671	7,718
Debentures	8.07-8.86	-	84,409	84,409	42,765

Unit : Million Baht

As at December 31, 2022	Effective Interest Rate Per annum	Separate Financial Statements		Unit : Million Baht	
		Less than 1 year	More than 1 year	Total	Carrying Amount
Trade and other payables	6.79-10.60	23,148	16,340	39,488	36,945
Loans from related parties	8.86	454	28,938	29,329	24,361
Loans from financial institution	1.52-11.68	-	12,671	12,671	7,718
Debentures	8.07-8.86	-	84,409	84,409	42,765

34.5 Classes and categories of financial instruments and their fair values

The following table combines information of:

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

As of December 31, 2022 and 2021, cash and cash equivalents, trade receivables, other receivables, their carrying amounts approximate their fair value because of short-term maturity.

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

Financial assets measured at fair value

The following table presents the fair values of financial assets including the fair values hierarchy for financial assets recognized at fair value as at December 31, 2022 and 2021

		Consolidated financial statements		Unit : Million Baht Separate financial statements	
	Level of Fair value	2022	2021	2022	2021
Assets measured at fair value through profit or loss					
Other non-current financial assets					
Investment in debt securities	Level 2	51	53	51	53
Investment in funds	Level 2	1	1	1	1
Investment in market-equity securities	Level 1	413	559	413	559
Investment in non-market equity securities	Level 3	312	312	312	312
Assets measured at fair value through other comprehensive income					
Other non-current financial assets					
Investment in non-market equity securities	Level 3	58	19	30	13

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

Types	Valuation techniques
Debt securities	The fair value of investments in debt instruments measured at fair value through profit or loss. Calculated using valuation techniques by obtaining the observable market data and converting discounted cash flows to present values.
Investments in marketable unit trust	The fair value of investments in marketable investment units that are measured at fair value through profit or loss is calculated by using the net asset value as of the reporting date.
Marketable equity securities	The fair value of the investment in equity securities measured at fair value through profit or loss (FVTPL) is calculated by using bid price from the stock exchange of Thailand (SET) as of the reporting date.
Non - marketable equity securities	The fair value of investments in equity instrument measured at fair value through other comprehensive income is calculated by using the net asset value as of the reporting date. The fair value of investments in equity instrument measured at fair value through profit or loss (FVTPL) is calculated by present value of the forecast cash flow and discount with interest rate and the related risks.

During the year ended December 31, 2022, the Company did not transfer financial instruments between the fair value hierarchy.

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

Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy as at 31 December 2022 are as follows.

	Unit : Million Baht Consolidated and financial statements	
Non - marketable equity securities		
- measured at fair value through profit or loss (FVTPL)		
Beginning balances of the year		312
Disposed during the year		-
Net gain (loss) recognized into profit (loss)		-
Ending balances of the year		<u>312</u>

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Non - marketable equity securities		
- measured at fair value through other comprehensive income		
Beginning balances of the year	19	13
Disposed during the year	-	-
Net gain (loss) recognized into profit (loss)	<u>39</u>	<u>17</u>

	Consolidated financial statements	Separate financial statements
Non - marketable equity securities		
- measured at fair value through other comprehensive income		
Ending balances of the year	58	30

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

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

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

35. COMMITMENTS AND CONTINGENT LIABILITIES

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

35.1 Bank Guarantee

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

	Unit : Million (Currency)	
	Consolidated and Separate financial statements	
	2022	2021
Bank Guarantee		
Issued by domestic banks		
THB Currency	212	98
Issued by foreign banks		
USD Currency	14	-
BDT Currency	10	10
AUD Currency	1	1
INR Currency	123	123
SAR Currency	-	5
AED Currency	1	3

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

35.2 Contract commitment

On June 15, 2021, the Plan Administrator's meeting No. 1/2021, pass the resolution to approve the Company's Declaration of the Onerous Contract, which was in accordance with the business rehabilitations plan. As at December 31, 2022, the Company agreed on the Declaration of the Onerous Contract of aircraft finance lease contract for 16 aircrafts. In addition, the termination of engine maintenance contract was on negotiation process of the Central Bankruptcy Court.

As of October 25, 2022, the Company is obligated to pay the lease agreement of 2 A350-900 aircrafts with lease term of 12 years, monthly rental payments of USD 770,000 per aircraft, which will commence upon delivery of the aircraft approximately in March 2023. The Company is obligated to pay security deposit by issuing Letter of Credit equal to USD 2,310,000 per aircraft which will be divided into 3 installments.

36. DISPUTES AND SIGNIFICANT LITIGATION

36.1 Labor disputes and damages claim

The Company has been filed as defendant in domestic and foreign labor disputes for 1 case with claim amount of Baht 3 million and the complaints in domestic and foreign for 56 cases with claim amount of Baht 487 million. As of December 31, 2022, the Company's management, considering such disputes and claims based on facts and laws, considers that the impact of such matters is insignificant to the financial statements.

36.2 Tax dispute

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

The Custom Department has informed that the Company has imported goods into the free zone without license and collateral in order to perform business operation in duty free zone and bonded warehouses and has further informed during 2012 - 2017. From the inspection of importation of goods into duty free zone, can be summarize as the following:

1. During 2007-2012, from 251 imported items, 58 licensed import declarations were found and 43 post-imported goods declarations, totaling 101 items. Therefore, 150 items of imported goods without declaration or license were found.
2. During 2012-2017, from 623 imported items, 26 licensed import declarations were found and 568 post-imported licensed import declarations, totaling 594 items. Therefore, 29 items of imported goods without declaration or license were found.

The Company has sent the letter dated April 8, 2022 to 3 departments:

1. Secretary-General of the Food and Drug Administration
2. Director-General of the Department of Livestock Development
3. Director-General of the Excise Department

The Company's representative met with Secretary-General of the Food and Drug Administration in order to inform the facts about the reasons for requesting a waiver of importation without the need for a license. Also, the Company is in between setting up the meeting with Director-General of the Department of Livestock Development and Director-General of the Excise Department in order to inform the facts for the reasons for requesting a waiver of importation without a license to import as well.

At present, the Company is in the midst of verification for consideration of the import food for restricted products and permission import for consideration of disputes the Custom Department, including finding settle the disputes.

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

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

During the year 2020, the Company received letter of tax assessment notification for the year 2018 consisted of 3 types of tax, which were corporate income tax, special business tax and withholding tax. The total additional assessed tax, including fine and interest were Riel 5,018 million. In addition, the Company received letter of tax assessment notification for the year 2019, consisted of 4 types of tax, which were special business tax, withholding tax, payroll tax and additional tax (from obstruction of operations) including tax assessed with fine and interest in the amount of Riel 10,633 million.

During the year 2022, the Company received letter of tax assessment notification for the year 2020 consisted of 3 types of tax, which were corporate income tax, special business tax and withholding tax. The total additional assessed tax, including fine and interest were Riel 2,025 million.

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

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

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

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

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

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

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

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

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

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

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

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

As at December 31, 2022 and 2021, the management of the Company considered such disputes and litigation as described in Notes 36.1 to 36.4 based on the facts and the laws that the impacts of such matters will not significantly affect to the financial statements.

37. EVENTS AFTER THE REPORTING PERIOD

On September 29, 2022, the Plan Administration Meeting No. 37/2022 passed a resolution to approve sale of asset in Singapore. Which has net book value of Baht 0.1 million. The Company sold and transferred such assets in January 2023 with profit from sales of Baht 215 million.

38. APPROVAL OF THE FINANCIAL STATEMENTS

This financial statements were approved by the Plan Administrator of the Company on February 23, 2023.