

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

TO THE PLAN ADMINISTRATOR

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Thai Airways International Public Company Limited and its subsidiaries (the “Group”) and the separate statement of financial position of Thai Airways International Public Company Limited (the “Company”) as at March 31, 2022, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Basis for Disclaimer of Conclusion

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

1. Lack of financial liquidity

As disclosed in Note 1 to the interim financial statements regarding the financial position of the Group and the Company as at March 31, 2022, the Group had significant current liabilities in excess of current assets by Baht 23,277 million and had capital deficiency of Baht 74,486 million in the consolidated financial statements and the Company had current liabilities in excess of current assets by Baht 19,243 million and had capital deficiency of Baht 68,282 million in the separate 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. Subsequently, on June 15, 2021, the Central Bankruptcy Court issued an Order approving the rehabilitation plan (see No. 3 of Basis for Disclaimer of Conclusion). In this period, the Company is currently in the process of implementing the rehabilitation plan and will be making repayments for liabilities in accordance with the dates as specified in the rehabilitation plan.

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

As disclosed in Note 1 to the interim financial statements, the Coronavirus disease 2019 ("COVID-19") pandemic has continuously affected in an economic slowdown and adversely impacting most businesses and industries, especially aviation industry. As such, the Group has currently provided some domestic and international flight operation including chartered flights in accordance with the government's measures to control the spread of COVID-19 in each country but not operated yet as normal.

3. Implementation of the rehabilitation plan

As disclosed in Note 4 to the interim financial statements, on June 15, 2021, the Central Bankruptcy Court issued an Order approving the rehabilitation plan and plan amendment petitions as per the resolution of the creditors' meeting on May 19, 2021, including the approval of the nominated Plan Administrator. The essential parts of the business rehabilitation plan are capital restructuring, debt repayment of each class of the creditors, and the completion of the business rehabilitation plan. The Company is currently in the process of implementing the rehabilitation plan. However, completion of the rehabilitation plan depends on the ability to implement the plan, and must meet all conditions as specified in the rehabilitation plan.

The aforementioned situations in No.1 to No. 3. have impact on and are inter-related reflecting the material uncertainty to the ability to continue as going concern of the Group and the Company which may affect valuation of significant assets and liabilities in the consolidated and separate interim financial information for the three-month period ended March 31, 2022.

In addition, the consolidated statement of financial position of Thai Airways International Public Company Limited and its subsidiaries and the separate statement of financial position of Thai Airways International Public Company Limited as at December 31, 2021, presented herein as comparative information, were audited by us, we expressed a disclaimer of opinion on the consolidated and separate financial statements for the year ended December 31, 2021 in our report dated February 25, 2022 and the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2021, presented herein as comparative information, were reviewed by us, we concluded a disclaimer of conclusion on the consolidated and separate financial statements for the three-month period ended March 31, 2021 in our report dated July 23, 2021, because the material uncertainty situations to the ability to continue as going concern, consisting of lack of liquidity, effect of Coronavirus Disease 2019 Pandemic and entering into the rehabilitation process had impact to the Group's and the Company's operations.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we do not express a conclusion on the accompanying consolidated interim financial information of Thai Airways International Public Company Limited and its subsidiaries and the separate interim financial information of Thai Airways International Public Company Limited as at March 31, 2022 and for the three-month period then ended.

Emphasis of Matter

We draw attention to Notes 4.3, 11, 15 and 16, to the interim financial statements. The Company is in the process of liabilities verification with the Official Receiver which the Company's liabilities will be adjusted upon receiving an Order from the Official Receiver. However, such matter did not affect our disclaimer of conclusion.

BANGKOK
May 13, 2022

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

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

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at March 31, 2022 “Unaudited”	As at December 31, 2021	As at March 31, 2022 “Unaudited”	As at December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6.1	6,017,081,587	5,514,653,800	5,756,945,768	5,121,813,222
Trade and other current receivables	7	13,417,933,203	10,022,226,844	16,308,333,527	12,536,138,839
Inventories and supplies		4,392,310,963	4,131,546,294	4,373,137,267	4,114,052,208
Current tax assets		70,680,705	204,702,448	70,660,587	204,687,687
Other current assets	23.5	608,400,151	601,419,991	578,159,777	601,370,481
Non-current assets classified as held for sale	8	3,769,313,761	4,320,962,383	3,769,313,760	4,320,962,383
Total Current Assets		28,275,720,370	24,795,511,760	30,856,550,686	26,899,024,820
NON-CURRENT ASSETS					
Other non-current financial assets	17, 23.5	3,304,417,345	3,314,741,146	3,290,408,853	3,308,383,171
Investments in associates	9.1	503,468,269	515,307,376	383,334,000	383,334,000
Investments in subsidiaries	9.2	-	-	10,209,920	10,209,920
Non-current receivable under lease agreements	5.2	-	-	6,795,460,764	7,086,677,261
Property, plant and equipment	10	33,630,614,875	34,493,245,202	33,577,084,754	34,442,683,416
Right-of-use assets	11	68,456,516,534	69,651,695,912	61,775,442,659	62,326,397,358
Intangible assets		198,683,143	213,376,966	166,086,488	176,961,857
Deferred tax assets		8,350,204,948	8,274,742,579	8,335,856,665	8,258,409,755
Maintenance reserves	12	14,776,234,592	15,489,511,397	14,731,618,063	15,426,952,515
Other non-current assets	13	4,926,776,628	4,471,121,630	4,770,080,144	4,340,400,133
Total Non-current Assets		134,146,916,334	136,423,742,208	133,835,582,310	135,760,409,386
TOTAL ASSETS		162,422,636,704	161,219,253,968	164,692,132,996	162,659,434,206

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2022

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at March 31, 2022 “Unaudited”	As at December 31, 2021	As at March 31, 2022 “Unaudited”	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and othe current payables	16	26,526,363,292	28,076,044,447	25,475,429,157	27,359,944,841
Deferred revenue		20,773,200,832	17,753,074,488	20,422,696,582	17,416,845,556
Current portion of long-term liabilities					
Leases liabilities	6.3, 15	3,259,155,097	605,964,141	3,250,701,518	593,972,474
Short-term borrowings from related parties	5.2, 6.3	42,000,000	-	-	-
Income tax payable		1,296,172	-	-	-
Accrued dividends		54,488,653	54,473,562	54,228,762	54,228,762
Other current liabilities		896,229,481	858,742,679	896,197,655	849,105,210
Total Current Liabilities		51,552,733,527	47,348,299,317	50,099,253,674	46,274,096,843
NON-CURRENT LIABILITIES					
Long-term liabilities					
Long-term borrowings from financial institutions	6.3, 14.1	10,607,848,833	10,575,571,433	10,607,848,833	10,575,571,433
Long-term borrowings from related parties	5.2, 6.3	18,648,075,674	18,559,461,364	18,648,075,674	18,559,461,364
Leases liabilities	6.3, 15	74,554,183,148	74,595,455,465	74,553,358,372	74,592,636,469
Debentures	6.3, 14.2	36,269,231,296	35,538,679,443	36,269,231,296	35,538,679,443
Trade and other non-current payables	16	17,979,547,134	19,560,109,462	17,979,547,134	19,560,109,462
Staff pension fund	17	1,026,706,597	1,028,854,319	1,026,706,597	1,028,854,319
Non-current provisions for employee benefits	18	5,124,921,478	5,172,907,152	5,032,265,098	5,083,353,215
Other non-current provisions	19	21,116,498,450	20,071,788,288	16,761,608,335	16,129,323,670
Other non-current liabilities		29,125,982	18,606,004	1,996,600,025	1,975,264,816
Total Non-current Liabilities		185,356,138,592	185,121,432,930	182,875,241,364	183,043,254,191
TOTAL LIABILITIES		236,908,872,119	232,469,732,247	232,974,495,038	229,317,351,034

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2022

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at March 31, 2022 “Unaudited”	As at December 31, 2021	As at March 31, 2022 “Unaudited”	As at December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
		2,182.77million ordinary shares par value of Baht 10 each			
	4.3	<u>21,827,719,170</u>	<u>21,827,719,170</u>	<u>21,827,719,170</u>	<u>21,827,719,170</u>
Issued and paid-up share capital					
		2,182.77 million ordinary shares par value of Baht 10 each			
		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
		Premium on ordinary shares	1,862,979,154	1,862,979,154	1,862,979,154
DEFICIT					
		Unappropriated (deficit)	(107,543,776,332)	#####	##### (100,007,567,657)
		Other components of shareholders' equity	9,290,807,101	9,659,970,951	9,282,138,138
		Total shareholders' equity attributable to owners of the Company (capital deficiency)	(74,562,270,907)	(71,323,109,159)	(68,282,362,042)
		Non-controlling interests	76,035,492	72,630,880	-
TOTAL SHAREHOLDERS' EQUITY					
		(CAPITAL DEFICIENCY)	(74,486,235,415)	(71,250,478,279)	(68,282,362,042)
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	162,422,636,704	161,219,253,968	164,692,132,996

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2022	2021	2022	2021
Revenues	22.1, 22.2				
Revenues from sales or rendering services	20				
Passenger and excess baggage		3,847,375,414	967,349,127	2,666,901,368	403,604,372
Freight and mail		5,220,211,889	2,009,140,983	5,206,314,957	2,010,990,389
Other businesses		1,339,181,783	1,236,049,549	1,570,981,685	1,497,279,691
Total revenues from sales or rendering services		10,406,769,086	4,212,539,659	9,444,198,010	3,911,874,452
Other income					
Interest income		2,996,228	2,344,666	2,940,742	2,301,985
Gain on sales of investments	21.1	3,365,400	2,003,839,275	3,365,400	2,632,951,125
Gain on debt restructuring	4.3	1,512,379,853	-	1,512,379,853	-
Net gain from foreign exchange rates		1,344,191,089	-	1,233,995,634	-
Other income	21.2	434,137,458	338,977,520	418,491,561	292,222,125
Total other income		3,297,070,028	2,345,161,461	3,171,173,190	2,927,475,235
Total Revenues		13,703,839,114	6,557,701,120	12,615,371,200	6,839,349,687
Expenses					
Aircraft fuel expenses		4,247,198,971	872,652,857	3,714,217,378	707,264,637
Employee benefits expenses		1,768,808,217	2,919,392,605	1,643,389,004	2,787,259,040
Flight service expenses		1,360,598,503	415,465,540	1,258,422,215	354,035,522
Crew expenses		370,050,448	104,815,923	302,420,450	62,776,799
Aircraft repair and maintenance costs		1,849,660,845	1,221,045,295	1,244,688,955	911,819,851
Depreciation and amortization expenses		2,275,269,100	4,220,468,092	2,053,605,094	3,905,617,764
Lease of aircraft and spare parts		552,360,020	222,988,598	531,922,292	178,515,050
Inventories and supplies expenses		319,198,141	130,751,927	284,759,236	105,773,854
Selling and advertising expenses		480,977,620	189,215,343	380,564,498	104,732,783
Impairment loss on aircraft and rotatable aircraft's spare part		-	4,285,115	-	4,285,115
Net loss from foreign exchange rates		-	3,698,128,507	-	3,454,435,499
Other expenses		1,225,262,098	961,153,271	792,601,615	879,453,174
Total Expenses		14,449,383,963	14,960,363,073	12,206,590,737	13,455,969,088
Profit (loss) from operating activities		(745,544,849)	(8,402,661,953)	408,780,463	(6,616,619,401)
Finance costs		2,491,707,793	3,810,689,974	1,905,720,968	3,763,704,168
Impairment loss in accordance with TFRS 9 (reversal)		68,421,140	(203,764,717)	204,952,452	413,356,500
Share of loss from investments in associates		11,839,107	29,966,260	-	-
Loss before income tax (expense) income		(3,317,512,889)	#####	(1,701,892,957)	(10,793,680,069)
Income tax (expense) income		74,127,102	(165,529,394)	77,446,910	(165,408,554)
Loss for the periods		(3,243,385,787)	#####	(1,624,446,047)	(10,959,088,623)

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2022	2021	2022	2021
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasuring equity securities at fair value through other comprehensive income		7,651,350	(459,580)	833	(221,962)
Total components of other comprehensive income that will not be reclassified to profit or loss		<u>7,651,350</u>	<u>(459,580)</u>	<u>833</u>	<u>(221,962)</u>
Other comprehensive income (loss) for the periods - net of tax		<u>7,651,350</u>	<u>(459,580)</u>	<u>833</u>	<u>(221,962)</u>
Total comprehensive loss for the periods		<u>(3,235,734,437)</u>	<u>#####</u>	<u>(1,624,445,214)</u>	<u>(10,959,310,585)</u>
Profit (loss) attributable to :					
Owners of parent		(3,246,813,098)	#####	(1,624,446,047)	(10,959,088,623)
Non-controlling interests		3,427,311	(2,580,463)	-	-
		<u>(3,243,385,787)</u>	<u>#####</u>	<u>(1,624,446,047)</u>	<u>(10,959,088,623)</u>
Total comprehensive income (loss) attributable to:					
Owners of parent		(3,239,161,748)	#####	(1,624,445,214)	(10,959,310,585)
Non-controlling interests		3,427,311	(2,580,463)	-	-
		<u>(3,235,734,437)</u>	<u>#####</u>	<u>(1,624,445,214)</u>	<u>(10,959,310,585)</u>
Loss per share					
Number of ordinary shares (share)		2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic loss per share (Baht per share)		(1.49)	(5.59)	(0.74)	(5.02)

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“UNAUDITED”

UNIT : BAHT

	Consolidated financial statements							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on Shares	Deficit Unappropriated	Owner of the shareholders' equity			Total Shareholders' equity attributable to owners of the parent company		
				Other components of shareholders' equity					
				Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity			
Balance as at January 1, 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 to cumulative preferred shares	-	-	-	-	-	-	-	(22,699)	(22,699)
Total comprehensive loss for the period	-	-	(12,202,502,401)	-	(459,580)	(459,580)	(12,202,961,981)	(2,580,463)	(12,205,542,444)
Balance as at March 31, 2021	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>(174,100,836,425)</u>	<u>9,457,797,725</u>	<u>6,885,651</u>	<u>9,464,683,376</u>	<u>(140,945,454,725)</u>	<u>75,026,601</u>	<u>(140,870,428,124)</u>
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 to cumulative preferred shares	-	-	-	-	-	-	-	(22,699)	(22,699)
Transfer of gain on selling assets revaluation	-	-	376,815,200	(376,815,200)	-	(376,815,200)	-	-	-
Total comprehensive income (loss) for the period	-	-	(3,246,813,098)	-	7,651,350	7,651,350	(3,239,161,748)	3,427,311	(3,235,734,437)
Balance as at March 31, 2022	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>(107,543,776,332)</u>	<u>9,273,392,026</u>	<u>17,415,075</u>	<u>9,290,807,101</u>	<u>(74,562,270,907)</u>	<u>76,035,492</u>	<u>(74,486,235,415)</u>

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

“UNAUDITED”

UNIT : BAHT

	Issued and paid-up share capital	Premium on Shares	Separate financial statements			Total shareholders' equity	
			Deficit Unappropriated	Other components of shareholders' equity Other comprehensive income (loss)			
			Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity		
Balance as at January 1, 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							
Total comprehensive loss for the period	-	-	(10,959,088,623)	-	(221,962)	(221,962)	(10,959,310,585)
Balance as at March 31, 2021	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>(171,348,636,749)</u>	<u>9,457,797,725</u>	<u>5,094,557</u>	<u>9,462,892,282</u>	<u>(138,195,046,143)</u>
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	-	-	376,815,200	(376,815,200)	-	(376,815,200)	-
Total comprehensive income (loss) for the period	-	-	(1,624,446,047)	-	833	833	(1,624,445,214)
Balance as at March 31, 2022	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>(101,255,198,504)</u>	<u>9,273,392,026</u>	<u>8,746,112</u>	<u>9,282,138,138</u>	<u>(68,282,362,042)</u>

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the periods		(3,243,385,787)	(12,205,082,864)	(1,624,446,047)	(10,959,088,623)
Adjustment to reconcile profit and loss					
Income tax expense (income)		(74,127,102)	165,529,394	(77,446,910)	165,408,554
Depreciation and amortization		2,275,269,100	4,220,468,092	2,053,605,094	3,905,617,764
Dividend received		(6,176)	(6,176)	(6,176)	(21,006,176)
Share of loss from associates using the equity method		11,839,107	29,966,260	-	-
Interest income		(2,996,228)	(2,344,666)	(2,940,742)	(2,301,985)
Finance cost		2,491,707,793	3,810,689,974	1,905,720,968	3,763,704,168
Gain on disposal of assets		(291,921,759)	(170,184,597)	(291,921,759)	(170,184,597)
Gain on sale of investments	21.1	(3,365,400)	(2,003,839,275)	(3,365,400)	(2,632,951,125)
(Gain) loss on foreign exchange rates		(1,216,045,426)	4,872,612,896	(1,096,781,752)	4,413,251,242
(Gain) loss arising from financial asset designated at fair value through profit or loss		(5,480,925)	19,883,481	(5,480,925)	19,883,481
Provisions for pension fund	17	11,196,485	20,836,407	11,196,485	20,836,407
Provisions for employee benefits	18	81,873,705	206,233,484	77,584,862	201,506,272
Provision for long-term aircraft maintenance		1,065,652,660	199,470,503	653,227,163	277,136,251
Gain on inventories and supplies obsolescence		35,490,038	23,871,488	35,490,038	23,871,488
(Reversal) credit loss on financial assets		68,421,140	(203,764,717)	204,952,452	413,356,500
Gain on terminate contract		(3,951,538)	-	(3,951,538)	-
Gain on debt restructuring		(1,512,379,853)	-	(1,512,379,853)	-
Impairment loss on aircraft and rotatable aircraft's spare part		-	4,285,115	-	4,285,115
Profit (loss) from operating before changes in operating assets and liabilities		(312,210,166)	(1,011,375,201)	323,055,960	(576,675,264)
Operating assets decrease (increase)					
Trade and other current receivables		(4,106,849,225)	(966,690,314)	(4,247,793,672)	(1,279,761,022)
Lease receivables		-	-	95,123,972	542,146,039
Inventories and supplies		(296,254,708)	51,777,575	(294,575,097)	47,433,340
Other current assets		14,408,222	(50,189,813)	14,408,222	(50,408,776)
Maintenance reserves		(67,282,166)	(71,683,353)	(67,282,166)	(71,683,353)
Other non-current financial assets		(9,436,648)	(124,431,766)	(9,436,648)	(124,431,766)
Other non-current assets		(244,511,930)	(113,669,730)	(218,534,574)	(118,674,403)

See condensed notes to the financial statements

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		2,021,857,571	153,901,350	1,543,816,528	(319,096,064)
Deferred revenue		3,020,154,240	(87,079,145)	3,005,878,922	(178,736,997)
Other current liabilities		(179,112,042)	(9,565,477)	(180,242,974)	(9,592,628)
Staff pension fund		(1,134,517)	(7,413,497)	(1,134,517)	(7,413,497)
Employee benefit paid		(129,859,379)	(140,070,448)	(128,672,979)	(140,070,448)
Other non-current liabilities		13,262,811	29,902,581	15,741,658	30,054,631
Net cash used in operations		(276,967,937)	(2,346,587,238)	(149,647,365)	(2,256,910,208)
Income tax paid		(72,507,017)	(44,886,690)	(70,660,587)	(43,348,736)
Net cash flows used in operating activities		(349,474,954)	(2,391,473,928)	(220,307,952)	(2,300,258,944)
CASH FLOWS FROM INVESTING ACTIVITIES					
Short term investment increased		(30,000,000)	-	-	-
Deposits received from sale of assets		219,987,519	-	219,987,519	-
Cash paid for purchase of property, plant and equipment		(11,468,485)	(2,178,625)	(6,243,164)	-
Cash paid for purchase of intangible assets		(4,036,361)	(673,032)	-	-
Cash received from sales of assets		844,723,915	2,931,557,819	844,723,915	2,931,557,819
Cash received from sales of investments	21.1	36,067,900	-	36,067,900	-
Interest received		410,795	6,778,514	403,298	6,773,341
Dividend received		6,176	6,176	6,176	6,176
Net cash flows provided by investing activities		1,055,691,459	2,935,490,852	1,094,945,644	2,938,337,336
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term borrowings					
from a related party	6.3	42,000,000	-	-	-
Repayment for lease liabilities	6.3	(210,260,543)	(3,008,217)	(204,802,612)	-
Dividends paid		-	(8,564)	-	(8,564)
Net cash flows used in financing activities		(168,260,543)	(3,016,781)	(204,802,612)	(8,564)
Net increase in cash and cash equivalents					
before effect of exchange rate		537,955,962	541,000,143	669,835,080	638,069,828
Effect of exchange rate changes on cash and cash equivalents		(35,073,055)	94,193,720	(34,247,414)	93,545,794
Effects of credit loss on					
cash and cash equivalents (reversal)		(455,120)	842,138	(455,120)	842,138
Cash and cash equivalents at beginning of the periods	6.1	5,514,653,800	8,673,722,750	5,121,813,222	7,960,503,517
Cash and cash equivalents at ending of the periods	6.1	6,017,081,587	9,309,758,751	5,756,945,768	8,692,961,277

See condensed notes to the financial statements

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

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

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022 (UNAUDITED)**

1. GENERAL INFORMATION AND OPERATION

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

As at March 31, 2022, 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 March 31, 2022, the Company had the routes network servicing to 27 destinations in 17 countries all over the world, whereas 1 destination was domestic (excluding Bangkok). Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 18 destinations in 2 countries, whereas 14 destinations were domestic (excluding Bangkok).

As at March 31, 2022, the Company and its subsidiaries (the “Group”) had current liabilities exceeded current assets by Baht 23,277 million and had capital deficiency of Baht 74,486 million in the consolidated financial statements and the Company had current liabilities exceeded current assets by Baht 19,243 million and had capital deficiency of Baht 68,282 million in the separate financial statements. The Group and the Company had loss from operations since year 2013 resulting in the Group and the Company having a capital deficiency and lack of financial liquidity.

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

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

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

On May 26, 2020, the Company submitted a petition to enter into a business rehabilitation process and proposed the rehabilitation planner (“the Planners”) to the Central Bankruptcy Court. On May 27, 2020, the Central Bankruptcy Court accepted the business rehabilitation petition for further consideration. 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 is authorized to operate the business, manage the Company’s assets, and implement the business rehabilitation plan. The essential parts of the business rehabilitation plan are capital restructuring, debt repayment of each class of the creditors, and the completion of the business rehabilitation plan.

Major assets and liabilities recorded as at March 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% - 23.00% per annum to interest rate in accordance with the rehabilitation plan. For financial liabilities, the Company remeasured liabilities that received an Order from the Official Receiver for the application of debt repayment in business reorganization except debenture creditors. The Company adjusted all debenture payables in accordance with the business rehabilitation plan as the Company assessed as there is material certainty that the liabilities before adjustment will not have material difference from liabilities upon receiving an order from the Official Receiver (see Note 4).

The Company’s management is in process to consider the impact of assets and liabilities recorded as at March 31, 2022 which may significantly change when the verifications of the liabilities are completed. The Company’s management believes that the preparation of financial statements on going concern basis is still appropriate because the Company is in the process of business rehabilitation. During this period, the Company is able to continue its necessary activities for operation as usual in order to enable the Company to continue as a going concern for at least 12 months from the date in the statements of financial position. However, the financial position and the Company’s ability to continue as a going concern depends on several factors of business management, including the successful implementation of the rehabilitation plan and the Company’s ability to operate the business.

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

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

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

2.2 The consolidated and separate statements of financial position as at December 31, 2021, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been audited.

2.3 The unaudited results of operations presented in the statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2022 are not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2022 should be read in conjunction with the financial statements for the year ended December 31, 2021 which had been audited.

2.5 In the preparation of interim financial statements in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, the Company requires management to make judgments, estimates and assumptions that affect the application of accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

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

Company's Name	Type of business	Main location of incorporation	Ownership percentage	
			As at March 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 the subsidiary				
Thai Flight Training Company Limited	Aviation training services	Thailand	74	74
Held by the subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited				
Tour Eurng Luang Company Limited	Tourism Business	Thailand	49 ⁽¹⁾	49 ⁽¹⁾

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

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

During the period, the Group has adopted the revised financial reporting standards 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 phase 2. The adoption of these financial reporting standards does not have any significant impact on the Group's interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2021.

4. REHABILITATION PLANS

4.1. 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.

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

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

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

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

4.2 Essential parts of the business rehabilitation plan

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

4.2.1 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.

4.2.2 Debt repayment of each class of the creditors

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

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

4.2.3 Completion of the business rehabilitation plan

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

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

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

4.3 Implementation of the business rehabilitation plan

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

After the Central Bankruptcy Court had issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors’ meeting on May 19, 2021. The Company processed the adjustment of 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.

Assets and liabilities adjusted in accordance with the business rehabilitation plan in this period are as follows:

- (1) The Company received an Order from the Official Receiver to pay debt to certain trade payables and other payables. The Company adjusted trade payable and other payable according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an order from the Official Receiver (see Note 16), resulting the Company recognized gain from liabilities adjustment in accordance with an Order from the Official Receiver in amount of Baht 249 million, and recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 765 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 aircraft under finance lease 1 aircraft and aircraft under operating lease 4 aircrafts resulted in changing in value of right-of-use assets and lease liabilities (see Notes 11 and 15).

In addition, the Company adjusted maintenance reserve, security deposit and lease liabilities that incurred before September 14, 2020 for the aforementioned operating lease agreement and recognized gain on debt restructuring of Baht 227 million.

- (3) The Company terminated the Declaration of Onerous Contracts of 2 aircrafts under the financial lease agreement and delivered 2 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 gain on debt restructuring of Baht 271 million.

Gains on debt restructuring for the three-month period ended March 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 Notes 4.3.1 (1))	765
Gain on liabilities adjustment in accordance with an Order from the Official Receiver (see Note 4.3.1 (1))	249
Gain from adjustment of assets and liabilities in accordance with the amendment lease agreement (see Note 4.3.1 (2))	227
Gain from termination of onerous contract (see Note 4.3.1 (3))	271
Total	<u><u>1,512</u></u>

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

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

5. RELATED PARTIES TRANSACTIONS

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

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

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

5.1 Significant related parties transactions for the three-month periods ended March 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	March 31,	March 31,	March 31,	March 31,
	2022	2021	2022	2021
Major shareholder				
Purchases and services	1	-	1	-
Interest expense	192	626	192	626
Subsidiaries				
Sales and rendering of services	-	-	489	903
Purchases and services	-	-	294	100
Associates				
Purchases and services	11	5	11	5
Dividend received	-	-	-	21
Director and managements remuneration				
Short-term management remuneration	8	4	6	3
Directors' remuneration	7	1	6	1

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.

The Group recognized post-management benefit in the consolidated and separate statements of profit or loss and other comprehensive income for the three-month periods ended March 31, 2022 and 2021 of Baht 145,466 and Baht 88,995, respectively.

5.2 Balances as at March 31, 2022 and December 31, 2021 with related parties are as follows:

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	March 31,	December 31,	March 31,	December 31,
	2022	2021	2022	2021
Trade and other current receivables				
(see Note 7)				
Subsidiaries	-	-	11,471	10,782
Related Parties	15	14	15	14
Total	<u>15</u>	<u>14</u>	<u>11,486</u>	<u>10,796</u>

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

	Consolidated		Unit : Million Baht Separate	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current lease receivable (see Note 7)				
Subsidiary	-	-	540	500
Total	<u>-</u>	<u>-</u>	<u>540</u>	<u>500</u>
Non-current lease receivable				
Subsidiary	-	-	6,795	7,087
Total	<u>-</u>	<u>-</u>	<u>6,795</u>	<u>7,087</u>
Trade and other current payables (see Note 16)				
Subsidiaries	-	-	125	129
Associates	3	2	3	2
Related parties	120	78	120	78
Total	<u>123</u>	<u>80</u>	<u>248</u>	<u>209</u>
Trade and other non-current payables (see Note 16)				
Associates	17	17	17	17
Related parties	938	938	938	938
Total	<u>955</u>	<u>955</u>	<u>955</u>	<u>955</u>

Borrowings from related parties as at March 31, 2022 and December 31, 2021 are consisted of:

	Consolidated		Unit : Million Baht Separate	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Short-term borrowings from related parties				
From domestic financial institution controlled by major shareholder	42	-	-	-
Long-term borrowings from related parties				
From foreign financial institution through major shareholder	6,131	6,082	6,131	6,082
From domestic financial institution controlled by major shareholder	12,517	12,477	12,517	12,477
Total long-term borrowings from related parties	<u>18,648</u>	<u>18,559</u>	<u>18,648</u>	<u>18,559</u>
Total	<u>18,690</u>	<u>18,559</u>	<u>18,648</u>	<u>18,559</u>

During the three-month period ended March 31, 2022, the change in these long-term borrowings came from interest expense in accordance with the business habilitation plan and the change in foreign exchange rate.

Details of long-term borrowings from related parties as at March 31, 2022 and December 31, 2021 are as follows:

Unit : Million Baht						
Consolidated and Separated financial statements						
	Maturity Date		Interest rate (% per annum)		Amount	
	2022	2021	2022	2021	2022	2021
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	10,719	10,714
From foreign financial institution through major shareholder ⁽²⁾	December 30, 2032	December 30, 2032	1.50	1.50	6,131	6,082
From domestic financial institution controlled by the major shareholder ⁽³⁾	June 15, 2023	June 15, 2023	5.75 - 18.00	5.75 - 18.00	577	568
From domestic financial institution controlled by the major shareholder ⁽⁴⁾	December 30, 2035	December 30, 2035	1.06 - 1.50	1.06 - 1.50	1,221	1,195
Total					<u>18,648</u>	<u>18,559</u>

(1) On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of short-term borrowing from related parties to be in accordance with the business rehabilitation plan. Therefore, as at March 31, 2022, the Company adjusted outstanding debt from certain financial institution according to the order from the Official Receiver, measured new financial liabilities with the original effective interest rate, and classified as long-term borrowings.

(2) Borrowings from foreign financial institutions through major shareholder was the borrowings that the Ministry of Finance entered into the borrowings agreements with foreign financial institution and the Ministry of Finance had given such borrowings to the Company. On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of such long-term borrowings to be in accordance with the business rehabilitation plan. Therefore, the Company adjusted the outstanding debt according to the order from the Official Receiver, remeasured financial liabilities at fair value using the market rate discounted cash flow method and classified as long-term borrowings.

(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.

Subsequently on June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in repayment currency, maturity date and interest rate of such long-term borrowing to be in accordance with the business rehabilitation plan. Therefore, as at March 31, 2022, the Company adjusted the outstanding debt according to the order from the Official Receiver, remeasured the debt at fair value using the market rate discounted cash flow and classified as long-term borrowings.

(4) On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate of such long-term borrowing to be in accordance with the business rehabilitation plan. Therefore, as at March 31, 2022, the Company reclassified the borrowings with the same lender to be long-term borrowing in the whole amount and adjusted the outstanding debt from certain financial institution according to the order from the Official Receiver.

5.3 Significant agreements with related parties

Aircraft leases

The Company entered into A320-200 aircraft sublease agreements with Thai Smile Airways Company Limited with lease period of 3 years and lease contract extension for the period 3 years, totaling 20 aircrafts, consisted of 15 aircrafts which were under operating lease agreements with monthly lease payment and 5 aircrafts which were under finance lease agreements with quarterly lease payment. As a result of sublease agreements, the Company had current lease receivables (recognized as a part of trade and other current receivables) and non-current lease receivable in the separate financial statements as at March 31, 2022 of Baht 540 million and Baht 6,795 million, respectively.

Services agreement

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

Leasing Space Agreement and license to operate business

The Company entered into leasing space agreement and license to operate business agreement with Airports of Thailand Public Company Limited under the price and conditions stated in the agreements (see Notes 10 and 25.3).

6. ADDITIONAL CASH FLOWS INFORMATION

6.1 Cash and Cash Equivalents

Cash and cash equivalents as at March 31, 2022 and December 31, 2021 consist of:

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Cash on hand - Domestic	16	11	14	9
Cash on hand - Foreign	3	3	2	3
Cash at banks - Domestic	3,166	3,181	2,921	2,822
Cash at banks - Foreign	2,836	2,324	2,824	2,292
Total cash and cash equivalents	6,021	5,519	5,761	5,126
<u>Less</u> Expected credit loss	(4)	(4)	(4)	(4)
Total cash and cash equivalents	6,017	5,515	5,757	5,122

As at March 31, 2022, the Company had remained domestic cash at banks from sales investment of Bangkok Aviation Fuel Services Public Company Limited and spare engine in amount of Bath 0.02 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.

6.2 Non-cash items for the three-month periods ended March 31, 2022 and 2021, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Payable for purchase of assets	680	749	680
Lease payables	-	2,648	-	2,648
Classify accrued employee benefits	-	2,316	-	2,316
Offset maintenance reserves and other payable according to amendment lease agreement	392	-	392	-

6.3 Changes in liabilities arising from financing activities

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

As at March 31, 2022	Consolidated financial statements					Balance as at March 31, 2022
	Balance as at January 1, 2022	Cash flows from financing activities	Exchange rate	Changes from non-cash items Increase	Others	
Short-term borrowings from related party	-	42	-	-	-	42
Long-term borrowings from financial institutions	10,575	-	-	-	33 ⁽¹⁾	10,608
Long-term borrowings from related parties	18,559	-	13	-	76 ⁽¹⁾	18,648
Lease liabilities	75,201	(210)	(1,306)	4,953	(825) ⁽²⁾	77,813
Debentures	35,539	-	-	-	730 ⁽¹⁾	36,269
Total	139,874	(168)	(1,293)	4,953	14	143,380

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

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

Unit : Million Baht

As at March 31, 2021	Consolidated financial statements				Balance as at March 31, 2021
	Balance as at January 1, 2021	Cash flows from financing activities	Changes from Exchange rate	Others ⁽²⁾	
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	-	-	-	8,511
Long-term borrowings from related parties	14,896	-	(69)	-	14,827
Lease liabilities	123,801	(3)	4,688	(4,339)	124,147
Debentures	71,608	-	-	-	71,608
Total	233,807	(3)	4,619	(4,339)	234,084

Unit : Million Baht

As at March 31, 2022	Separate financial statements				Balance as at March 31, 2022	
	Balance as at January 1, 2022	Cash flows from financing activities	Changes from Exchange rate	Increase Others		
Long-term borrowings from financial institutions	10,575	-	-	-	33 ⁽¹⁾	10,608
Long-term borrowings from related parties	18,559	-	13	-	76 ⁽¹⁾	18,648
Lease liabilities	75,187	(205)	(1,306)	4,953	(825) ⁽²⁾	77,804
Debentures	35,539	-	-	-	730 ⁽¹⁾	36,269
Total	139,860	(205)	(1,293)	4,953	14	143,329

Unit : Million Baht

As at March 31, 2021	Separate financial statements				Balance as at March 31, 2021
	Balance as at January 1, 2021	Cash flows from financing activities	Changes from Exchange rate	Others ⁽²⁾	
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	-	-	-	8,511
Long-term borrowings from related parties	14,896	-	(69)	-	14,827
Lease liabilities	123,787	-	4,688	(4,341)	124,134
Debentures	71,608	-	-	-	71,608
Total	233,793	-	4,619	(4,341)	234,071

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

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

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at March 31, 2022 and December 31, 2021 are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Trade receivables				
Related parties (see Note 5.2)	15	14	1,939	1,623
Other parties	8,556	6,597	8,120	6,290
<u>Less</u> Credit loss allowance	(1,524)	(1,465)	(3,271)	(2,927)
Total trade receivables	<u>7,047</u>	<u>5,146</u>	<u>6,788</u>	<u>4,986</u>
Other receivables				
Related parties (see Note 5.2)	-	-	9,547	9,173
Other parties	1,904	1,806	1,492	1,415
<u>Less</u> Credit loss allowance	(187)	(187)	(6,792)	(6,929)
Total other receivables	<u>1,717</u>	<u>1,619</u>	<u>4,247</u>	<u>3,659</u>
	<u>8,764</u>	<u>6,765</u>	<u>11,035</u>	<u>8,645</u>
Current lease receivable (see Note 5.2)	-	-	540	500
Accrued income	1,152	1,103	1,191	1,202
Receivable - the Revenue Department	407	202	407	202
Prepaid expenses and deposits	3,095	1,952	3,135	1,987
Total	<u>13,418</u>	<u>10,022</u>	<u>16,308</u>	<u>12,536</u>

As at March 31, 2022, the Company recognized expected credit loss on trade and other current receivables of Baht 3,271 million and Baht 6,792 million, respectively, in the separate financial statements, because of the expected credit loss in accordance with TFRS 9. Most of the expected credit loss were credit loss of receivables of Thai Smile Airways Company Limited, a subsidiary, of Baht 8,392 million and other receivables of Baht 1,671 million.

Aging analysis of trade receivables are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Related parties				
Within credit terms	-	-	135	93
Overdue:				
Less than 6 months	1	-	296	57
6 - 12 months	9	9	124	97
1 - 2 years	4	5	328	821
More than 2 years	1	-	1,056	555
	<u>15</u>	<u>14</u>	<u>1,939</u>	<u>1,623</u>
<u>Less</u> Credit loss allowance	-	-	(1,800)	(1,515)
	<u>15</u>	<u>14</u>	<u>139</u>	<u>108</u>
Other parties				
Within credit terms	4,006	2,528	3,618	2,291
Overdue:				
Less than 6 months	1,985	1,664	1,977	1,658
6 - 12 months	961	885	961	885
1 - 2 years	393	321	391	320
Over 2 years	1,211	1,199	1,173	1,136
	<u>8,556</u>	<u>6,597</u>	<u>8,120</u>	<u>6,290</u>
<u>Less</u> Credit loss allowance	(1,524)	(1,465)	(1,471)	(1,412)
	<u>7,032</u>	<u>5,132</u>	<u>6,649</u>	<u>4,878</u>
Total	<u>7,047</u>	<u>5,146</u>	<u>6,788</u>	<u>4,986</u>

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Significant movement of non-current assets classified as held for sale for the three-month period ended March 31, 2022 are as follows:

	Unit : Million Baht Consolidated and separate financial statements
Net book value as at January 1, 2022	4,321
Addition - Net book value	1
Disposal	(553)
Net book value as at March 31, 2022	<u>3,769</u>

- During the three-month period ended March 31, 2022, the Company has disposed other assets and spare engines to the buyer (Non - related party) with net book value of Baht 1 million and Baht 30 million, respectively, and the Company recognized gains on sale of other assets and spare engines amounting Baht 167 million in the consolidated and separate financial statements.

- On February 10, 2022, the Company sold land and office buildings in Khon Kaen and Udon Thani to the buyer (Non - related party) with net book values of Bath 8 million and Baht 19 million, respectively, and the Company recognized gains on sale of land and buildings amounting Baht 12 million in the consolidated and separate financial statements.

- On February 15, 2022, the Company has disposed land and Rak Khun Thao Fah building to the buyer (Non - related party) with net book value of Baht 495 million and the Company recognized gains on sale of land and buildings of Baht 55 million in the consolidated and separate financial statements.

9. INVESTMENTS

9.1 Investments in associates

Investments in associates which are recorded by equity method for the consolidated financial statements and cost method for the separate financial statements as at March 31, 2022 and December 31, 2021 and dividend income for the three-month periods ended March 31, 2022 and 2021 are as follows:

Unit : Million Baht														
	Country of incorporation	Nature of business	Percentage of shareholding (%)		Paid up capital		Consolidated financial statements		Cost method		Separate financial statements		Dividend income	
			March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	Equity method	Equity method	March 31, 2022	December 31, 2021	Cost method - net	Cost method - net	For the three-month periods ended March 31, 2022	For the three-month periods ended March 31, 2021
Associates														
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40.00	40.00	120	120	48	53	48	48	48	48	-	-
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30.00	30.00	100	100	150	154	30	30	30	30	-	21
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30.00	30.00	1,018	1,018	305	308	305	305	305	305	-	-
Total							<u>503</u>	<u>515</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>383</u>	<u>-</u>	<u>21</u>

9.2 Investments in subsidiaries

Investments in subsidiaries recorded by cost method for the separate financial statements as at March 31, 2022 and December 31, 2021 are as follows:

Unit : Million Baht												
	Country of incorporation	Nature of business	Percentage of shareholding		Paid up capital		Separate financial statements				Cost Method - net	
			March 31,	December 31,	March 31,	December 31,	Cost Method		Allowance for impairment		March 31,	December 31,
			2022	2021	2022	2021	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
Subsidiaries												
Thai-Amadeus Southeast Asia Company Limited	Thailand	Integrated travel information technology service	55.00	55.00	15	15	8	8	-	-	8	8
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

⁽¹⁾ The Company had assessed the performance of Thai Smile Airways Company Limited which continuously had accumulated loss and capital deficiency and considered the impact of the COVID-19 pandemic to airline business. The Company assessed as there had the impairment indicator in investment in Thai Smile Airways Company Limited and had the recoverable amount of such investment was less than net carrying amount. Therefore, the Company recognized an allowance for impairment of such investment of Baht 1,800 million.

10. PROPERTY PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2022	34,493	34,443
Acquisitions - at cost	31	25
Transfer to non-performing assets	(1)	(1)
Disposal	(72)	(72)
Depreciation for the period	(820)	(818)
Net book value as at March 31, 2022	33,631	33,577

As at March 31, 2022, the Company had 87 aircrafts represented in the Company's fleet, which consisted of 20 own aircrafts and 67 aircrafts under lease agreements presented as right-of-use assets (see Note 11).

As at March 31, 2022, property, plant and equipment included the building on leased land which were leased from Airports of Thailand Public Company Limited at Suvarnabhumi Airport with the net book value of Baht 2,989 million, with a lease term of 30 years starting from September 28, 2006 to September 27, 2036 and will renew the contract period for 4 years from September 28, 2036 to September 27, 2040. At the end of contract, the ownership of the buildings and their component parts will be transferred to the Ministry of Finance. Moreover, the Company had building on leased land which are leased from Airports of Thailand Public Company Limited at Don Mueang Airport, which were fully depreciated. The lease agreement at Don Mueang Airport is currently under the negotiation with Airports of Thailand Public Company Limited (see Notes 5.3 and 25.3).

During the period ended March 31, 2022, the Company disposed aircraft improvement for aircraft under finance leases which had net book value of Baht 72 million, resulting from the Company entered into the Declaration of Onerous Contract, which was in accordance with the resolution of the Plan Administrator (see Note 4.3).

11. RIGHT-OF-USE ASSETS

Movements of right-of-use assets during the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2022	69,652	62,326
Increase from new contract - cost	5,104	5,104
Decrease from termination of contract	(1,474)	(1,472)
Adjust from remeasurement of lease liabilities ⁽¹⁾	(3,129)	(2,958)
Depreciation for the period	(1,696)	(1,225)
Net book value as at March 31, 2022	68,457	61,775

⁽¹⁾ During the three-month period ended March 31, 2022, the Company remeasured lease liabilities from the modification of variable rental which was depend on reference interest rate and additional amendments of aircraft lease agreement with the lessor, including adjustment lease liabilities as presented in trade and other current payables. The Company adjusted lease liabilities for the rental and lease period conditions determined by new lease agreement, applying discounted rate by the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum.

12. MAINTENANCE RESERVES FOR AIRCRAFT

Movements of maintenance reserves for aircraft during the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Maintenance reserves for aircraft at the beginning period	15,490	15,427
<u>Add</u> Increased	67	67
<u>Less</u> Adjusted from exchange rate	(66)	(48)
Adjust from amendment lease agreement	(715)	(715)
Maintenance reserves for aircraft at the ending period	14,776	14,731

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

As at March 31, 2022, the Company adjusted lease modification in amount of Baht 715 million in the consolidated and separate financial statements (see Note 4.3.1 (2)), resulting from the year 2022, the Company made amendment agreement with lessor with conditions stipulated that the Company would be exempt from payment of maintenance reserve of certain aircrafts during the period from the date the Central Bankruptcy Court approved the rehabilitation plan until the date the amendment agreement became effective. In addition, certain amendment agreement stipulated that the Company was able to offset maintenance reserve with the lease liabilities that incurred before September 14, 2020.

13. OTHER NON-CURRENT ASSETS

Other non-current assets as at March 31, 2022 and December 31, 2021 are as follows:

	Consolidated		Unit: Million Baht	
	Financial Statements		Separate	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Non-performing assets	236	236	236	236
Security deposits under aircraft lease agreements	2,020	1,874	2,020	1,874
Accrued income from passenger	1,795	1,598	1,795	1,598
Other	878	767	721	636
<u>Less</u> Loss allowance	(2)	(4)	(2)	(4)
Total	4,927	4,471	4,770	4,340

14. INTEREST BEARING LIABILITIES

14.1. Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at March 31, 2022 and December 31, 2021 are as follows:

Start Date according to original loan agreement	Principle repayment due date	Interest rate (% per annum)		Unit : Million Baht	
		Consolidated and separate financial statements		Consolidated and separate financial statements	
		March 31, 2022	December 31 2021	March 31, 2022	December 31, 2021
December 20, 2010	December 30, 2035	1.00 - 1.50	1.00 - 1.50	2,920	2,920
October 8, 2019	December 30, 2035	1.00 - 1.50	1.00 - 1.50	976	955
September 30, 2014 and August 27, 2018	December 30, 2035	1.00 - 1.50	1.00 - 1.50	582	570
July 10, 2018	December 30, 2035	1.00 - 1.50	1.00 - 1.50	2,400	2,400
February 26, 2020	December 30, 2035	1.00 - 1.50	1.00 - 1.50	3,730	3,730
Total				10,608	10,575
Principle				12,241	12,241
<u>Less</u> Deferred interest expenses				(1,633)	(1,666)
Total long-term borrowings from financial institutions				10,608	10,575

During the three-month period ended March 31, 2022 the Company did not have additional long-term borrowings from financial institutions and did not make any repayment of principle. Moreover, the Company did not use any fixed asset or other asset as collateral.

On June 15, 2021, the Central Bankruptcy Court issued an order to approve the business rehabilitation plan, resulting the change in maturity date and interest rate to be in accordance with the business rehabilitation plan. Therefore, 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 4.3)

14.2 Debentures

The Company issued and offered debentures in Thai Baht to investors which debenture type was name-registered, unsubordinated and unsecured as at March 31, 2022 and December 31, 2021 are as follows:

	Unit : Million Baht	
	Consolidated and separate financial statements	
	March 31, 2022	December 31, 2021
Principle	71,604	71,604
<u>Less</u> deferred interest expenses	<u>(35,335)</u>	<u>(36,065)</u>
Total Debentures	<u>36,269</u>	<u>35,539</u>

On June 15, 2021, the Central Bankruptcy Court issued an order approving the business rehabilitation plan resulting in debentures. The payment terms and interest rates have been changed in accordance with the rehabilitation plan. The repayment will begin on December 30, 2028 to December 30, 2036, with the value of the debentures issued unchanged.

15. LEASE LIABILITIES

Changing in lease liabilities for the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Balance as at January 1, 2022	75,201	75,187
Increase	4,953	4,953
Adjust from remeasurement lease liabilities ⁽¹⁾	288	288
Adjusted interest	1,684	1,684
Payment	(210)	(205)
Decrease from termination of contract	(1,987)	(1,987)
Adjusted from exchange rate	<u>(2,116)</u>	<u>(2,116)</u>
Balance as at March 31, 2022	<u>77,813</u>	<u>77,804</u>

⁽¹⁾ During the three-month period ended March 31, 2022, the Company remeasured lease liabilities from the modification of variable rental which was depend on reference interest rate and additional amendments of aircraft lease agreement with the lessor. The Company adjusted lease liabilities for the rental and lease period conditions determined by new lease agreement, applying discounted rate by using the incremental borrowing rate at the date of modification, at 5.91% to 13.60% per annum.

Lease liabilities as at March 31, 2022 consisted of the following:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Lease liabilities	77,813	77,804
<u>Less</u> Lease liabilities due within 1 year	<u>(3,259)</u>	<u>(3,251)</u>
Net from lease liabilities due within 1 year	<u>74,554</u>	<u>74,553</u>

16. TRADE AND OTHER PAYABLES

Trade and other payable as at March 31, 2022 and December 31, 2021 are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current				
Trade payables				
Related parties (see Note 5.2)	123	80	248	209
Other parties	3,135	4,493	2,679	4,137
Total trade payables	<u>3,258</u>	<u>4,573</u>	<u>2,927</u>	<u>4,346</u>
Other payables				
Airport fees payable	2,795	2,349	2,795	2,349
Other parties	11,164	11,447	11,060	11,374
Total other payables	<u>13,959</u>	<u>13,796</u>	<u>13,855</u>	<u>13,723</u>
Accrued expenses	3,185	2,627	2,641	2,258
Accrued interest expenses	1,062	1,014	1,062	1,014
Accrued flight service expenses	2,606	1,666	2,534	1,619
Accrued employee benefits (see Note 17 and Note 18)	2,456	4,400	2,456	4,400
Total current portion	<u>26,526</u>	<u>28,076</u>	<u>25,475</u>	<u>27,360</u>
Non-current				
Trade payables				
Related parties (see Note 5.2)	955	955	955	955
Other parties	13,783	10,902	13,783	10,902
Total trade payable	<u>14,738</u>	<u>11,857</u>	<u>14,738</u>	<u>11,857</u>
Other payables				
Other parties	3,242	7,703	3,242	7,703
Total other payable	<u>3,242</u>	<u>7,703</u>	<u>3,242</u>	<u>7,703</u>
Total non-current portion	<u>17,980</u>	<u>19,560</u>	<u>17,980</u>	<u>19,560</u>
Total trade and other payable	<u>44,506</u>	<u>47,636</u>	<u>43,455</u>	<u>46,920</u>
Trade and other non-current payables				
Trade payables				
Related parties				
Principle	961	961	961	961
Less deferred interest expenses	(6)	(6)	(6)	(6)
Total trade payables - related parties	<u>955</u>	<u>955</u>	<u>955</u>	<u>955</u>
Others				
Principle	16,578	12,989	16,578	12,989
Less deferred interest expenses	(2,795)	(2,087)	(2,795)	(2,087)
Total trade payables - others	<u>13,783</u>	<u>10,902</u>	<u>13,783</u>	<u>10,902</u>
Other payables				
Other payables - others				
Principle	3,245	8,074	3,245	8,074
Less deferred interest expenses	(3)	(371)	(3)	(371)
Total other payables - others	<u>3,242</u>	<u>7,703</u>	<u>3,242</u>	<u>7,703</u>
Total trade and other non-current payable	<u>17,980</u>	<u>19,560</u>	<u>17,980</u>	<u>19,560</u>

As at March 31, 2022, the Company received an order from the Official Receiver to pay debt to certain trade and other payables. The Company adjusted trade and other payables to be in accordance with the debt amount, due date and interest rate according to the rehabilitation plan and Order from the Official Receiver, which will 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 three-month period ended March 31, 2022 to be in accordance with the debt balance of Baht 249 million. (see Note 4.3.1 (1))

17. STAFF PENSION FUND

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

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	March 31, 2022	December 31, 2021
Cash at bank (Presented as other non-current financial assets)	43	34
Receivable - Bank (Presented as other non-current financial assets)	940	959
Other current assets	56	53
Total Assets	<u>1,039</u>	<u>1,046</u>
Other current liabilities		
Accrued payment for staff termination	12	17
Staff pension fund	1,027	1,029
Total Liabilities	<u>1,039</u>	<u>1,046</u>

As at March 31, 2022, staff pension fund had remaining balances of Baht 1,027 million which equaled to the Company's obligations to employees.

During the three-month period ended March 31, 2022, the Company paid for retired staff and for staff termination under early retirement program (MSP-C and MSP-D) in the amount of Baht 18 million and recognized pension expense in the amount of Baht 11 million.

As at March 31, 2022 the Company had accrued payment for staff termination under early retirement program (MSP-D) and staff leaving from staff pension fund in the amount of Baht 12 million presented as trade and other current payables (see Note 16).

As at March 31, 2022 the balance of net pension receivable - THAI in amount of Baht 940 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 216 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 1,180 million.

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of non-current provisions for employee benefits for the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statement	Unit : Million Baht Separate financial statement
Non-current for provision employee benefits at the beginning period	5,173	5,083
Current service costs	56	52
Interest costs	26	25
Benefit paid	(118)	(116)
Benefit paid - foreign staff	(12)	(12)
Non-current for provision employee benefits at the ending period	<u>5,125</u>	<u>5,032</u>

In the year 2021-2022, the Company had early retirement program which consisted of MSP- A, MSP-B, MSP-C and MSP-D. For MSP-A and MSP-B, the Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in average amount from June 2021 to June 2022. For MSP-C, the Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in average amount from September 2021 to December 2022, and for MSP D, the Company will pay the legal compensation as required by Thai Labor Law and other specific compensation in average amount from January 2022 to December 2022.

During three-month ended March 31, 2022, the Company paid the Thai Labor Law and other specific compensation for the MSP-A, MSP-B, MSP-C and MSP-D and had accrued employee benefit in amount of Bath 2,444 million, presented as part of the trade and current payables (see Note 16).

19. OTHER NON-CURRENT PROVISIONS

Movements of other non-current provisions during the three-month period ended March 31, 2022 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Other non-current provisions at the beginning period	20,072	16,129
Movement during the period	1,102	691
Adjusts foreign exchange rate	(58)	(58)
Other non-current provisions at the ending period	<u>21,116</u>	<u>16,762</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 shall estimate expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which were calculated along with usage time proportion.

20. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

The Company disaggregate revenue from sales and services with customers for overtime and at the point of time by segment related to segment information disclosure in accordance with Thai Financial Reporting Standards No. 8 “Operating Segment” (see Note 23).

Revenue from sales and services for the three-month periods ended March 31, were classified revenue by timing of revenue recognition and type of goods and services as follows:

	Consolidated		Unit : Million Baht	
	financial statements	financial statements	Separate	financial statements
	2022	2021	2022	2021
Timing of revenue recognition				
Revenue recognize by point in time				
Air freight				
Revenue from passenger and excess baggage	3,848	968	2,667	404
Revenue from freight	5,220	2,009	5,206	2,011
Business unit				
Revenue from business unit	1,172	1,107	1,424	1,361
Other activities				
Revenue from other activities	44	27	-	-
Revenue recognize over time				
Business unit				
Revenue from aircraft repair and maintenance services	123	102	147	136
Total	10,407	4,213	9,444	3,912

21. Gain on sale of investment and other income

21.1 Gain on sale of investments

During the three-month period ended March 31, 2022, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited by 1.27 million shares at Baht 28.00 - 28.25 per share, in amount of Baht 36.07 million and recognized gain on sale of investments in amount of Baht 3.37 million in the consolidated and separate financial statements.

During the three-month period ended March 31, 2021, on January 19, 2021, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited in amount of Baht 2,712 million and recognized gain on sale of investment in amount of Baht 2,004 million and Baht 2,633 million, in the consolidated and separate financial statements, respectively.

21.2 Other income

Other income for the three-month period ended March 31, consist of ;

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2022	2021	2022	2021
Gain from sales of assets	292	170	292	170
Others	142	168	126	122
Total	434	338	418	292

22. OPERATING SEGMENT

Factors used to identify the reportable segments

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

The Company has 3 reportable segments, consists of:

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

Measurement Criteria

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

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

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

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

22.1 Financial Information by Segments

The operating segments are classified in the consolidated financial statements for the three-month periods ended March 31, consisted of the following:

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
External Revenue (see Note 20)	8,792	2,977	1,298	1,209	317	27	10,407	4,213
Inter - segment revenue (expenses)	(706)	(300)	380	122	326	178	-	-
Interest income	3	2	-	-	-	-	3	2
Other income	421	2,336	12	5	4	2	437	2,343
Gain on debt restructuring	1,512	-	-	-	-	-	1,512	-
Gain from foreign exchange rate	1,345	-	-	-	-	-	1,345	-
Total Revenue	11,367	5,015	1,690	1,336	647	207	13,704	6,558
Fuel expense	(4,247)	(873)	-	-	-	-	(4,247)	(873)
Employee benefits expenses	(888)	(1,661)	(594)	(786)	(287)	(473)	(1,769)	(2,920)
Flight service expenses	(1,358)	(417)	(3)	1	-	-	(1,361)	(416)
Depreciation and amortization expenses	(1,932)	(3,876)	(179)	(128)	(164)	(216)	(2,275)	(4,220)
Reverse impairment loss on aircraft and rotatable aircraft's spare part	-	(4)	-	-	-	-	-	(4)
Other expenses	(4,421)	(2,280)	(360)	(295)	(84)	(52)	(4,865)	(2,627)
Loss from foreign exchange rate	-	(3,697)	-	-	-	(1)	-	(3,698)
Finance costs	(2,492)	(3,810)	-	-	-	-	(2,492)	(3,810)
Share of loss on investment in associates	(12)	(30)	-	-	-	-	(12)	(30)
Total Expenses	(15,350)	(16,648)	(1,136)	(1,208)	(535)	(742)	(17,021)	(18,598)
Profit (loss) before income tax expense	(3,983)	(11,633)	554	128	112	(535)	(3,317)	(12,040)
Income tax (expense) income	77	(165)	-	-	(3)	-	74	(165)
Profit (loss) by segments	(3,906)	(11,798)	554	128	109	(535)	(3,243)	(12,205)

As at March 31, 2022 and December 31, 2021 assets and liabilities of the Group are classified by segment consisted of the following:

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current assets	23,831	21,299	475	504	807	703	25,113	22,506
Investments in associates	503	515	-	-	-	-	503	515
Property, plant and equipment	26,264	27,223	5,529	5,437	1,838	1,834	33,631	34,494
Right-of-use assets	64,645	64,006	2,934	4,311	878	1,335	68,457	69,652
Other non-current assets	31,535	31,739	-	-	21	24	31,556	31,763
Non-allocated assets	3,163	2,289	-	-	-	-	3,163	2,289
Total assets							162,423	161,219

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2022	2021	2022	2021	2022	2021	2022	2021
Current liabilities	44,944	40,710	286	342	490	501	45,720	41,553
Non-current liabilities	185,332	185,102	-	-	24	19	185,356	185,121
Non-allocated liabilities	5,833	5,795	-	-	-	-	5,833	5,795
Total Liabilities							<u>236,909</u>	<u>232,469</u>

22.2 Revenues by Geographical Segment

Operating segments classified by geographical in the consolidated financial statements for the three-month periods ended March 31, are as follows:

	Unit: Million Baht	
	Consolidated	
	2022	2021
Domestic Revenues		
Air Transportation	566	563
Business Units	1,298	1,209
Other Activities	41	27
Foreign Revenues		
Air Transportation		
Asia	3,634	1,441
Europe	4,011	809
Australia and New Zealand	857	164
Total Revenues	<u>10,407</u>	<u>4,213</u>

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

23.1 Financial risk management objectives

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

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The using of derivatives financial instrument is governed by the risk management committees' policy and framework. However, as at March 31, 2022, the Company did not have derivatives financial instrument transaction because the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

23.2 Market risk

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

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

23.2.1 Foreign Currency Exchange Rate Risk

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

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

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

As at March 31, 2022, the Company did not have CCS transaction and Forward contracts since the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

23.2.2 Interest rate risk management

The Company is exposed to interest rate risk from borrowing and finance lease payable at both fixed and floating interest rates. The risk is managed by the maintaining an appropriate mix between fixed and floating rate borrowings and lease payable, and by the use of 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 swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. However, as at March 31, 2022, the Company did not have interest rate swap contract transaction because the Company had entered the business rehabilitation process. The Company does not enter into an additional contract.

23.2.3 Fuel price risk

Fuel price 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 policy in order to reduce the risk of fuel price volatility, to meet the Company's operating result target and protect the value of the Company for shareholders and all stakeholders 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 budget and tenor of each contract would be for a period of not more than 24 months. The Company specified the lowest and highest prices of jet fuel. The Company will obligate in USD if the price of jet fuel falls below the lowest price. On the contrary, the Company will be compensated in USD if the price of jet fuel rises higher than the highest price.

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

However, due to the epidemic situation of COVID-19 since the beginning of 2020 together with the Company is in the process of rehabilitation under the Central Bankruptcy Court. As a result, the Company does not have any derivative transactions for hedge fuel price for this year. The Company is in the process of studying fuel price hedging in order to have derivative transaction for hedge fuel price when the situation of the Company and aviation industry can recover to operate business normally.

23.3 Credit risk management

Note 7 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit loss.

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

23.4 Liquidity and interest risk management

Ultimate responsibility for liquidity risk management and the payment period are in accordance with the Plan Administrator, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding including financial liabilities which are not derivatives. The framework of risk management is within the business rehabilitation plan, as described in Note 4.

23.5 Classes and categories of financial instruments and their fair values

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

	Level of Fair value	Consolidated financial statements		Unit : Million Baht Separate financial statements	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Financial assets measured at fair value through profit or loss					
Other current financial assets					
Investment in debt securities (presented as part of other current assets)	Level 2	30	-	-	-
Other non-current financial assets					
Investment in debt securities	Level 2	53	53	53	53
Investment in funds	Level 2	1	1	1	1
Investment in market equity securities	Level 1	531	559	531	559
Investment in non-market equity securities	Level 3	312	312	312	312
Financial assets measured at fair value through other comprehensive income					
Other non-current financial assets					
Investment in non-market equity securities	Level 3	27	19	13	13

Financial instruments measured at fair value

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

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

During the three-month period ended March 31, 2022, the Company did not transfer financial instruments between the fair value hierarchy.

24. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has contingent liabilities arising from commitments which have not been recognized in the financial statements as at March 31, 2022 and December 31, 2021 as follows:

24.1 Bank Guarantee

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

	Unit : Million (Currency)	
	Consolidated and Separate financial statements	
	March 31, 2022	December 31, 2021
Bank Guarantee		
Issued by domestic banks		
THB Currency	98	98
Issued by foreign banks		
BDT Currency	10	10
AUD Currency	1	1
INR Currency	123	123
SAR Currency	5	5
AED Currency	3	3
NOK Currency	1	-

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

24.2 Commitment

On June 15, 2021, the Plan Administrator's meeting No. 1/21, pass the resolution to approve the Company's Declaration of the Onerous Contract, which was in accordance with the business rehabilitations plan. As at March 31, 2022, the Company agreed on the Declaration of the Onerous contract of aircraft finance lease contract for 5 aircrafts and 11 aircrafts were in the process of negotiation. In addition, the termination of engine maintenance contract was on negotiation process of the Central Bankruptcy Court.

As at March 31, 2022, the Company had obligated to pay for one aircraft under operating lease agreement in the amount of USD 138 million with the terms of the contract 12 years, by monthly paid the rental started from the fiscal year 2023 onwards and calculated base on the hours of use (Power-by-the hour basis (PBH)). The Company already paid deposit for aircraft in the amount of USD 2 million. On April 18, 2022, the Company has received the aforementioned aircraft from the lessor.

25. DISPUTES AND SIGNIFICANT LITIGATION

25.1 Labor disputes and damages claim

The Company has been filed as defendant in domestic and foreign labor disputes for 2 cases with claim amount of Baht 6 million and the complaints in domestic and foreign for 45 cases with claim amount of Baht 409 million. As at March 31, 2022, the Company's management's considered such disputes and claims based on facts and laws, including that the impact of such matters is insignificant to the financial statements.

25.2 Tax dispute

25.2.1 The Company, as an entrepreneur in the Duty free zone, has received a letter from the Customs Department No. Gor Kor 0503(4)/621 dated August 28, 2017, requested the Company to clarify the completeness of the certificate license of the import food for restricted products. The customs official has assessed additional taxes and duties according to 252 import entry declarations, which consisted of price of products in amount of Baht 492.73 million, import duty in amount of Baht 244.36 million, excise tax in amount of Baht 754.47 million, interior tax in amount of Baht 75.45 million, value added tax in amount of Baht 109.69 million, the subsidies for Thai Health Promotion Foundation in amount of Baht 14.91 million, and the subsidies for Thai Public Broadcasting Service in amount of Baht 11.18 million. The Company has submitted the letter of clarification to the Customs Department for consideration. In this regard, the Company has consultation letter on legal matters in relation to the importation of a group of products under the import control of food, fruit juice and other imports into the free zone of Thai Airways Catering, in the case of compliance with Section 152 of the Customs Act, B.E. 2560 to the Director-General of the Customs Department for consideration at present.

The Custom Department has informed that in the case of bringing goods into the duty free zone to produce, mix, assemble, pack or perform any other actions on such goods, in order to export from the Kingdom, and the importer has fully complied with the rules, method and procedures for customs procedures of the free zone. This shall be exempt from the law in respect of standard or quality control, stamping any marks on such items, and are exempt from the law in respect of the control of importation into the Kingdom, exporting from the Kingdom, possession or use of such goods only in the area as identified in the ministerial regulation.

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

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

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

- 25.3 Rental agreement and license to operate business agreement at Don Mueang international Airport

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

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

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

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., and 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 Stichting Cartel Compensation ("SCC") had completed.

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

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

As at March 31, 2022, the management of the Company considered such disputes and litigation as described in Notes 25.1 to 25.4 based on the facts and the laws that the impacts of such matters will not significantly affect to the financial statements.

26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information were approved by the Plan Administrator of the Company on May 13, 2022.