



บริษัท วิทยุการบินแห่งประเทศไทย จำกัด  
รายงานประจำปี ๒๕๕๗

AERONAUTICAL RADIO  
OF THAILAND LTD.  
ANNUAL REPORT 2014



ON THE JOURNEY FROM GOOD TO GREAT

**AEROTHAI**





ON THE JOURNEY FROM GOOD TO GREAT

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AERONAUTICAL RADIO  
OF THAILAND LTD.





ON THE JOURNEY FROM GOOD TO GREAT

# AEROTHAI

## Great Technology for Great Services

- Corporate Strategy
- Company Service
- Highlight of Activities

## Great People for Great Competency

- Human Resources  
Development

## Great Management for Great Performance

- Organizational Development
- Corporate Governance
- Risk Management
- Finance Report

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FINANCIAL TREND



## MESSAGE FROM THE CHAIRMAN

The air transportation as a key factor for economic growth and sustainable development of the country has grown dramatically in the past year 2014, demonstrating the strength of the fundamentals of Thailand that stimulates the steadily growing demand for both domestic and international air transportation. The trend will continue to grow at a rate higher than the regional average, and even higher from now on, especially when AEC will be established towards the end of 2015.

The increasing volume of air traffic is both important opportunities and challenges. Aeronautical Radio of Thailand Limited (AEROTHAI) therefore has set up a mission goal at the highest level to enable air navigation services of Thailand to have potential and capabilities par with other civilized countries in order to meet the increasing demand.

In preparing for such development, the enhancement of air navigation services infrastructure has already been initiated and now in good progress. This is essential for supporting the transfer of technology and modern air navigation services. In 2014 the plan progressed to the installation phase whereby new system and equipment is being installed throughout the country, with the plan to be operational in the year 2017.

The new dimensions such as civil/military cooperation for airspace management to support long-term growth, cooperation with stakeholders from all sectors, which are of strategic importance to the development of air navigation service system to be ready by the target of such an operation, continue to produce results that are more concrete this year. As well as the process to reduce fuel consumption and carbon dioxide emissions, which demonstrates the increased efficiency of flights through the enabling of parallel routes in congested areas.

In addition to the development of technology and air traffic management in new approach, the Company continues to focus on the development and preparation of personnel to meet the important changes that will take place in the aviation industry. Included also, laying the managing foundation for the development in accordance with good management practice, good governance principles, and the creation of social benefits (CSR) as has already carried out substantially, both for the youth of the community and helping those less fortunate.



The success and overcoming various obstacles in the past year, as well as the emergence of the initial success on the breakthrough in the near future that is coming in soon, are a result of the support, drive, and the full cooperation of the government, shareholder and member airlines to the Company, which must always be grateful and hope to receive well wishes and support for this organization to achieve sustainable development which will adhere to the development of national aviation and aviation industry.

(Air Chief Marshal (Retd))

*AEM. Itthaporn Subhawong*

(Itthaporn Subhawong)  
Chairman of the Board of Directors



## MESSAGE FROM THE PRESIDENT

Continuous and rapid growth in the volume of air traffic is the common challenges of the global aviation community for over 30 years, ever since the forecast that the acceleration of the increase in demand for air transportation will cause the volume of air traffic to be doubled every 10 years, which clearly demonstrated since 2010 onwards, especially in Asia/Pacific where growth and forecast is highest in the world in the past 10 years and throughout to the year 2030 or in the next 15 years.

With the overall growth in the region in 2014, Thailand is among countries with the highest growth rate, with an increase of commercial flights of more than 11 percent, thus very challenging. In addition to the complexity of the work arising from the increasing number of flights, higher-than-expected growth rate over the last several years results in the demand to handle traffic approaching the capacity of air traffic system in every moment, both at airport and on airways, which is happening faster than expected up to 3 years.

While the plans and projects to support changing technology and procedures towards the approach of air traffic management in the future, which will be completed in mid-2017, is still progressing, the important challenge of the Company to maintain safety and efficiency of flight at the same highest level is what the management and employees were aware of, dedicated and successful in the past year.

Coupled with the issues and challenges today, we remain committed to the goal of enhancing the air navigation services infrastructure to accommodate a variety of opportunity from growth of the aviation. In addition to acquire most up-to-date advanced technology for use in air traffic management over the airspace of the country, development and management in other areas were carried out in the past years in order for consistency of preparedness as a whole. For instance, building and developing human resource to be professional in aviation to accommodate the changes that are happening, as well as the management process in accordance with guidelines and recommendations from the shareholders and Government together with management tool to develop towards becoming high-performing organization, in order to assure the ability of the organization to improve the quality of services in the sustainable manner on a suitable cost basis for the benefit of user airlines and the country's competitiveness.

In addition, the management approach based on the principles of good governance, which is one of the key principles that the Company hold, not only makes the organization manage in transparency and with good governance, but also show the intention and awareness of corporate social responsibility towards community, as has carried out substantially in the past, both promoting innovation and community support to enhance opportunities for youth and the disadvantaged, and helping people who suffer from various disasters. Meanwhile, the Company has also built the values and social responsibility through the core processes of the organization, especially in terms of reducing greenhouse gas emissions and noise pollution from aviation from the development of air traffic management techniques and technologies that continue to be the work that has been appreciated by many international organizations on an ongoing basis.

Overcoming the challenges of the past in 2014 went well, and the fact that the Company continues aiming to raise the quality of air navigation services to be one of the best in ASEAN in all aspects is a shared vision and commitment of the management and employees. This may not come to pass and move into the future with hope if we lack support and trust of all stakeholders, shareholders, government, airlines, consumers and the Board of Directors, most of all, our professional staff, both in the past and the future. We would like to express gratitude here, and further thank in advance for the support and encouragement to build confidence for every step we take.



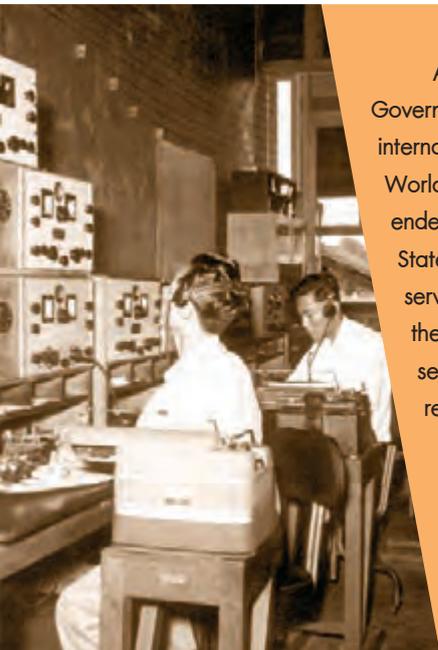
(Mrs. Sarinee Sangprasit)  
President



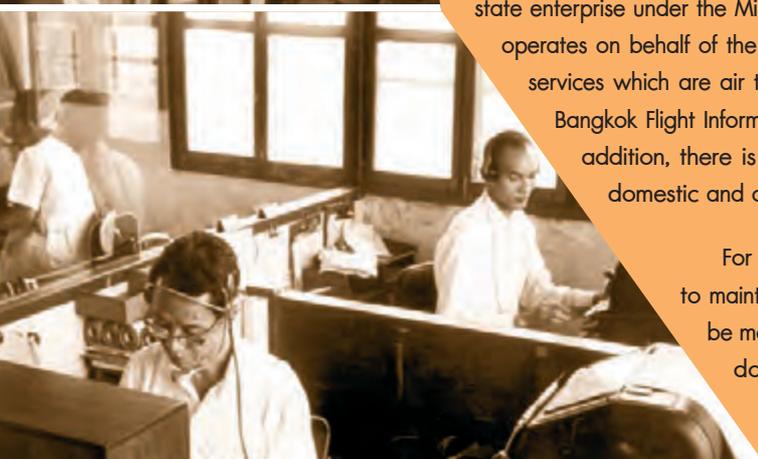
# Section 1 Corporate Overall Information

## 1. Corporate Information

### 1.1 Company's Background



After the First World War, the Post and Telegraph Department had been assigned by the Royal Thai Government to assume responsibility of providing Air Traffic Control and Aeronautical Communications to international aircraft passing over and landing in Thailand. These ceased with the expansion of the Second World War to Asia which prevented commercial aircraft taking to the sky. When the Second World War ended, international civil aviation resumed. On 15 April 1948, Aeronautical Radio Inc. (ARINC) of the United States of America, International Aeradio Ltd. (IAL) of the United Kingdom and various airlines operating services to Thailand jointly founded Aeronautical Radio of Siam Limited. (AEROSIAM) with the consent of the Royal Thai Government to provide air traffic control services and aeronautical communication services in accordance with the International Civil Aviation Organization's (ICAO) standards and recommended practices.



Later, the Thai government recognized its capability and the importance of the Company's responsibility concerned the national securities and aviation development. Therefore, the government acquired the majority of share capital from the founding airlines and changed its name to Aeronautical Radio of Thailand Limited (AEROTHAI) on 1 November 1963. International airlines operating services to Thailand were also welcomed as the shareholders. The Company's status has then become a state enterprise under the Ministry of Transport, operating as a limited company. The Company operates on behalf of the Government as a non-profit organization basis to provide safety services which are air traffic control and aeronautical telecommunications services in the Bangkok Flight Information Region (FIR) with the network linking with other countries. In addition, there is business sector which provides aviation related services both domestic and overseas.



For more than sixty years the Company operates with a commitment to maintain quality of service, improve technology and human resource to be modern and professional, as well as promote collaboration with both domestic and international aviation organizations in order to participate in bringing prosperity to the aviation industry in Thailand and Asia.

## 1.2 Vision, Mission and State of Directions

### VISION

“ To be a quality organization providing air navigation services. ”

(Vision for the Company development and operation in the strategic framework 2013-2018.)

### MISSION

“ To be the national air navigation service provider that meets users’ requirements in safety, standards, and efficiency while realizing the responsibilities to all stakeholders and national interests. ”

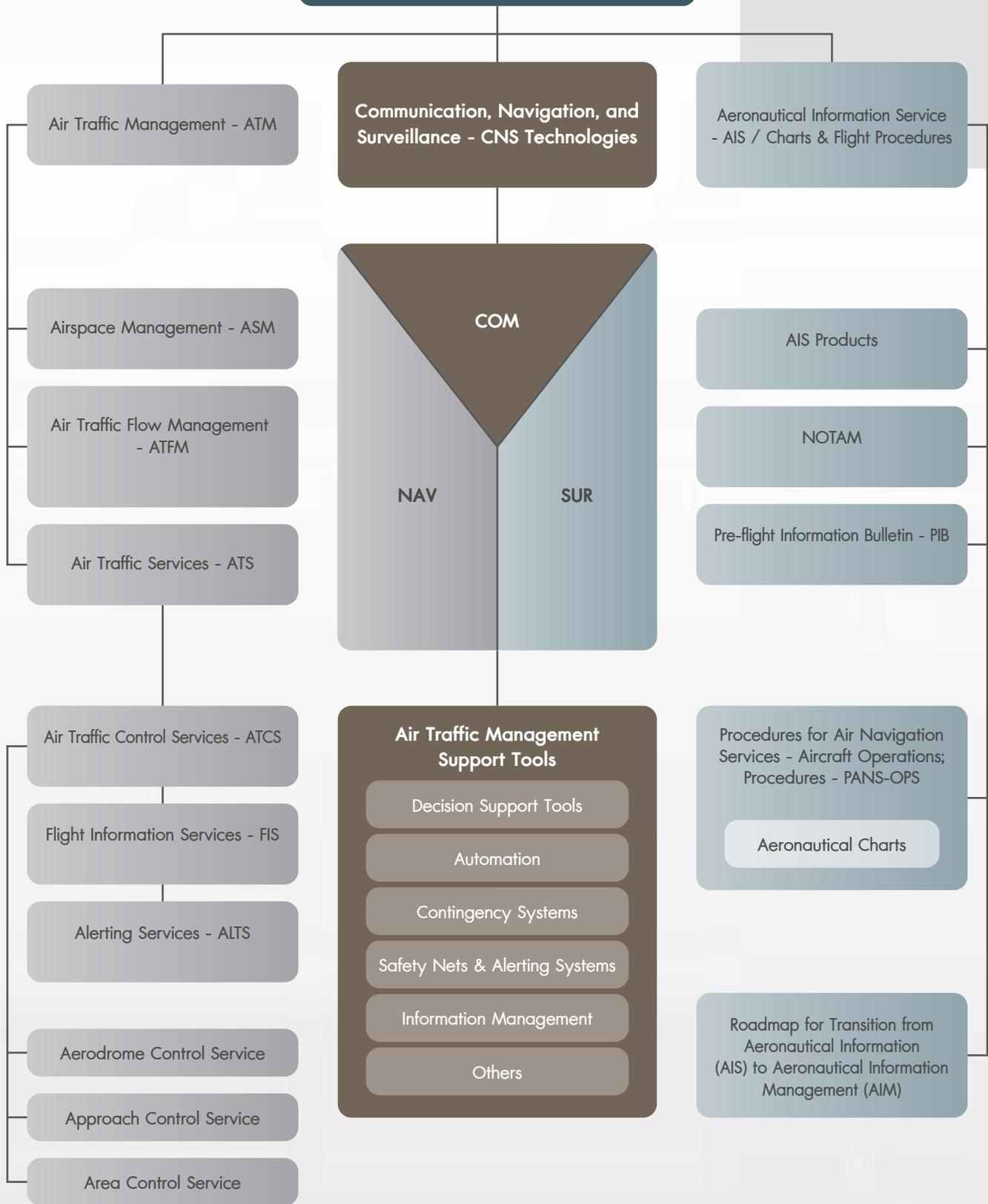
### ROLE AND RESPONSIBILITIES

AEROTHAI’s role and responsibilities include :

1. Air Traffic Management (ATM) within the Bangkok Flight Information Region (Bangkok FIR) for the safety and efficiency of flights of Thailand’s airspace users.
2. Communications, Navigation, and Surveillance (CNS) System/Services.
3. Aeronautical Information Services (AIS) and Aeronautical Charts.

Included also is the related aeronautical communications service to airline operators, and other works as assigned by the Government

# Air Navigation Services





### 1.3 Type and Nature of Business

AEROTHAI is a state enterprise under the Ministry of Transport who has entrusted the Company to provide air navigation service, aeronautical telecommunications and aviation related services to meet the requirements of air transport operators and in compliance with the International Civil Aviation Organization's standards and recommended practices to enhance flexibility, safety and efficiency. On 5 November 2001, the Ministry renewed and extended the validity of the current contract with the Company for 20 years which will expire on 4 November 2021. Under the said Contract, the Company agrees to provide services to air transport operators on a non-profit basis and all expenditures will be compensated by air navigation facility charges which are collected fairly and equitably from users.

### 1.4 Location and Website

#### AEROTHAI Head Office

Address : 102 Soi Ngarnduplee, Tungmahamek,  
Sathon, Bangkok 10120 Thailand  
Tel : 0 2287 3531-41  
Fax : 0 2287 3131  
Website : [www.aerothai.co.th](http://www.aerothai.co.th)

#### Hat Yai Air Traffic Control Centre

Address : 100, Moo 3, Sanambin Road,  
Klong La Sub-district, Klong Hoi Kong  
District, Songkhla 90115  
Tel : 0 7425 1051-60  
Fax : 0 7425 1339

#### Phuket Air Traffic Control Centre

Address : 200 Khao Bo Sai, Maikhaow Sub-district,  
Thalang District, Phuket 83110  
Tel : 0 7632 7251-5  
Fax : 0 7632 7259

#### Surat Thani Air Traffic Control Centre

Address : Surat Thani Airport, Huateuy Sub-district,  
Phunphin District, Surat Thani 84130  
Tel : 0 7744 1132  
Fax : 0 7744 1133

#### Chiang Mai Air Traffic Control Centre

Address : 60 Sanambin Road, Suthep Sub-district,  
Mueang District, Chiang Mai 50200  
Tel : 0 5327 7776  
Fax : 0 5327 7600

#### Phitsanulok Air Traffic Control Centre

Address : Sanambin Road, Arunyik Sub-district,  
Mueang District, Phitsanulok 65000  
Tel : 0 5530 1422  
Fax : 0 5530 1450

#### Nakhon Ratchasima Air Traffic Service Engineering Operating Centre

Address : Baan Piman, Tha Chang Sub-district,  
Chalermprakiat District, Nakhon Ratchasima  
30230  
Tel : 0 4425 7670  
Fax : 0 4425 6576

#### Udon Thani Air Traffic Control Centre

Address : Mak Khaeng Sub-district,  
Mueang District, Udon Thani 41000  
Tel : 0 4224 3735  
Fax : 0 4224 9734

#### Ubon Ratchathani Air Traffic Control Centre

Address : Thepyotee Road, Naimueng Sub-district,  
Mueang District, Ubon Ratchathani 34000  
Tel : 0 4524 0798  
Fax : 0 4524 0798

#### Hua Hin Air Traffic Control Centre

Address : Mooban Bofai, Hua Hin Sub-district,  
Hua Hin District, Prachuap Khiri Khan 77110  
Tel : 0 3252 0831  
Fax : 0 3252 0833

## 1.5 Summary of Financial Report

Financial Report	2014	2013	2012
<b>Operating Performance (Baht : Million)</b>			
Total Income	9,557.13	8,047.10	6,955.42
Total Expenditure	7,801.54	7,094.87	6,780.72
Overcollection to be refunded to Member Airlines	1,755.59	952.23	174.70
<b>Financial Status (Baht : Million)</b>			
Total Assets	9,862.69	8,183.50	6,732.41
Total Liabilities	9,007.61	7,358.46	5,930.81
Total Shareholders' Equity	855.08	825.04	801.60
<b>Financial Ratio</b>			
Debt-to-Equity Ratio (times)	10.53	8.92	7.40
Debt-to-Equity Ratio (times) (Not including accumulated Overcollection)	7.85	8.10	7.40
Fixed Charge Coverage Ratio (times)	1.08	1.16	1.24

## 1.6 Factors Impacting Performance, Outlook and Trend in Air Transport

### (1) Outlook and Trend in Air Transport



The aviation industry is a service industry, which is large and has growing value. Based on past statistics, the value of the global aviation (World Annual Revenue Passenger Kilometers : RPK) is projected to grow at an average of 4.7 percent per year (from the years 2012-2032) and will increase to double in every 15 years ever since 1980. It is forecasted that the expected number of passengers per year on flights around the world will rise to double, from 2.7 billion in 2011. the 6 billion people by the year 2030 and the number of flights is expected to increase from 30 million to 60 million flights within the next 20 years.

The key factors in driving the growth of the aviation market in the future are the rapid growth of developing countries, liberalization and free trade, and constantly growing phenomenon of low cost carriers, especially in Asia, where the rapid growth of the aviation market in China and India, resulting in the traffic volume within the regional and beyond to increase steadily. Overall, Asia/Pacific is considered as the area with highest growth of aviation market in the world, and will outpace those in Europe and North America to become the largest aviation market in the world by the year 2032.

## (2) Global and Regional Air Navigation Plan



Changes in the aviation industry that have significant impact on operations such as the growth of air traffic continued at a high rate, recent advancement in aviation technology as a whole, including those that are used to carry out the Company's mission, as well as the expectations of aviation community and development aviation industry towards 'Performance-based Approach (PBA)' and new regulatory and policy requirements, including standards and recommended practices (ICAO SARPs) that are emerging in the national and international level. All of which affect the safety and quality of service, the ability to manage and provision of resources, and determining the appropriate corporate strategy, as well as the satisfaction and trust of all stakeholders.

ICAO has developed Global ATM Operational Concept and vision and expectations in future air traffic management. ICAO further developed into Global Air Navigation Plan (GANP), which is then used to translate into regional and national plan.

ASBUs are separated into 4 Performance Improvement Area (PIA) with Airport Operations, Globally Interoperable Systems and Data – through Globally Interoperable SWIM, Optimum Capacity and Flexible Flights – through Global Collaborative ATM, and Efficient Flight Path – through Trajectory Based Operations.

ICAO has revised GANP for its 4<sup>th</sup> edition by incorporating a well-defined step-wise performance improvement strategic plan – Aviation System Block Upgrades (ASBUs) – from Block 0 in 2013 to Block 3 in 2028 with a 5-year increment of improvement step - for States, aviation industry and stakeholders to use as guidance to ensure a balanced and interoperable enhancement in all phases and areas of air navigation system.



Such ASBUs strategy was translated into regional plan in form of APAC Seamless ATM Plan. AEROTHAI has made some progress of implementation accordingly by incorporating into the Corporate Plan 2014-2018 some projects in accordance with the Seamless Plan, e.g., the procurement and installation of Multilateration (MLAT) at Phuket and Chiang Mai international airports, the development of AIM (Aeronautical Information Management) services system, the procurement and installation of Wide Area Multilateration (WAM) to support the air navigation services in en-route and terminal control areas in the southern part of Thailand, the development of Continuous Descent Operation/Continuous Climb Operation (CDO/CCO) procedures to be used in the airports around Thailand, etc.

In addition, ICAO has initiated the implementation of the Next Generation Aviation Professionals (NGAP) to gather requirements and personnel perspective of stakeholders in the aviation industry. The aim is to find guidelines to ensure that there is sufficient personnel with the expertise to perform the tasks in international air transport system in the future. The transition of the first phase of such initiative focuses on creating awareness among stakeholders about the future lack of aviation personnel. While the implementation of Phase 2 will focus on the co-operation between ICAO and other stakeholders in the development and research capabilities, as well as regional strategic plan to be included in the NGAP.

### (3) ASEAN Economic Community (AEC)



Association of South East Asia Nations or ASEAN had set a target of becoming ASEAN Economic Community (AEC) with a free flow of products, services, and skilled labours so that ASEAN would become single market and production base by the year 2015. As for aviation sector, in order to support AEC target, ASEAN has planned to establish ASEAN Single Aviation Market (ASAM) by 2015 to ensure safe, secure and efficient air transport within ASEAN and beyond. Thailand was tasked with the lead in tourism and aviation sector, which is in harmony with government strategic policy for Thailand to be tourism and air transport hub in the future.

As Asia Pacific is already expecting a major growth of traffic, the establishment of ASAM as well as becoming AEC will be other opportunity and challenges for Thailand and AEROTHAI to provide leading role and deliver performance for the benefits of both Thailand and ASEAN in the future.

#### (4) Air Traffic Volume in Thailand

AEROTHAI experienced a traffic growth of 11.24% continuously increased from last year. Even this number was a little underestimate as the Company expected (causing by the tourists concern on the political issues in Thailand), but the volume had been increased continuously since the Fiscal Year 2010. The significant growth was mainly from the result of the Country's positive economic outlook. The Government has set a policy to drive Thailand's tourism. The Fiscal Years 2011-2015 ASEAN tourism strategic plan focuses on growing popularity of domestic tourists. They also helped stimulate low-cost airlines operations within Thailand which contributed to the overall nation growth.

Flight Movement Statistics 2012-2014

Number of Flights in Bangkok FIR	Fiscal Year						% 2014 /2013
	2012		2013		2014		
	Total	Avg./Day	Total	Avg./Day	Total	Avg./Day	
<b>Flight Type</b>							
International	272,264	744	321,963	882	336,050	921	4.42%
Domestic	245,041	670	276,351	757	324,562	889	17.44%
Overfly	59,158	162	70,708	194	83,518	229	18.04%
<b>Type of Operation</b>							
S : Schedule Flight	442,017	1,208	516,552	1,415	577,411	1,582	11.80%
N : Non-Schedule Flight	31,141	85	40,414	111	36,409	100	-9.91%
G : General Flight	52,263	143	54,978	151	71,395	196	29.80%
M : Military Flight	40,454	111	45,503	125	45,634	125	0.00%
X : Others	10,588	29	11,575	32	13,281	36	12.50%
<b>Total</b>	<b>576,463</b>	<b>1,576</b>	<b>669,022</b>	<b>1,833</b>	<b>744,130</b>	<b>2,039</b>	<b>11.24%</b>



AEROTHAI has reviewed the traffic forecast within Bangkok FIR, which found that in the near-term period the aviation industry will increase continuously as the Government main policy is to enhance tourism sector and the establishment of ASEAN Economic Community in year 2015, which will expand the economic volume and create the connectivity within ASEAN. The same applies for tourism which is expected to be more potent. These factors will be important for aviation industry, which in the 10-15 year time, it is expected that there will be about 1.2 million flights per year, or more than 3,000 flights per day, in the Fiscal Year 2024. This annual growth of 7% is consistent with forecast by many aviation organizations such as ICAO, IATA and EUROCONTROL.

Flight statistics in Bangkok FIR between Fiscal Year 2004-2014 and Forecast between Fiscal Year 2015-2024



Flight statistics in Bangkok FIR in the past 10 years and 10 year forecast

	Fiscal Year	Revenue flights based on billing				All flights based on flight plan
		International	Domestic	Overfly	Total	
Historical	2005	184,933	96,913	40,362	322,208	(No data)
	2006	193,592	102,707	41,732	338,031	411,214
	2007	213,217	111,080	43,122	367,419	456,050
	2008	221,523	109,766	46,943	378,232	461,619
	2009	200,759	101,229	46,198	348,186	417,607
	2010	215,280	111,547	49,929	376,756	452,286
	2011	245,321	128,869	56,705	430,895	521,780
	2012	270,774	146,463	59,147	476,384	576,463
	2013	317,950	175,390	68,474	561,814	669,022
	2014	331,722	209,566	80,398	621,686	744,130
Forecast	2015	377,422	220,111	90,332	687,865	823,343
	2016	403,853	236,334	97,769	737,956	883,300
	2017	431,738	253,449	105,616	790,803	946,555
	2018	461,158	271,507	113,894	846,559	1,013,292
	2019	492,195	290,557	122,626	905,378	1,083,696
	2020	524,939	310,655	131,841	967,435	1,157,975
	2021	559,484	331,859	141,561	1,032,904	1,236,338
	2022	595,928	354,228	151,815	1,101,971	1,319,008
	2023	634,379	377,829	162,634	1,174,842	1,406,231
	2024	674,943	402,726	174,049	1,251,718	1,498,248



#### (5) Factors affecting the capacity to support air traffic of Thailand and the aviation safety

As the air navigation both for air transportation or other purpose to achieve their objectives have elements that need to be effective, integrated and managed in line with those objectives. While the airspace of the Country is an essential resource to support aviation activities on airways, the airport system, air navigation services system itself, as well as other related processes must be developed in the consistent direction towards the same goal, whether it may be for economic, national security and sovereignty of the Country. Therefore national air transport strategy is important for a systematic and structured development. However, currently Thailand lacks integration among stakeholders to facilitate the planning and development at the macro level, that provides links between the various strategies and plans to achieve the national air transport goal. The framework of authority and responsibility under the laws, as well as channel/process in driving the policy or strategy is not conducive to the evolution and changes in technology and best practices in aviation.

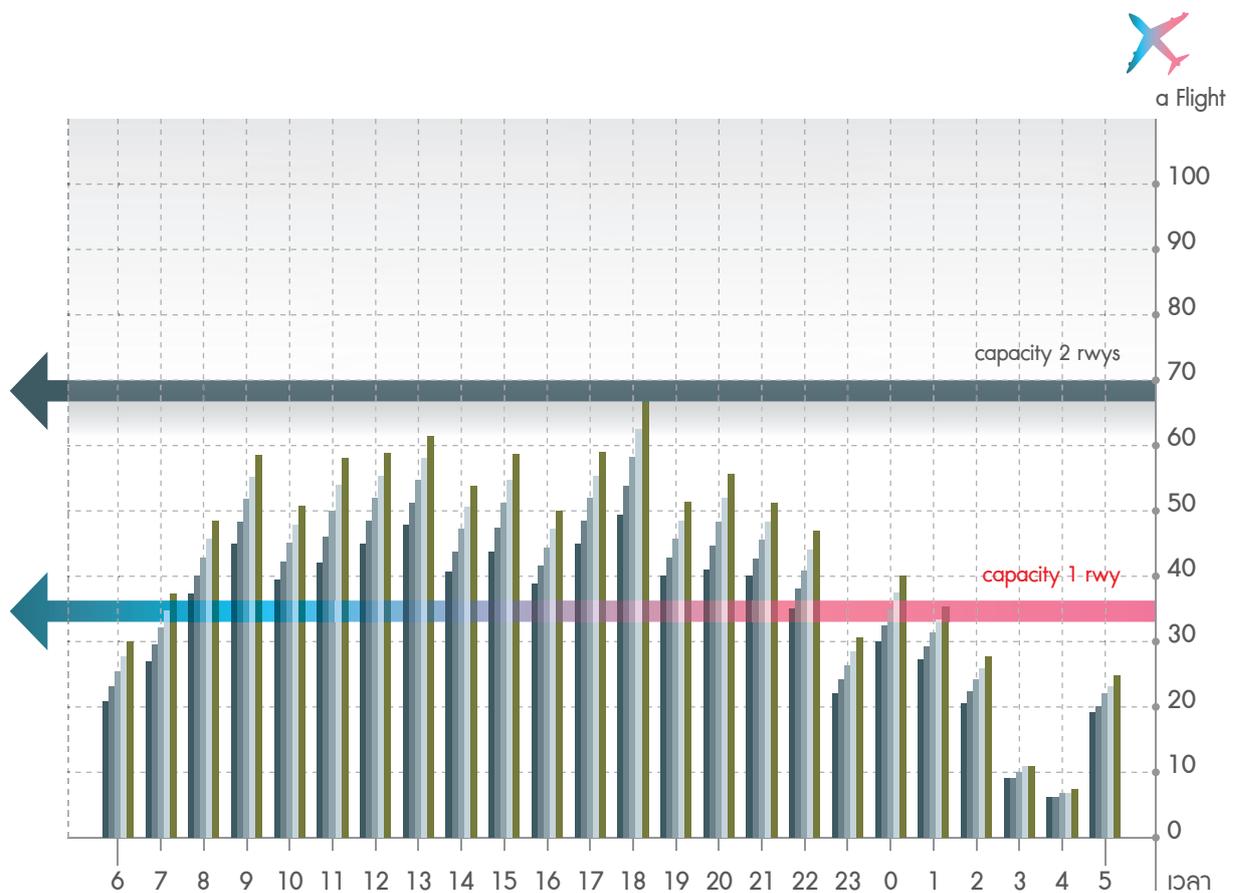


In addition, the co-operation between agencies involved in the aviation stakeholders of Thailand, both inside and outside the Ministry of Transport will contribute to increase the level of safety in flight by resolving 4 dangerous factors caused by the floating lantern, rocket launching, community radio interference, and inadequacy of aeronautical meteorological information. These issues currently remain a threat to the safety of air navigation. With this, the Company conducted risk management on such hazardous factors, both through the measures of monitoring/notifying/reporting of occurrence, public relations and promoting awareness and understanding among the people, encouraging the cooperation between the units involved, implore for the enactment and enforcement, as well as seek cooperation from the authorities, public and stakeholders in all sectors, to be aware of such continuing problems. Until later, there has been a signing of memorandum of cooperation on "Prevention and reduction of risk to aviation and aircraft from the floating lantern and rocket launching" between the Ministry of Transport, Ministry of Interior, Ministry of Defense, Ministry of Tourism and Sports, Ministry of Education, Ministry of Culture, Royal Thai Police, Public Relations Department, Office of National Buddhism, and Bangkok Metropolitan Administration.

Another priority is to strengthen the flight capacity and the competitiveness of the Country, especially at Suvarnabhumi Airport, which receives flights to about 65% of the number of flights to the Country. Therefore it is necessary to consider both the potential of airspace system, air traffic services, and more importantly is the capacity of the airport that has to consider the adequacy of the runway/taxiway coupled with a focus on the availability of passengers and airport services in general.

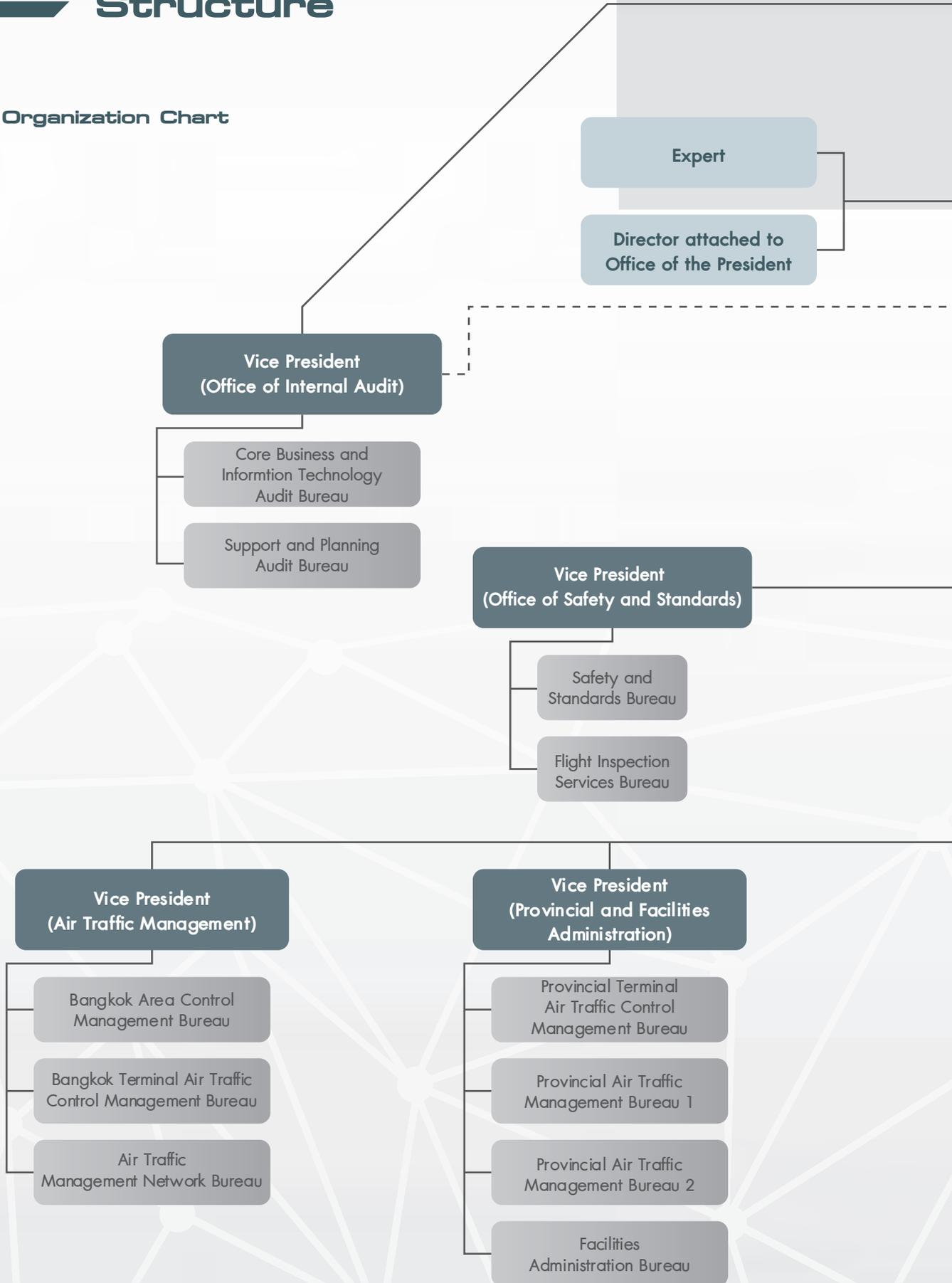
Otherwise it will cause problems in managing the air traffic congestion at Suvarnabhumi Airport, as already reflected in the form of a delay in flight, especially when any runway is damaged or unavailable. In the future, even there will be a process to ensure runway/taxiway constant availability, it can be forecasted that 2 runways at present will not be enough to serve the demand, and will pose a limitation of the competitiveness of Thailand as well.

2557 2558 2559 2560 2561



## 2. Company's Structure

### 2.1 Organization Chart



**Board of Directors**

**President**

**Other Committees**

**Executive Vice President**

**Vice President  
Office of Policy and Strategy**

Policy Strategy and Management Bureau

**Vice President  
Office of President**

Corporate Communication and Relations Management Bureau

General Administration Bureau

**Business Unit**  
**Vice President  
(Office of Business Development)**

Business Systems Bureau

Engineering Services Bureau

**Vice President  
(Air Traffic Services Engineering)**

Air Traffic Services Engineering Bureau

Air Traffic Services Engineering Support Bureau

Information Technology Bureau

**Vice President  
(Human Resource)**

Human Resource and Quality of Work Life Bureau

Human Resource Development and Learning Promotion Bureau

**Vice President  
(Finance)**

Finance and Accounting Bureau

## Functions

The Company's organization structure has the Board of Directors as the overseer who monitors the operations of the Company with the President as the highest executive management. The structure is divided into 10 bureaus with the Vice President responsible for each division. Details are as follows :

- **Office of the President**

Responsible for good corporate governance and social responsibility, code of conduct, support the Board of Directors and shareholders, legal matters, procurement, documentation and secretary, communications and stakeholders' relationship management.

- **Office of Internal Audit**

Responsible for the independently audit, review and evaluation of the reliability and completeness of work systems and directly report the findings to the Audit Committee.

- **Office of Policy and Strategy**

Responsible for the policy analysis, strategy planning, organization development, project analysis, performance monitoring and risk management.

- **Office of Business Development**

Responsible for the business strategy and activities with governmental and private sectors both domestic and overseas.

- **Office of Safety and Standards**

Responsible for the standards of services and safety management of the core business operations.

- **Air Traffic Management**

Responsible for the efficient provision of air traffic management with the following areas : En-route within the Bangkok Flight Information Region (Bangkok FIR), Aerodrome and Approach Control, Airspace Management and Flexible Use of Airspace, Aeronautical Information Service and Flight Procedures Design and Airspace Development.

- **Provincial and Facilities Administration**

Responsible for the provision of air traffic control services in the Bangkok FIR in provincial airports, administration of the provincial air traffic control centres, power supply system, utilities, buildings and premises, security system, and safety, occupational health and working environment management.

- **Air Traffic Service Engineering**

Responsible for the administration of air traffic service engineering in design, procurement, development, installation, maintenance and management of supporting systems for the provision of air traffic services as well as efficiently and effectively develop and administer the information technology systems.

- **Human Resource**

Responsible for the administration and development of human resource so that the Company's personnel will have the potential, behaviour and rewards in compliance with the Company's strategy.

- **Finance**

Responsible for the efficient administration of budget, finance and revenue and accounting.



## 2.2 The Board of Directors and Committees

The Board of Directors appoint the knowledgeable and experienced directors to Committees for screening any necessary matters as follows:

- The Board of Directors
- The Executive Committee
- The Audit Committee
- The Risk Management Committee
- The Remuneration Committee
- The Corporate Governance and Corporate Social Responsibility Committee
- The Legal Committee
- The Five Independent Directors
- The Labour Relations Committee

### The Board of Directors

The composition of the Board of Directors of the Company at the end of Fiscal Year 2014 are as follows (for more details, and names of directors who have changed during the year are in Section 2).

- |   |               |
|---|---------------|
| 1. Air Chief Marshal (Retd) Itthaporn Subhawong | Chairman      |
| 2. General Kanit Sapitaks                       | Vice Chairman |
| 3. Mr. Chaicharearn Atibaedya                   | Director      |
| 4. Mr. Wanchart Santikunchorn                   | Director      |
| 5. Mr. Krisada Chinavicharana                   | Director      |
| 6. Colonel Peerawat Promkladpanao               | Director      |
| 7. Mr. Puttipong Prasarttong-Osoth              | Director      |
| 8. First Lieutenant Athisak Padchuenjai         | Director      |
| 9. Mrs. Sarinee Sangprasit                      | President     |



# Board of Directors

**Air Chief Marshal (Retd)  
Itthaporn Subhawong  
Chairman**



**General Kanit Sapitaks  
Vice Chairman**



# Board of Directors



Mr. Chaicharearn Atibaedya  
Director



Mr. Wanchart Santikunchorn  
Director



Mr. Krisada Chinavicharana  
Director



Colonel  
Peerawat Promkladpanao  
Director



Mr. Puttipong  
Prasarttong-Osoth  
Director



First Lieutenant  
Athisak Padchuenjai  
Director



Mrs. Sarinee Saengprasit  
President

# Management

## 2.3 Company's Management

Squadron Leader  
Prajak Sajjasophon  
President  
(1 October 2011–11 May 2014)



Mrs. Sarinee Sangprasit  
President  
(5 June 2014 – present)



# Management



Mr. Aphinun Vannangkura  
Executive Vice President



Mr. Somnuk Rongthong  
Executive Vice President



GP.CAPT. Chokechai Spanon  
Expert,  
Executive Vice President Level

# Management



Miss Duangta Samitsuwan  
Vice President  
(Office of the President)



Mr. Wichit Theerapong  
Vice President  
(Office of Internal Audit)



Mr. Anucha Kammong  
Vice President  
(Office of Standards  
and Safety)



Mr. Tinnagorn Choowong  
Vice President  
(Air Traffic Management)



Mr. Teekayu Muratha  
Vice President  
(Provincial and Facilities  
Administration)



Mr. Anucha Tavornchotsakul  
Expert,  
Vice President Level



Miss Waraporn Songcharoen  
Expert,  
Vice President Level

# Management



Mr. Suttipong Kongpool  
Vice President  
(Office of Policy and Strategy)



Mr. Channarong Chuacharoen  
Vice President  
(Office of Business  
Development)



Mr. Nuttawat Supanundha  
Vice President  
(Air Traffic Service  
Engineering)



Miss Tipaporn Nippakakorn  
Vice President  
(Human Resource)



Mrs. Onurai Komain  
Vice President  
(Finance)



Squadron Leader  
Ekaburuse Rawdhetubhai  
Director attached to  
Office of the President,  
Vice President Level



Mr. Chatree Kimanunta  
Director attached to  
Office of the President,  
Vice President Level





# Company's Senior Management

## 1. Mrs. Sarinee Sangprasit • President

Present Position : President

Age : 55

Starting Work : 15 June 1984

### Education :

- Bachelor of Arts, Kasetsart University
- Master of Business Administration, Kasetsart University

### Work Experiences :

- 5 June 2014 - present      President, Aeronautical Radio of Thailand Ltd.
- 2010 - 5 June 2014      Executive Vice President
- 2009 - 2010      Expert, Executive Vice President Level
- 2002 - 2009      Senior Vice President (Planning) and Executive Vice President (Policy)



## 2. Mr. Aphinun Vannangkura • Executive Vice President

Present Position : Executive Vice President

Age : 60 (Retired on 30 September 2014)

Starting Work : 4 October 1974

### Education :

- Bachelor of Arts, Ramkhamhaeng University

### Work Experiences :

- 2012 - present      Executive Vice President
- 2011 - 2012      Vice President (Air Traffic Management)
- 2010 - 2011      Vice President (Corporate Strategy and Communication)
- 2008 - 2010      Executive Vice President (Operations/Planning)



# Company's Senior Management

## 3. Mr. Somnuk Rongthong Executive Vice President

Present Position : Executive Vice President

Age : 53

Starting Work : 15 May 1984

**Education :**

- Bachelor of Engineering, Kasetsart University

**Work Experiences :**

- 2012 - present                      Executive Vice President
- 2010 - 2012                        Vice President  
(Air Traffic Services Engineering)
- 2007 - 2010                        Executive Vice President (Engineering)



## 4. Group Captain Chokechai Spanon Expert, Executive Vice President Level

Present Position : Expert,  
Executive Vice President Level

Age : 59

Starting Work : 1 April 1998

**Education :**

- Bachelor of Engineering, Royal Thai Air Force Academy
- Master of Public Administration (Management for Executive),  
National Institute of Development Administration

**Work Experiences :**

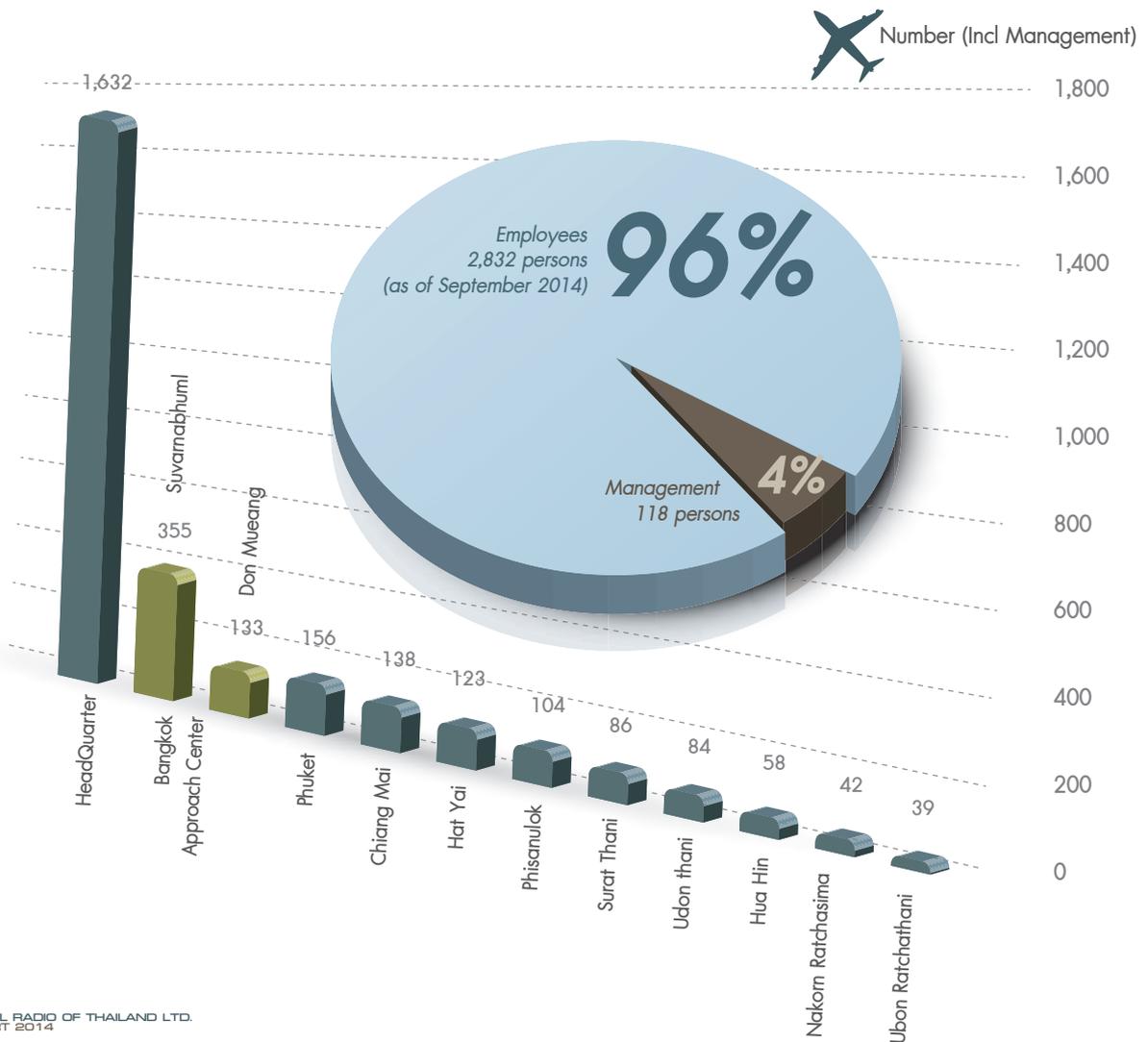
- 2012 - present                      Expert, Executive Vice President Level
- 2010 - 2012                        Vice President (Human Resource)
- 2009 - 2010                        Executive Vice President (Human Resource)
- 2007 - 2009                        Executive Vice President (Administration)



## 2.4 Employees

At the end of the Fiscal Year 2014 (30 September 2014), the total number of staff employed by AEROTHAI was 2,950 distributed as follows :

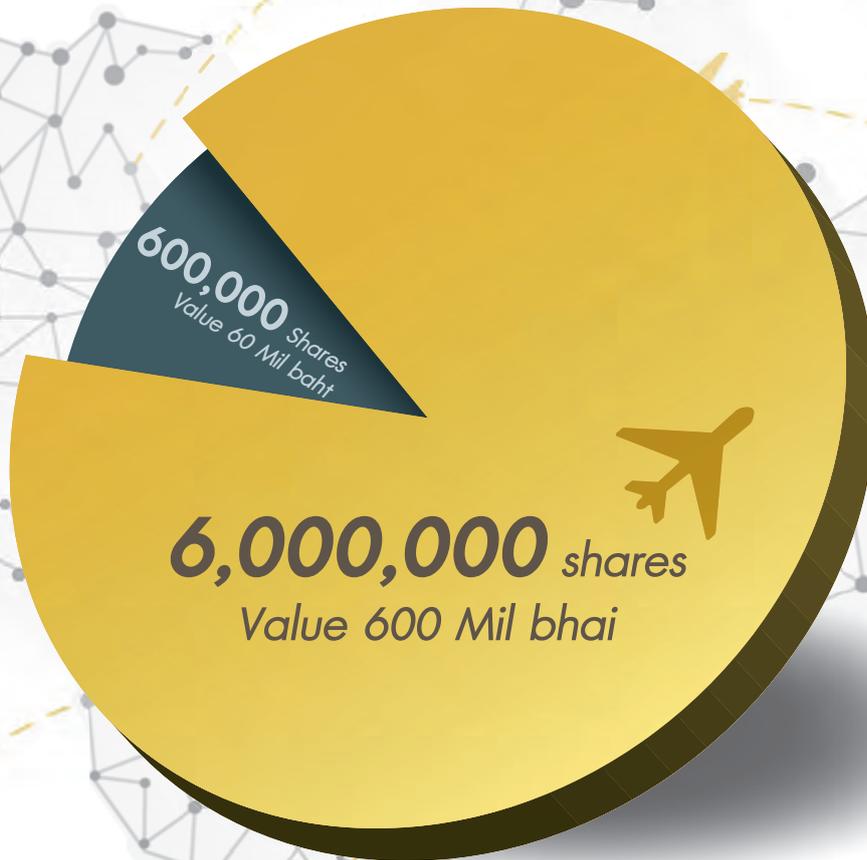
Head Office	1,632
Suvarnabhumi Airport	355
Don Mueang International Airport	133
Phuket Air Traffic Control Centre	156
Chiang Mai Air Traffic Control Centre	138
Hat Yai Air Traffic Control Centre	123
Phitsanulok Air Traffic Control Centre	104
Surat Thani Air Traffic Control Centre	86
Udon Thani Air Traffic Control Centre	84
Hua Hin Air Traffic Control Tower	58
Nakhon Ratchasima Air Traffic Control Centre	42
Ubon Ratchathani Air Traffic Control Centre	39



### 3. Shareholders

Airline Shareholders Total 97 airlines (as of September 2014)

● Airlines ● Government



In the Fiscal Year 2014, The A Shareholders and B Shareholders were as follows :

**A shareholders** **No. of shares**

The Ministry of Finance 6,000,000

**B shareholders** **No. of shares** **B shareholders** **No. of shares**

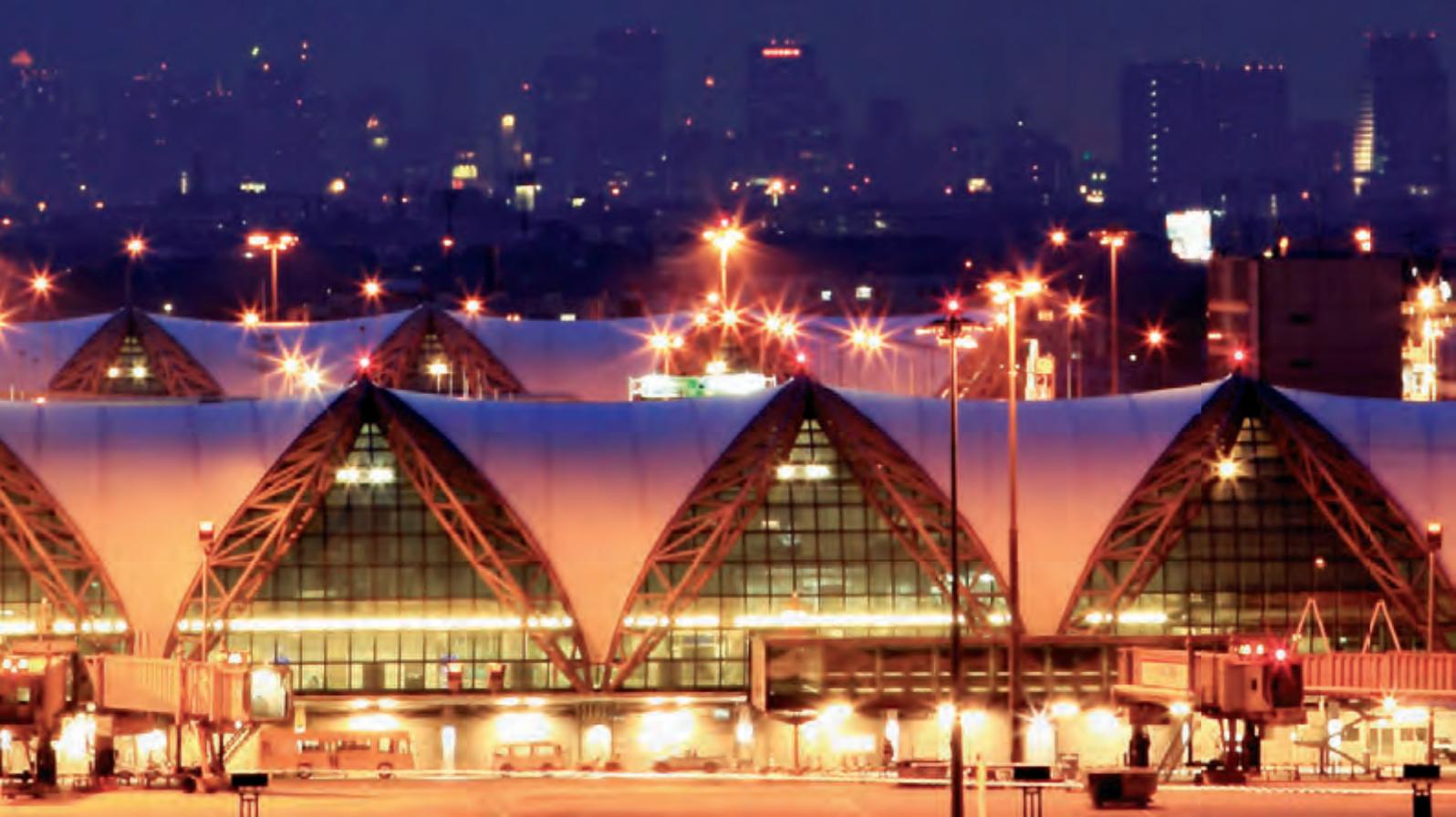
1	Asiana Airlines	1,072	27	Spring Airlines	2,413
2	Aeroflot Russian Airlines	938	28	Hong Kong Airlines	5,898
3	Air France	1,206	29	Shanghai Airlines	5,629
4	Air Hong Kong	804	30	China Southern Airlines	13,269
5	Air India	1,877	31	Delta Airlines	938
6	Thai AirAsia Co., Ltd.	106,691	32	Lufthansa German Airlines	938
7	Srilankan Airlines Ltd.	4,155	33	Juneyao Airlines	4,289
8	Air Macau	1,877	34	Druk Air	938
9	All Nippon Airways	4,423	35	Eastar Jet	938
10	Austrian Airlines AG	938	36	Etihad Airways	2,815
11	Indonesia Air Asia	3,753	37	Ethiopian Airlines	1,340
12	Air Asia Sdn Bhd	15,414	38	EVA Airways Corp.	4,557
13	British Airways	938	39	Federal Express Corp.	1,608
14	Biman Bangladesh Airlines	536	40	Finnair Oyj	938
15	Air Berlin	938	41	Lufthansa Cargo AG.	268
16	Bangkok Airways Plc.	74,858	42	Gulf Air Company G.S.C.	804
17	Aero Logic Gmbh	804	43	Garuda Indonesia	1,608
18	Bhutan Airlines (Tashi Air Pvt.Ltd.)	938	44	Hong Kong Dragon Airlines Ltd.	2,815
19	China Airlines Ltd.	4,825	45	Vietnam Airlines	3,887
20	Air China	3,619	46	InterGlobe Aviation Ltd. (IndiGo)	2,815
21	Cebu Pacific Air	2,011	47	Mahan Air	670
22	China Eastern Airlines	10,589	48	Jet Airways (India) Ltd.	2,815
23	Hainan Airlines	1,743	49	Japan Airlines Co., Ltd.	3,753
24	China Cargo Airlines	804	50	Jeju Air	2,815
25	Cargolux Airlines Int'l S.A.	536	51	Jin Air	804
26	Cathay Pacific Airways	9,919	52	JetStar Asia Airways Pte Ltd.	13,135



<b>B shareholders</b>	<b>No. of shares</b>	<b>B shareholders</b>	<b>No. of shares</b>
53 Jetstar Airways Pty Ltd.	1,206	79 ALIA - The Royal Jordanian Airlines	1,877
54 Kuwait Airways	1,608	80 Nepal Airlines Corporation	268
55 Korean Air	5,495	81 Siberia Airlines	268
56 Cambodia Angkor Air Co., Ltd.	3,753	82 Singapore Airlines	4,691
57 KLM Royal Dutch Airlines	1,877	83 SilkAir (Singapore) Private Ltd.	6,300
58 Kannithi Aviation	4,155	84 Singapore Airlines Cargo Pte Ltd.	804
59 Air Koryo	134	85 Swiss Int'l Air Lines	938
60 Kenya Airways Ltd.	1,877	86 Tiger Airways	9,919
61 Air Astana	938	87 Thai Airways International Plc.	93,689
62 Lao Airlines	3,485	88 Turkish Airlines Inc.	2,413
63 Lao Central Airlines Public Co.,	1,340	89 Transasia	1,206
64 Malaysian Airlines System Berhad	9,918	90 Transaero Airlines	804
65 Air MadaGascar	536	91 T'Way Air Co.,Ltd.	938
66 Mandala Airlines PT	2,413	92 Emirates	6,568
67 Martinair Holland NV	268	93 Myanmar Airways International	1,877
68 Egypt Air	938	94 United Airways (BD) Ltd.	536
69 Nippon Cargo Airlines Co., Ltd.	804	95 United Parcel Service Co., Ltd.	670
70 Norwegian Air Shuttle	670	96 Uzbekistan Airways	268
71 Nok Airlines Plc.	66,615	97 Vietjet Aviation Joint Stock Co.,Ltd.	2,815
72 Orient Thai Airlines Co., Ltd.	4,691		
73 Oman Air (SAOC)	1,877	Total B shareholders	600,000
74 Philippine Airlines	1,877		
75 Qantas Airways	938	Remarks : Shares allocated on 1 August 2014	
76 Qatar Airways	5,629		
77 Royal Brunei Airlines Sdn Bhd.	1,072		
78 Air Austral	134		



# SAFETY





By failing to prepare,  
you are preparing to fail.

- Benjamin Franklin -

## 4. Important Plans and Investments at present and in the future

### 4.1 Corporate Strategy

Under the vision “To be a quality organization providing air navigation services” which includes significant corporate mission of providing air navigation services, quality management across the enterprise for security and sustainability, and self-assessment based on quality assessment system for state enterprises, the Company's strategic development and operation in the period from 2014-2018 are as follows :



Strategic Issue	Strategic Objective
<p>1. Stakeholders Perspective : To improve the quality of Air Navigation Service (ANS) system that meets all stakeholders' expectations.</p>	<p>1.1 To ensure safety in all phases of flights. 1.2 To develop quality of services with global ANS standards.</p>
<p>2. Learning and Growth Perspective : To establish High Performance Organization (HPO) focusing on best organization performance results.</p>	<p>2.1 To remain Good Corporate Governance and to manage organizational changes effectively and efficiently. 2.2 To enhance infrastructure, information technology, knowledge management, and innovation in order to achieve all organization's goals. 2.3 To develop leadership and human resources to drive organization for sustainable growth.</p>
<p>3. Internal Process Perspective : To efficiently manage all organizational work processes to become Total Quality Management (TQM) organization.</p>	<p>3.1 To develop all TQM processes with participation and responsibility.</p>
<p>4. Financial Perspective : To enhance the organization's efficient financial management</p>	<p>4.1 To efficiently manage the organization's finance to meet all stakeholders' expectations.</p>

## 4.2 Plans and Projects

AEROTHAI has important plans and projects as contained in the Corporate Plan 2013-2017 as follows :

### 1. Air Navigation Service Infrastructure Development Project (Implementing Years 2012-2015)



Air Navigation Service Infrastructure Development Project has been approved in principle by the Government on 3 May 2011 with investment budget of Baht 4,460.31 million. The objective is to enhance infrastructure for air navigation service of Thailand in order to match with new international standards and supply capability to support the growing air traffic volume in the future. The project is in line with the concept and requirements of the global air traffic management system. The project can be broken down into 3 individual portions as follows:

#### (1) Establishment of Air Traffic Management Centre (ATMC)

To support the role of air traffic management hub of Thailand and connect with neighbouring countries. The system will enhance AEROTHAI ability in providing air traffic control service on all airways across Thailand with new concept of operation that is supplemented by new elements of airspace management and air traffic flow management in the efficient, automated, and environmental friendly concept, while maintaining highest level of safety as priority.

## (2) CNS System Enhancement and ATM Network Integration

To enhance nation-wide communications, navigation, surveillance infrastructure, as well as the network of information/data for air traffic management between the headquarter and provincial units across the Country within the same level of capability and standards, thus ensuring the fullest extent of safety, efficiency, and capacity in the service to passengers and airlines/airspace operators.

## (3) Procurement of High Performance Flight Inspection Aircraft

To meet demand of flight inspection of air navigation service infrastructure – both in terms of quantity and capability for the increasing flight inspection requirements. This includes the support for new technology of systems that AEROTHAI has planned to deploy in the future, as well as other required functions to promptly and accessibly support AEROTHAI's operations



## 2. Strategic Work on Seamless ASEAN Sky Concept and ATWG Resolutions, and Supporting Actions on ATM under ASEAN Single Aviation Market ATTC Work Plan 2012-2013 (Implementing Years 2012-2014)

Work on ASEAN Single Aviation Market (ASAM) and Air Traffic Management (ATM) were one of the three technical elements. AEROTHAI had attended ASEAN Air Transportation Working Group (ATWG) since 2009 as a supporting representative to DCA Thailand. AEROTHAI also had an important role on considering/presenting/joining in ATWG to support the work under ASAM Roadmap which had the preliminary target on ASEAN Air Traffic Management Harmonization Master Plan. Moreover, AEROTHAI would perform an important project under the

co-operation between ASEAN and EU (ASEAN Air Transport Integration Project: AATIP) which had consulting team from EU to support the proceeding. AEROTHAI had been a part of an initiation on Air Traffic Flow Management (ATFM) in a part of Airspace Simulation and Modeling Workshop. AEROTHAI also patterned structure and method on corporation between ASEAN countries which would develop on the co-operative system in every aspect.

### 3. Construction of New Air Traffic Control Tower at Don Mueang International Airport to commemorate the 6<sup>th</sup> Cycle Royal Birthday Anniversary of His Majesty King Bhumibol Adulyadej (Implementing Years 2011-2014)



From the Government policy to provide full service at Don Mueang International Airport again, which results in low cost airlines operating in Don Mueang increases, and the air traffic has continued to grow. Hence, the Company underwent a construction of the new air traffic control tower at the airport for the operation to replace the original tower, with the installation of the new and modern air traffic control systems/equipment in order to provide information for use in air traffic control, as well as provide situational awareness on aircraft and vehicles in the airport to increase the safety in airport surface operation and link information automatically and interoperate with

both the air traffic control tower at Suvarnabhumi International Airport and Bangkok Area Control Centre. The Company will continue to use the existing tower together with a new one to improve visibility in air traffic control, and use as contingency unit in a distant location (Offsite Backup) in case of emergency. The construction of the tower was completed in February 2014. Currently, the procurement of system/equipment is in progress, and will be interfaced with the new system throughout the Country under the Air Navigation Service Infrastructure Development Project.

### 4. Organizational Development in Information Technology (Implementing Fiscal Years 2013-2014)

AEROTHAI has implemented according to Information and Communication Technology (ICT) Master Plan with the objective to bring technology into use to support management and operation, as well as corporate social responsibility in general in accordance with the principle of good governance. In Fiscal Year 2014, AEROTHAI has developed and improved the information system with target of completion and bring into operation as follows :

(1) Develop/improve computer and communication network infrastructure phase 1 (consists of main

computer system of intranet/internet communication equipment and the network system at Suvarnabhumi Airport): for improvement of computer connecting equipment, IP backup infrastructure system, and information technology to support administration function.

(2) Improve information technology for air traffic management operation : for IT to support the ATC roster at Network Operations Air Traffic Management Centre, develop coordinate reporting system for sky rockets, floating lanterns, and radio interference.

### 4.3 Important Role in the Global, Regional Forum and Others

#### 1. CANSO Asia Pacific Operations Work Group (APAC Ops WG) and CANSO Asia Pacific Safety Work Group (APAC SWG)

AEROTHAI hosted CANSO Asia Pacific Operations Work Group (APAC Ops WG) and CANSO Asia Pacific Safety Work Group (APAC SWG) at the Aetas Lumpini during 28 – 29 November 2013.

CANSO Asia Pacific Operations Work Group (APAC Ops WG) was aimed to update the progress of projects which are implemented and to pursue new technology in Air Traffic Service of CANSO regional members. It is the forum for representatives under the Operations Standing Committee (OSC) in the region to jointly implement the projects as a team and report the

progress of the work group for revision of future implementation.

CANSO Asia Pacific Safety Work Group (APAC SWG) was focusing on the development of Regional Safety Programme by sharing guidelines on safety procedures and problems concerning safety which resulted in the introduction of Safety Buddy System

APAC SWG updated the progress of Work Group to Safety Standing Committee (SSC) for further SSC discussion.

#### 2. AATIP Workshop on Cross Border Air Traffic Flow Management (ATFM)

AEROTHAI hosted the workshop during 18-20 February 2014 at Centara Hotel Duangtawan, Chiang Mai. The workshop discussed the priority for the development of the demand for the Basic Air Traffic Flow Management system - including the idea for operations, seminars, the initiative of Pre-ATFM-CDM, data sharing and the MoUs between and among the organizations. In addition, the workshop delivered the development of the

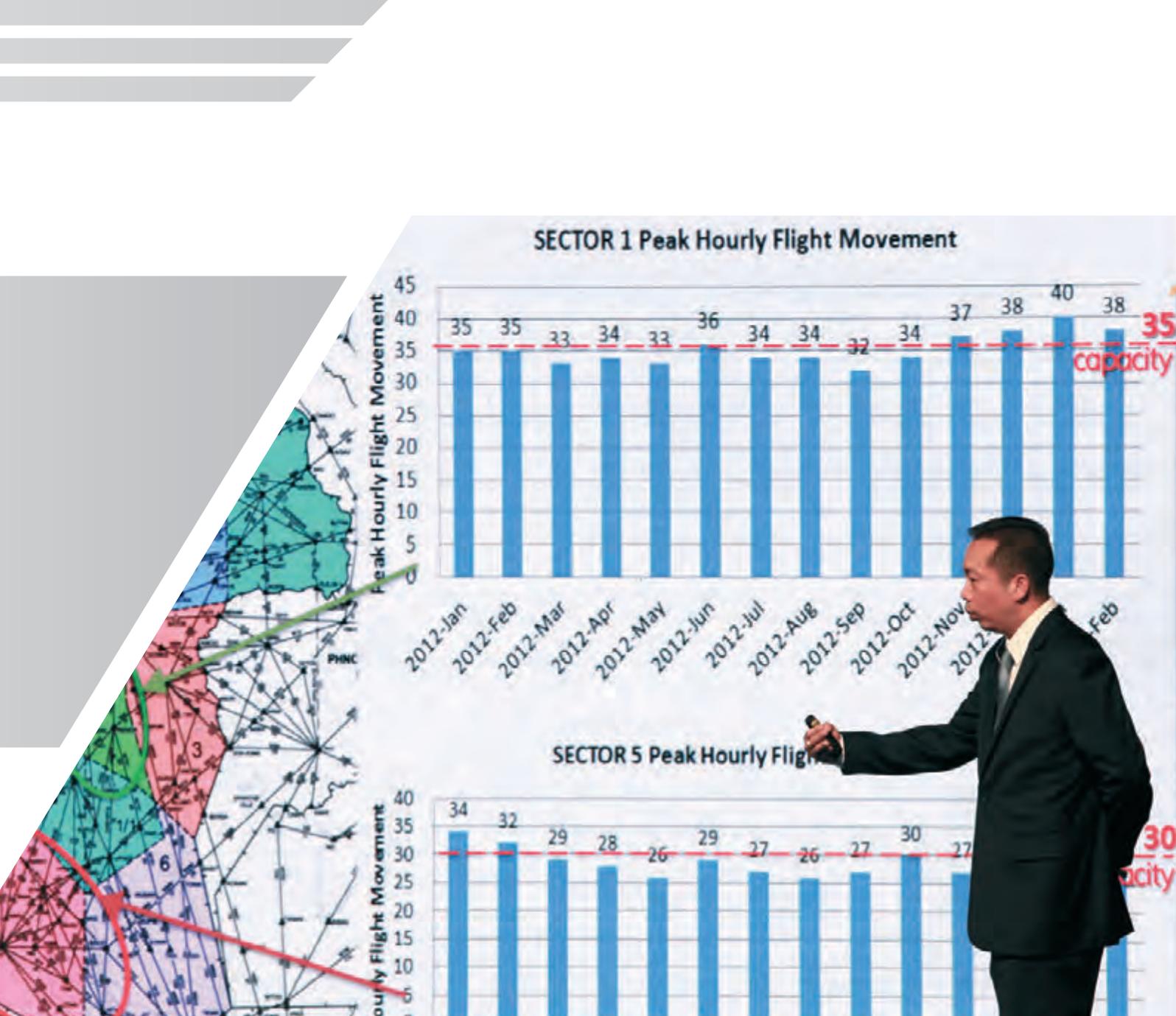
work plan and set the priorities of the improvement of the potential Cross Border Air Traffic Flow Management system.

The Company hosted the Workshop to display its supporting and leading role in the regional implementation under the strategic objective of improving ATFM/CDM.

#### 3. Workshop on Cooperation between Aviation Stakeholders

The Company hosted the 2<sup>nd</sup> Workshop under the theme of “We still have a dream” on 25 April 2014, which is the continuation of the Workshop on “Development of Thailand Air Navigation and the Next Step of Global Air Navigation : Conclusion of the Air Navigation Conference back in 2013. The Workshop was opened by the Minister of Transport (Mr. Chadchart Sittipunt) who still puts emphasis on the policy of Collaboration for Synergy between Aviation Stakeholders for the National Interests. High-level executives and important officials from Department of Civil Aviation of Thailand, Royal Thai Air Force, Civil Aviation Training Center, Airports of Thailand Public Company Limited, and National Economic & Social Development Board took part in panel of discussions.





In this Workshop, the Company presented the essential requirement to have a concrete strategy and implementation approach by telling tales of Thailand’s dream to be become hub of transport and inducing a basic understanding and a shared vision of which are key factors in creating synergies with the use of the opportunity to invite the aviation stakeholders in Thailand to see the future, opportunities, challenges and obstacles, so to prepare and plan together in related missions to success. The results of the Workshop found that all parties responded to AEROTHAI’s call and will collaborate to create Synergy for national interests and promote Thailand as a regional aviation hub, as well as support the development of National Air Transport System Master Plan to prepare Thailand for the development according to Global Air Navigation Plan which will lead to the direct and indirect interests of the Country in the future.

#### 4. The 20<sup>th</sup> Aviation Consultative Committee (ACC)

The Meeting was held during 26-28 May 2014 at Ibis Hua Hin, Prachuap Khiri Khan. AEROTHAI and the Department of Civil Aviation Malaysia (DCA) agreed to conduct Aviation Consultative Committee (ACC) twice a year in which Thailand and Malaysia will take turns

hosting. The purpose of the meeting is to enhance air traffic management between Thailand and Malaysia and continue any ongoing implementation for the benefits of both parties.

## 5. The 1<sup>st</sup> Bangladesh-India-Myanmar-Thailand (BIMT) – ATM Coordination Group Meeting

The Meeting was held during 18-19 August 2014 at ICAO Asia and Pacific (APAC) Regional Office in Bangkok. This forum was convened for the first time to discuss and collaborate on Air Traffic Management (ATM) coordination issues between 4 countries with connecting airspace including Bangladesh, India, Myanmar, and Thailand. The main purpose of the Meeting is to drive the

region toward a fully harmonized regional air traffic management, and to discuss and agree on several initiatives such as route structure and en-route implementation to enhance air traffic flow in the region. The Meeting generally focused on data and implementation plan sharing among the parties in Bay of Bengal.



## 6. Route Review Meeting (Malaysia–Singapore–Thailand)

AEROTHAI hosted the Route Review Meeting (Malaysia–Singapore–Thailand) during 26-27 August 2014 at the Aetas Lumpini, Bangkok. The objective of the Meeting is to develop and improve the efficiency of the air navigation services collaboratively among the three parties, which will provide the service flexibility within their own capabilities and among the three countries which now have a very high air traffic volume.

## 7. Meeting on Distributed Multi-Nodal CDM/ATFM Network Project

The Meeting was held between 28-29 August 2014 at the Aetas Lumpini, Bangkok. The purpose of the Meeting is to discuss the preparation for the capacity development of "ATFM Operational Trial", in the form of Distributed Multi-Nodal CDM/ATFM Network which will be scheduled to launch the Operational Trial by June 2015.

The network concept expanded through the collaborative among Civil Aviation Authority Singapore (CAAS) and Hong Kong Civil Aviation Department (HK CAD) and others (China, Vietnam, Australia, Malaysia and Indonesia) - joined the initiative with the aim of establishing an ATFM framework for the region.

## 8. The Signing of Memorandum of Understanding

1. Appendix to Agreement on Cooperation and Support between AEROTHAI and the Department of Civil Aviation (DCA)

AEROTHAI and DCA signed Appendix to Agreement on cooperation and support to identify the scope of cooperation regarding air navigation safety, the development of air navigation system, and the support of academic work.

2. Appendix to Memorandum of Agreement between AEROTHAI and Thai Airways International Public Company Limited

AEROTHAI and Thai Airways International Public Company Limited signed Appendix to Memorandum of Agreement to identify the scope of cooperation regarding the development of air navigation system, training and personnel development, and resources sharing between the two organizations.

3. Memorandum of Understanding between AEROTHAI and Royal Thai Air Force 2014

AEROTHAI and Royal Thai Air Force signed Memorandum of Understanding 2014 which is revised and signed annually in order to update to the current operations.



# QUALITY



- INTERNET
- LIVE CHAT
- MEDIA
- PHOTOS
- VIDEOS
- MUSIC

- INTERNET
- LIVE CHAT
- MEDIA
- PHOTOS
- VIDEOS
- MUSIC



-VIDEO  
-MUSIC  
-FILMS  
-SEARCH  
-CONTACTS  
-MESSAGES

-EUROPE  
-AMERICA  
-ASIA  
-AFRICA

VIDEO  
MUSIC

-EUROPE

SEARCH  
CONTACTS  
MESSAGES

No bird soars too high,  
if he soars with his own wing.

- William Blake -

## 5. Company's Operation

### 5.1 Air Navigation Services

The Company provides air navigation services within the Bangkok Flight Information Region (Bangkok FIR) which cover 35 airports (Aerodrome Traffic Zone : ATZ) and 36 areas (Terminal Control Area : TMA) (the Company transferred the ATZ at Pattani airport to the military but still provide service in TMA), including the en-route (ATS Route). These services are provided through the air traffic management, communication, navigation and surveillance systems (ATM/CNS).

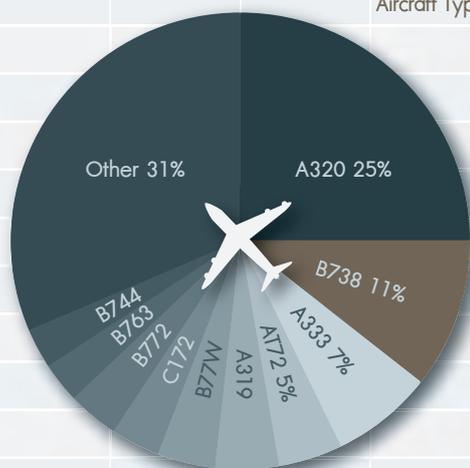
In summary, services related to air traffic control which is provided to aircraft operators are described below :

1. AEROTHAI Air Traffic Management (ATM) comprises of :
  - (i) Airspace Management (ASM)
  - (ii) Air Traffic Flow Management (ATFM)
  - (iii) Air Traffic Services (ATS), which consists of :
    - a. Air Traffic Control Services (ATCS), which can be further categorized based on the service area as follows,
      - Aerodrome Control Service, providing the control service for all traffic on the maneuvering area of an aerodrome and all aircraft flying in the vicinity of an aerodrome,
      - Approach Control Service, providing the traffic control service for arriving and departing controlled flights to/from an aerodrome. Approach Control Units, established to provide approach control services, are located either at the AEROTHAI head office or at the airport.
      - Area Control Service, providing the control service to all controlled flights flying in Bangkok FIR. Area Control Centre (ACC) is located at AEROTHAI head office.
    - b. Flight Information Services (FIS)
    - c. Alerting Services (ALTS)



Air traffic volume in Fiscal Year 2014, categorized into types, are as follows :

Number of Flights	Fiscal Year						% 2014 / 2013
	2012		2013		2014		
	Total	Avg./day	Total	Avg./day	Total	Avg./day	
<b>Flight Type</b>							
International	272,264	744	321,963	882	336,050	921	4.42%
Domestic	245,041	670	276,351	757	324,562	889	17.44%
Overfly	59,158	162	70,708	194	83,518	229	18.04%
<b>Type of Operation</b>							
S : Schedule Flight	442,017	1,208	516,552	1,415	577,411	1,582	11.80%
N : Non-Sch'd Flight	31,141	85	40,414	111	36,409	100	-9.91%
G : General Flight	52,263	143	54,978	151	71,395	196	29.80%
M : Military Flight	40,454	111	45,503	125	45,634	125	0.00%
X : Others	10,588	29	11,575	32	13,281	36	12.50%
<b>Flight Rule</b>							
IFR	504,402	1,378	591,199	1,620	648,117	1,776	9.63%
VFR (included Y,Z)	72,061	197	77,823	213	96,013	263	23.47%
<b>Top 10 Aircraft Type</b>							
A320				Aircraft Type	182,438	500	73.01%
B738					84,290	231	148.39%
A333					52,886	145	26.09%
AT72					34,984	96	20.00%
A319					32,467	89	27.14%
B77W					29,993	82	6.49%
C172					26,507	73	32.73%
B772					25,711	70	112.12%
B763					21,678	59	-29.76%
B744					20,153	55	12.24%
Other					233,023	638	-28.07%
<b>Total</b>	<b>576,463</b>	<b>1,576</b>	<b>669,022</b>	<b>1,833</b>	<b>744,130</b>	<b>2,039</b>	<b>11.24%</b>



Flight Movement Statistics

Flight Movement/Airports	Within BKK TMA		TOTAL	Selected Provincial Airports	
	VTBS	VTBD	BKK TMA	VTSP	VTCC
	SUVANNABHUMI	DONMUENG		PHUKET	CHIANG MAI
<b>Flight Type</b>					
International	224,487	44,421	268,908	39,477	10,699
Domestic	68,702	136,976	205,678	36,282	43,523
<b>Type of Operation</b>					
S : Schedule Flight	283,189	140,891	424,080	68,411	46,095
N : Non-Schedule Flight	9,472	5,549	15,021	5,250	3,325
G : General Flight	257	15,623	15,880	832	495
M : Military Flight	175	18,773	18,948	1,198	3,253
X : Others	96	561	657	68	1,054
<b>Flight Rule</b>					
IFR	293,178	160,281	453,459	74,943	48,097
VFR (included Y,Z)	11	21,116	21,127	816	6,125
<b>Total in 2014</b>	<b>293,189</b>	<b>181,397</b>	<b>474,586</b>	<b>75,759</b>	<b>54,222</b>
<b>Average per Day</b>	<b>803</b>	<b>497</b>	<b>1,300</b>	<b>208</b>	<b>149</b>

Flight Movement – Provincial Airports

Flight Movement/Airports		2011		2012		2013		2014	
		Total	Avg./day	Total	Avg./day	Total	Avg./day	Total	Avg./day
VTSP	PHUKET	57,107	156	61,000	167	72,148	198	75,759	208
VTCC	CHIANG MAI	35,351	97	39,656	108	46,907	129	54,222	149
VTSM	SAMUI	22,696	62	24,972	68	26,721	73	26,323	72
VTPH	HUA HIN	25,542	70	26,353	72	16,593	45	24,658	68
VTSS	HAT YAI	16,295	45	17,062	47	20,730	57	24,167	66
VTSF	NAKHON SI TAMMARAT	6,726	18	17,054	47	17,964	49	20,486	56
VTSG	KRABI	6,944	19	7,964	22	12,111	33	19,193	53

Flight Movement/Airports		2011		2012		2013		2014	
		Total	Avg./day	Total	Avg./day	Total	Avg./day	Total	Avg./day
VTTP	PHITSANULOK	7,808	21	8,826	24	11,947	33	17,209	47
VTUD	UDON THANI	11,637	32	13,936	38	15,456	42	17,193	47
VTSB	SURAT THANI	8,250	23	9,385	26	11,929	33	13,545	37
VTUK	KHONKAEN	3,967	11	4,796	13	5,681	16	12,203	33
VTUQ	NAKHONRATSIMA	1,214	3	5,348	15	8,201	22	10,934	30
VTUU	UBONRATTHANI	8,660	24	8,389	23	9,276	25	10,846	30
VTUW	NAKHONPANOM	1,894	5	4,514	12	5,654	15	10,478	29
VTCT	CHIANGRAI	6,291	17	7,210	20	7,623	21	10,438	29
VTST	TRANG	2,277	6	2,544	7	3,718	10	3,930	11
VTUI	SAKOLNAKON	1,592	4	2,043	6	2,596	7	3,909	11
VTPM	MAESOT	1,196	3	1,512	4	3,143	9	3,382	9
VTSE	CHUMPORN	1,112	3	1,252	3	2,862	8	3,355	9
VTCH	MAEHONGSON	2,232	6	3,152	9	4,329	12	3,258	9
VTUO	BURIRAM	956	3	1,214	3	1,597	4	2,865	8
VTUV	ROIET	911	2	2,022	6	2,425	7	2,813	8
VTCL	LAMPAENG	1,159	3	1,201	3	1,695	5	2,433	7
VTBO	TRAD	2,410	7	2,098	6	2,218	6	2,291	6
VTGN	NAN	2,323	6	2,470	7	2,469	7	2,143	6
VTSC	NARATHIVAS	2,081	6	1,740	5	1,907	5	1,762	5
VTPO	SUKHOTHAI	2,453	7	1,946	5	1,655	5	1,699	5
VTSR	RANONG	516	1	446	1	970	3	1,666	5
VTSK	PATTANI	678	2	770	2	1,288	4	1,607	4
VTUL	LOEI	862	2	719	2	1,006	3	1,493	4
VTPB	PETCHABOON	375	1	216	1	333	1	749	2
VTCP	PRAE	389	1	530	1	635	2	721	2
VTUJ	SURIN	454	1	403	1	533	1	564	2
VTPT	TAK	66	0	100	0	339	1	259	1

### Air Traffic Flow Management Service

Bangkok Air Traffic Flow Management Unit (Bangkok ATFMU) provides Air Traffic Flow Management (ATFM) service on behalf of Air Navigation Service Providers (ANSPs) involved for all flights planning to enter the Afghanistan airspace westbound during the busy night time period from South/Southeast Asia to Europe or from South Asia to North America. ATFM service is provided using the Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT), which was developed internally by AEROTHAI under auspices of ICAO Air Traffic Flow Management Task Force.

Statistics of Flights Using BOBCAT ATFM Service

Fiscal Year	2009	2010	2011	2012	2013	2014
Average Nightly Movement	55	56	58	56	52	47
Peak Nightly Movement	73	70	72	72	66	60

Based on increasing traffic and data supplied by airlines through the International Air Transport Association (IATA), it is estimated that since operational implementation of the ATFM procedure using the BOBCAT system to the end of Fiscal Year 2014, the airlines would have saved about 98 million kilograms of aviation fuel, which would translate into reduction of greenhouse gases in contribution to the global environment of about 394 million kilograms. This, in turn, assisted in cumulative airline cost savings of approximately 98 million US Dollar.

In addition, it is estimated that during Fiscal Year 2014, the BOBCAT ATFM operations have contributed to approximately 12 million kilograms of fuel savings, equivalent of approximately 50 million kilograms of Carbon Dioxide emissions and approximately 12 million US Dollar of airline cost savings.

Following MH17 accident in Ukrainian airspace on 17 July 2014, the amount of traffic through Afghanistan airspace fell by approximately 20 percent when compared to traffic volume of the same month in the previous year. This may be related to interconnectivity of route network between Ukraine and Afghanistan, which may have resulted in some traffic avoiding Ukrainian airspace not entering Afghanistan airspace.



2. Communications, Navigation, and Surveillance (CNS) infrastructure service comprises of :
- (i) Communications System : for provision of the Aeronautical Fixed Service (AFS) for domestic communications via Aeronautical Telecommunication Network (ATN), as the main network and via Aeronautical Fixed Telecommunication Network (AFTN) for organizations in the country and abroad, together with the communication between air to ground unit used by air traffic controllers and pilots.
  - (ii) Navigation System : for provision of navigation of the aircraft accurately and unerringly, all in en route area, approach area and aerodrome area. The system also includes the Performance Based Navigation (PBN).
  - (iii) Surveillance System : for provision of location, co-ordinates and height level of the aircraft in order to provide the information and to follow the aircraft's route for air traffic services. The system consists of the types that are used for aerodrome, approach and en route air traffic service, as well as those used to keep track of the aircraft and vehicles moving on the airport surface.
- Included also is the provision of ATM Automation/Support Tools, e.g. Flight Data Processing System (FDPS), Surveillance Data Processing System (SDPS), etc., for supporting overall air navigation services.

#### Aeronautical Communication Services

1. AEROTHAI provides the aeronautical fixed service with automatic message switching facility for the exchange of messages between domestic aeronautical fixed stations on a 24 hour basis.
2. The international circuits are directly connected thru satellite and sub-marine cables. At present AEROTHAI operates direct circuit connections with 12 international aeronautical communication centres as detailed in the table below :

Circuit	Network	Signaling speed
1. Bangkok/Singapore	Sub-marine cable	64 Kbps
2. Bangkok/Hong Kong	Sub-marine cable	64 Kbps
3. Bangkok/Mumbai	Sub-marine cable	64 Kbps
4. Bangkok/Rome	Sub-marine cable	64 Kbps
5. Bangkok/Beijing	Satellite	2,400 bps
6. Bangkok/Kuala Lumpur	Satellite	2,400 bps
7. Bangkok/Ho Chi Minh	Satellite	2,400 bps
8. Bangkok/Dhaka	Satellite	300 bps
9. Bangkok/Phnom Penh	Satellite	64 Kbps
10. Bangkok/Vientiane	Satellite	300 bps
11. Bangkok/Yangon	Satellite	300 bps
12. Bangkok/Bhutan	Internet VPN	



**PBN Implementation of Instrument Approach Procedures (IAP) for Fiscal Year 2014**

IAP PBN of airports that are published in AIP-Thailand :

No.	Airport	RNP APCH	STAR PBN	SID PBN
1	Phrae	RNAV (GNSS) RWY01 (LNAV)	-	-
2	Ubon Ratchathani	RNAV (GNSS) RWY05 RNAV (GNSS) RWY23 (BARO-VNAV)	-	-
3	Khon Kaen	RNAV (GNSS) RWY03 RNAV (GNSS) RWY21 (LNAV)	-	SID RNAV RWY03 SID RNAV RWY21



IAP PBN of airports which are being verified by the Department of Civil Aviation

No.	Airport	RNP APCH	STAR PBN	SID PBN
1	Lampang	-	-	SID RNAV RWY18 SID RNAV RWY36
2	Chiang Rai	RNAV (GNSS) RWY03 (LNAV)	STAR RNAV RWY03	-
3	Krabi	RNAV (GNSS) RWY32 (LNAV)	STAR RNAV RWY32	SID RNAV RWY14 SID RNAV RWY32
4	Nakhon Phanom* (Fiscal Year 2013)	RNAV (GNSS) RWY15 RNAV (GNSS) RWY33 (BARO-VNAV)	-	-
5	Sakon Nakhon* (Fiscal Year 2013)	RNAV (GNSS) RWY05 RNAV (GNSS) RWY23 (BARO-VNAV)	-	-
6	Hua Hin* (Fiscal Year 2013)	RNAV (GNSS) RWY16 (LNAV)	-	-
7	Trat* (Fiscal Year 2013)	RNAV (GNSS) RWY05 RNAV (GNSS) RWY23 (LNAV)	-	-



### 3. Aeronautical Information Services : AIS

Aeronautical Information Service (AIS) is the provision of all necessary aeronautical information to aircraft operators. AEROTHAI is responsible for the flow of information necessary for safety, regularity and efficiency of international air navigation and performs its duty by receiving, transmitting, relaying and distributing Aeronautical Information Services (AIS) information and messages to pilots and staff as Aeronautical Information Services Centre (AISC). AIS information such as Aeronautical Information Publication (AIP), AIP Supplement, Aeronautical Information Circular (AIC), Notices to Airmen (NOTAM), En route Chart and Aeronautical Information Regulation and Control (AIRAC) provide aeronautical information and messaging services for aircraft flying on domestic and international routes

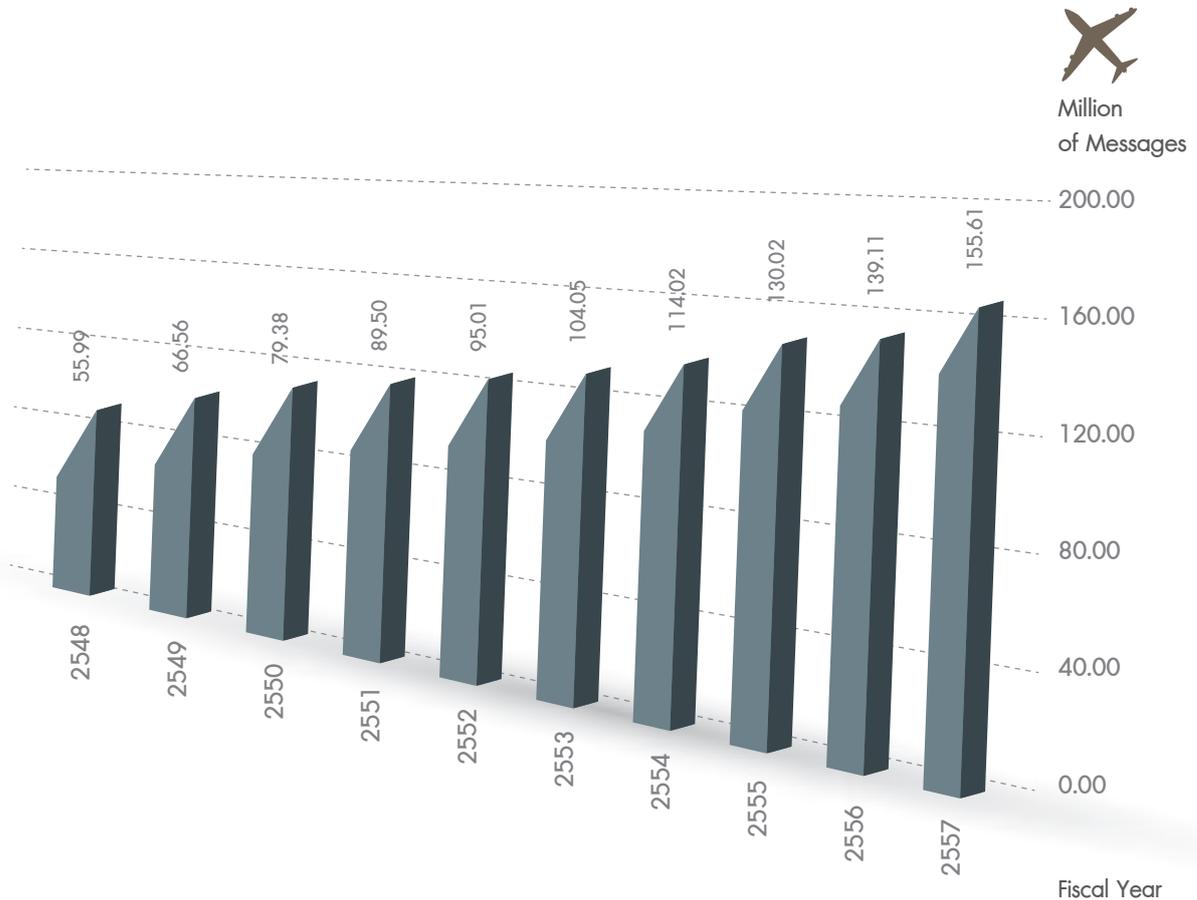
- (i) Meteorological Data Services, as AEROTHAI is designated as of the Asia/Pacific Regional OPMET Data Bank and Main Collection Centre under ICAO ROBEX Scheme, the Company is also responsible for collecting and disseminating the operational meteorological information of 33 aerodromes in Bangkok FIR and in the area of responsibilities of Asia/Pacific region thru the AFTN and ATN.
- (ii) Aeronautical information service, as Thailand's designated international NOTAM office (NOF). NOTAMs issued by AEROTHAI are distributed in two series: Series A for international distribution and Series C for local distribution thru AFTN and ATN. The NOTAM database provides NOTAM information by automatic request and reply. During Fiscal Year 2014, the total of NOTAM issued by NOF are 15,083 messages.
- (iii) AEROTHAI provides the Air Traffic Services Reporting Office (ARO) for aircraft operators to submit flight plan and associated messages (e.g. Change, Delay, Cancel) directly to the AFTN. In addition, aerodrome units are responsible for issuing departure and arrival messages at all domestic and international airports. Pre-Flight Information Service is available at all domestic and international AIS/ARO aerodrome units. Customers of AIS can obtain the following products at AIS/ARO aerodrome Units :
  - a. World-wide validated NOTAMs
  - b. AIP, AIP Amendments, AIP Supplements, AIC and Charts.
  - c. Pre-Flight information Bulletins (PIB) – consisting of NOTAMs, containing information on facilities, services and procedures related to Aerodromes or Aerodrome vicinity.

#### Statistical Volume during the Fiscal Year 2014

- (i) AFTN/ATN messages handled by Bangkok Aeronautical Communication Centre, the total 155,611,359 messages increased by 16,497,175 messages or 10.6 percent compared with the last Fiscal Year.
- (ii) Aircraft Movement and Control Message Service, international/aerodrome departures and arrivals, including overfly flights and domestic flights as well as VFR flights, generated aircraft movement and control messages handled by AEROTHAI systems total 1,428,907 messages.



Graph shows the number of aviation news during the 2005-2014 (fiscal year)



Business Related Service Performance in the Fiscal Year 2014

Business Unit was assigned by AEROTHAI to perform commercial business activities related to AEROTHAI's mission of providing air navigation service. Objectives of Business Unit are to promote and support AEROTHAI's core mission to be strategic arms of AEROTHAI as being national air traffic service provider and cooperation with aviation organizations in neighboring countries and in the region in order to expand air traffic management capabilities. In Addition, Business Unit generates additional revenue from utilizing AEROTHAI existing resources to compensate cost effects associated from external crisis as well as managing resources more effectively in order to reach our objectives in terms of revenues and customer satisfaction.

In the Fiscal Year 2014, AEROTHAI collected and reviewed customers and market's requirements as well as conducted researches to develop new products, systems and technologies, including improvement of engineers to acquire various skills in conducting surveys, designs, installation, developing, maintenance and consulting. In addition, AEROTHAI provides services in many projects in fields of production, provision, installation, maintenance, survey, inspection, calibration, training for domestic and overseas organizations as follows;

## 1. Production, Provision and Corrective Maintenance Service

Six significant projects performed by AEROTHAI, were as follows :

- Provision of Air Traffic Control Non-Radar Simulator Recondition Improvement for Civil Aviation Training Centre
- Provision of time recorder improvement for Office of the Election of Commission of Thailand
- Provision and installation of radio communication system operated at helipad for Royal Thai Armed Forces Headquarters, The Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary
- Provision of Air Situation Display (ASD) Service at Rangsit Airport, Pathumthani Province for Bangkok Aviation Center Co., Ltd.
- Maintenance of 3 Dimension Air Traffic Control Training Simulator with Improvement of Projector for Civil Aviation Authority of Nepal (CAAN)
- Maintenance of Radio Communication System with provision of battery backup in order to operate with Transmitter Radio Communication System type repeater and base station for PTT Public Company Limited

## 2. Flight Inspection Service

AEROTHAI provided flight inspection service for various Navigation Aids: Doppler Very High Frequency Omnidirectional Range/Distance Measuring Equipment (DVOR/DME), Non Directional Beacon (NDB), Performance Base Navigation (PBN) and Radio Navigation at 9 airports in Thailand and 18 airports in foreign countries.

## 3. Readiness Assessment for Implementation of Reduce Vertical Separation Minimum (RVSM) Operation Service

AEROTHAI provided the service to 87 aircraft of 67 airlines and freight forwarders in 11 countries, which are Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Nepal, Taiwan, and the Philippines.

## 4. Test Equipment Calibration and Maintenance Service

AEROTHAI provided the service for 15 domestic and overseas organizations. 8 among those are parts of a test equipment calibration service agreement; namely, New Electric Co., Ltd., MOT Radio Co., Ltd., C J Media Group Co., Ltd., Moreover, AEROTHAI also provided the service to Cambodia Air Traffic Service Co., Ltd.

## 5. Rental of Communication Equipment Service for Airlines and Energy Sectors.

Further to rental of Communication equipment service such as Trunked Radio, Conventional Radio, Air/Ground Radio and ATN Terminals & Printers to airlines and other aviation related agents in Suvarnabhumi Airport, Don Mueang International Airport, and all regional airports, AEROTHAI provided this service to aviation business sector and energy business sector. Total number of equipment amounted to 8,981 sets, an increase of 208 sets or 2.37% compared with those of the previous Fiscal Year. AEROTHAI has procured 1,000 sets for replacement of the original end-of-life equipment and 500 sets for future customer requirements.

## 6. Satellite Communication Services

AEROTHAI provided satellite communication services in order to support air traffic communication via voice and data to aviation organizations in 6 countries namely; Lao PDR, Malaysia, Vietnam, Cambodia, Myanmar and Bangladesh.

## 7. Airlines Operational Communication Services (AOC)

AEROTHAI installed additional 6 remote ground stations in Vietnam (Ho Chi Min, Da Nang and Ha Noi). Today, AEROTHAI provides 123 stations to service airlines with a coverage of 103 ACARS stations in 15 countries and 20 VDL Mode 2 stations in 7 countries.

AEROTHAI provided AOC service to 134 airlines. Number of aircraft amounted to 5,900 aircraft. Total number of aviation data is 101.23 Kb., which is an increase of 13.41 Kb, or 15.28% from those of the last Fiscal Year.

## 8. Training, Workshop, Meeting and Consultancy Service

AEROTHAI provides 10 training courses to civil aviation authority from various countries.



# COMPETENCY





Whether you think you can,  
or you can't, you're right.

- William Shakespeare -



## 5.2 Human Resource Management and Quality of Life

Recently, there has been a leap growth in Asian economy and aviation industry. Based on economic forecast, such growth will continue until 2022. AEROTHAI sees this as an opportunity to determine appropriate strategic vision and policies that will prepare an organization for future expansion in the aviation industry. In 2014, AEROTHAI ensures that the corporate vision and company-wide management direction are closely aligned with AEROTHAI Destination 2030 Vision as well as strategies stated in the Corporate Plan. Specifically, AEROTHAI aims to “Move Up Quality to be One of the Best ANSPs in ASEAN.” To realize this challenging long-term goal, AEROTHAI needs to highly emphasize the importance of its people. One of the main priorities for the Company is to make sure that AEROTHAI has sufficient numbers of highly capable and engaged staff to efficiently carry out AEROTHAI mission in all areas, both to help achieve our short-term and long-term goals.



In 2014, AEROTHAI revised and improved several of HR concepts in AEROTHAI HR Model, which was first developed in 2012. Currently, the Company is undergoing the revision of job titles, career paths and job families for all positions in order to prepare for future changes AEROTHAI will face. Additionally, the Company is reconsidering its compensation structure, aiming to provide stronger incentives and retain its high-potential staff, especially for the operational staff who is experiencing intense stress as a result of increased traffic volume. At present, AEROTHAI carries out both recruiting efforts as well as necessary training and development initiatives to ensure staff readiness during the transition phase and during the full operation with the new Thailand Modernization CNS/ATM Systems (TMCS).

To promote staff's quality of life, AEROTHAI consistently organizes many activities that aim to help staff achieve work-life balance and promote good health, both physically and mentally. Such activities emphasize acknowledging staff on how to prevent sickness and better take care of their health and their families. Every year, the Company collects statistics of common sicknesses suffered by most staff, based on medical bills they frequently submit for reimbursement. AEROTHAI analyzes the company-wide health statistics along with staff's annual health examination results, in order to design appropriate health-promoting activities and use as inputs in redesigning the welfare system.



A revision in reimbursement procedures is being made, aiming to reduce reimbursement time for staff. Moreover, the Company provides various choices for health-promoting activities, in term of time, venues, and instructors, to better serve different needs of the staff. Popular health-promoting activities include aerobic, yoga, and body balance. To strengthen better relationship for staff and their families, AEROTHAI also offers other types of activities outside office hours such as domestic and international field trips for both staff and families. In this case, the Company will subsidize part of the costs to encourage staff to spend more quality time with their families.

To encourage activities related to the well-being of social welfare and environment, AEROTHAI continues to run “The AEROTHAI Mini Volleyball” to support talented youth around the Country to play volleyball. The programme is proven a great success: many participants have grown to become national volleyball players, generating fame and positive reputation for AEROTHAI and Thailand. Additionally, every year AEROTHAI collects necessary items and raises money for underprivileged kids as well as organizes “The AEROTHAI Annual Buddhist Ceremony (Tod Kra-Tin)” as company-wide merit-making activities.

AEROTHAI highly emphasizes the importance of its staff, because the Company recognizes that the overall performance is mainly driven by staff’s dedication and willingness to work hard. From the Employee Engagement survey done in 2014, the staff’s engagement level to the Company has increased. This indicates that the staff management policies over the past years serve the needs of staff across all groups. Nevertheless, AEROTHAI strives for a continuous improvement to further strengthen its employee engagement, which will, in turn, lead to AEROTHAI’s sustainable growth in the future.

At the end of Fiscal Year 2014 the total expenditure for staff and employees was Baht 5,627.96 million (Baht 5,052.07 million in 2013 and Baht 4,521.28 million in 2012).

#### *Human Resource Development and Learning Management*

AEROTHAI is responsible for enhancing and developing staff’s competency according to their both core and functional competency, knowledge management planning, learning organization environment founding, innovation promoting and scholarships providing. The operations under Corporate Plan (2014-2018) and AEROTHAI HR Model consist of Training and Human Resource Development, Knowledge Management (KM) and Innovation Promotion.



### *Training and Human Resource Development*

AEROTHAI realizes the importance of human resource development and providing the training and development programmes for the management and staff as follows :

1. Training and Development for Management : To develop management at all levels to have the managerial competency suitable for their positions by emphasizing both theoretical aspect (hard side) and knowledge sharing through experience aspect (soft side) including teamwork and preparing them for promotion.
2. Training and Development for Staff : Emphasis is put on Career Development Plan which related to Functional Competency and development of employee capabilities within the Core Competency and developing for the replacement position or successor in higher levels. Apart from its mission of training, the Company continues to contribute significantly support for staff and external applicants to enhance future human capabilities by providing scholarships to staff and external applicants.

In 2014, there are 3 significant developments which are as follows ;

1. Staff preparation for Thailand Modernization CNS/ATM System
2. The Core Curriculum to develop staff throughout Core Competency
3. ICAO Training Roadmap

Apart from its mission of training, the Company continues to contribute significantly support for staff and external applicants to enhance future human capabilities by providing scholarships to them. AEROTHAI scholarships are fully fund awards aimed at students to study from Bachelor's degree up to the Doctoral level at leading domestic and international institutions in several fields such as Engineering, Applied Science, any other fields related to Aviation Industry, and Management. Additionally, the Company also permits a study leave for its employees to undertake self-funded further education so as to greater increase the Company's human resource quality to keep up with the future organization growth in this modern world and age.

### *Knowledge Management (KM)*

AEROTHAI has put forward knowledge management (KM) tools to its management in 2004 and now has been implemented under AEROTHAI KM Process. The KM Process aims to establish the participation of staff at all levels through the important processes including knowledge identification, knowledge creation and acquisition, knowledge sharing and transferring from generation to generation. Moreover, the process also focuses on the use of information technology to systematically collect knowledge as well as assessing the success of knowledge management continuously every year with the aim to seek for best practice that will lead to development and enhancement of strong knowledge base and value added to the organization.



In 2014, KM Focus Areas which identified by executive managers are including knowledge that supports the achievement of the Company's strategy, knowledge to use in works and knowledge that related to stakeholders. All departments have implemented their knowledge management process under these KM Focus Areas.

#### *Innovation Promotion*

AEROTHAI has continued to put emphasis on internal innovation promotion. There is a responsible unit with systematic management. Engagement has been encouraged and executive management are members of the committee to set policy, targets and good corporate governance. Integration of innovation promotion and knowledge management was done to support the concept of learning organization and innovation organization. In addition, the Company organizes various activities such as meetings to exchange knowledge and

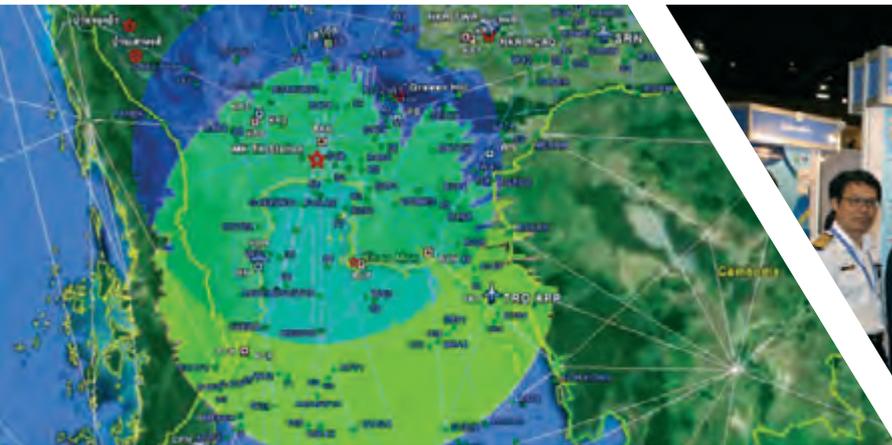
idea amongst staff, annual innovation and ideas competition, etc.

In 2014, there are 14 Innovations and 7 ideas that enter the competition for AEROTHAI INNOVATION AWARD 2014. Most of them have been invented and created for solving problems, amending and enhancing working procedures. The winners are :

**Technological Innovation Award Category :** Air Traffic Coverage Service Plot by Radio Mobile Software

**Management Innovation Award Category :** Suvar nabhumi Gate Hold Manager Phase2 (Consolation prize in the category of Outstanding Innovation Award 2014 of the State Enterprise Policy Office)

**Invention Award Category :** Bird Prevention for Near Field Monitor Antenna



### **5.3 State Enterprise Performance : State Enterprise Performance Appraisal**

AEROTHAI performance appraisal was done through performance agreement of state enterprise's operation with the Ministry of Finance with State Enterprise Policy Office (SEPO) as regulating body. The Government recognizes the importance of developing and adding value to enterprises to be more efficient, which will lead to increase the competitiveness of the enterprises and the creation of added value to the property of the state. The State Enterprise Performance Appraisal (SEPA) is a tool which consists of 2 parts: the assessment and evaluation of systems and processes for corporate management 6 categories (leadership, organizational strategic planning, customer and market focus, measurement/analysis/management of knowledge, focus on personnel, and focus on operations); and the performance results of the operation. The Company yields overall performance appraisal of 4.0387 in the Fiscal Year 2013.



### 3) State Enterprise Performance Appraisal

Operating Performance as per SEPA	Fiscal Year 2013 (Result published in February 2014)	
	Process	Performance
Weight	40	60
Weighted Result	314.25 / 1.6933	2.3453
Total	4.0387	

## 5.4 Company Rating

In the Fiscal Year 2014, the Company's rating was evaluated by the TRIS Rating Company Limited, which affirms the Company's rating at "AA+" and the "Stable" outlook. The rating reflects the strategic importance of air navigation services to the Country, the Company's status as the sole air navigation services provider in Thailand, good safety record, and experienced management team. The Company's credit profile is further enhanced by the implicit support from the Government. However, these strengths are partially offset by a high debt burden, the exposure of the air transportation industry to event risk, and the high level of the Company's investment during the next few years. The "stable" outlook reflects AEROTHAI's efficient operations, the ability to adjust the pricing scheme, and the implicit support from the Thai Government. In addition, the Company is expected to complete the investment of Air Navigation Services Infrastructure Development Project and make a smooth transition to the new air traffic control system.

## 5.5 Awards

### 1. The Outstanding Safety, Occupational Health and Working Environment Award 2014

In 2014 the Company was granted the Outstanding Safety, Occupational Health and Working Environment Award from the Department of Labour Protection and Welfare, Ministry of Labour which was awarded for many consecutive years and also the National Award from Safety Committee.

### 2. Complementary Innovation Award for the Fiscal Year 2013 given by State Enterprise Policy Office

Because of the concern on safety and efficiency of air navigation services, the Company's engineers have produced the DVOR Mockup which is beneficial for engineering training. Instead of attending the training courses aboard. AEROTHAI staff can learn from this equipment, so it reduce the training cost. AEROTHAI has been granted Complementary Innovation Award which was one of the 8 categories given by State Enterprise Policy Office.

## 5.6 Highlight of Activities

Move up quality to be one of the best ANSPs in ASEAN

In 2014 many significant events occurred in AEROTHAI especially during the transition. The new President brings changes to the organization with the aims to develop organizational management and increase operational efficiency. However, AEROTHAI has continually focused on the mission to move up quality to be one of the best ANSPs in ASEAN consisting of the quality of 3 aspects which are

- (1) Quality of Services : AEROTHAI emphasizes safety and efficiency of air navigation service in accordance with global standards. Accordingly, AEROTHAI has invested in air navigation infrastructure development in compliance with Aviation System Block Upgrades to serve the increasing demand of air traffic and to enhance the efficiency and national competitive advantages while becoming a member of ASEAN Economic Community.
- (2) Quality of Human Resource : AEROTHAI encourages the competency development of the staff in accordance with the functional and organizational requirements while promoting employee engagement.
- (3) Quality of Management : AEROTHAI emphasizes the importance of organizational management to become High Performance Organization (HPO) under good corporate governance. AEROTHAI has adopted Total Quality Management (TQM) Approach and Cost Effectiveness Analysis, while benchmarking with other high performance Air Navigation Service Providers. Moreover, AEROTHAI concerns more about risk management and change management relied on change agent.



# EFFICIENCY





If you run, you stand a chance of losing.  
But if you don't run, you've already lost.

- Barack Obama -

## 6. Company's Management

### 6.1 Risk Management

AEROTHAI implements Corporate Risk Management systematically, by developing policy, roles and responsibilities, management structure, manual and internal control and risk management plan both in corporate level and functional level, as well as carrying out operation under the concept of Business Continuity Management (BCM). In the Fiscal Year 2014, AEROTHAI has carried out risk management in following areas :

#### Strategic Risk :

Achievement of performance target of Corporate Plan 2014-2018 and satisfaction of stakeholders.

#### Operational Risk :

Occurrence of accident and incident on air navigation service provision.

#### Financial Risk :

External environment and factor that affect air traffic volume.

#### Compliance Risk :

Operation in accordance with the good governance by considering from performance audit, complaints and the appointed committee on the investigation, as well as litigation and the accused fine.

#### Business Continuity Management :

Evaluation of events that will impact AEROTHAI's mission, and practice with simulated events to prepare for the unexpected situations.



## 6.2 Internal Control

AEROTHAI has in place the sufficient and appropriate internal control, and regularly reviewed operation to suit the changing environment. The review and evaluation process is in accordance with internal control standard by State Audit Commission (SAC).

## Section 2 Good Governance Information

### 1. Report on the Implementation of Corporate Governance Policy

#### 1.1 Company's Corporate Governance Policy

In the Fiscal Year 2014, AEROTHAI has revised its Corporate Governance and Corporate Social Responsibility publish version 2013, and that version is current and up to date as follows :

Corporate Governance and Corporate Social Responsibility Policy

“Aeronautical Radio of Thailand Ltd. strictly adheres to administration under a good corporate governance which provides safety service with a quality of international standards and responds to stakeholders' satisfaction with fairness and transparency and responsible to society and environment”



### The Corporate Governance and Corporate Social Responsibility Master Plan 2014-2018

In order to achieve practical result of the Company's performance and to be beneficial to all parties, in the Fiscal Year 2014, the Company has drafted the Good Corporate Governance and Corporate Social Responsibility Master Plan 2014-2018. The said plan comprises of corporate governance plan (CG), corporate social responsibility plan (CSR) as well as the guidelines to encourage implementation of both CG & CSR. This Master Plan has been set under the good corporate governance criteria which is in compliance with the Company's Corporate Plan. The said master Plan was agreed to by the Good Corporate Governance and Corporate Social Responsibility Committee on 29 January 2014. The said Plan has 5 Strategic Issues with 20 activities for measures and action plans.

### Adherence to the Official Information Act B.E. 2540 (1997)

The Official Information Act, B.E. 2540 sets that state agencies have to make available official information for inspection by the general public and certain information has to be published in the Government Gazette according to Section 7 of the Act.

The Company established its Public Information Centre in compliance with the Act in 1998 and has continued to provide service. The Public Information Centre delivered the services constantly and well-organized the Information for the transparency, equity and fairness in conformity with the legislative intent of the Act.

The unit responsible for this function is the Corporate Communication Department and is located at the Head Office, Tung Mahamek 102 Soi Ngamduplee, Tung Mahamek, Sathon, Bangkok 10120, Telephone Number 0 2285 9388, opened on official days at 08.30 a.m. to 16.30 p.m.





The Public Information Centre provides the information as follows :

1. Administration Information, consisting of the Company's general information (Company's background, policy, vision, responsibilities, shareholders, ratio of shareholders), organizational structure, rules, regulations and awards.
2. Reports, consisting of annual reports, Corporate Plan, Company's plans and projects, flight charges, financial reports, business reports, innovation projects and minutes of meetings.
3. Procurement Information, consisting of Bid, tender and purchase/procurement documents and results of procurement.
4. Agreements, consisting of domestic and international agreements and contracts including related services agreements.
5. Announcement information, consisting of journals, periodicals published on special occasions and news clipping.

#### **Information Service to the Public**

Further information is available at [www.aerothai.co.th](http://www.aerothai.co.th). In the Fiscal Year 2014, 500,252 visitors accessed the Company's website, mainly searching for the Company's responsibilities, background and job application announcement. However, there were no citizens forcing their rights to complain or appeal under the ACT.



# Board of Directors

## 1.2 Structure and Responsibilities of Board of Directors in the Fiscal Year 2014,

The Board of Directors consisted of the following 9 Directors :

### 1 Air Chief Marshal (Retd) • Itthaporn Subhawong Chairman

(Appointed as the Chairman on 15 August 2014)

Age : 62

Position : Retired Officer, Ministry of Interior

#### Education :

- Bachelor of Aeronautical Engineering, Royal Thai Air Force Academy
- National Defence College (Class of 47)

#### Training :

- Air Command and Staff College (Class of 31)
- Air War College (Class of 34)

#### Work Experiences :

- 2014 Chairman of the Board of Directors of Member the National Reform, Public Health and the Environment
- 2009 – 2012 Advisor to the Chairman of the Board of Directors, TMB Bank Public Company Limited
- 2008 – 2012 Commander in Chief of the Air Force (21<sup>ST</sup>)  
Chairman of the Board of Directors, Thai Aviation Industries Co., LTD.
- 2007 Member of the Board of Directors, Airport of Thailand PLC.

#### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Law
- Air Transport, Aviation and Air Traffic Control
- Engineering
- Security

#### Other Positions :

- Independent Directors, CP LOTUS PCL
- Consultant of National Council for Peace and Order
- Member of the National Legislative Assembly



## 2. General Kanit Sapitaks Vice Chairman

(Appointed as the Directors and Vice Chairman on 15 August 2014 and 18 August 2014)

Age : 62

Position : Retired Officer, Ministry of Interior

### Education :

- Bachelor of Science, Chulachomklao Royal Military Academy
- Command and General Staff College (Class of 63)
- National Defence College (Class of 49)

### Training :

- Air Command and Staff College (Class of 31)
- Air War College (Class of 34)

### Work Experiences :

- Commanding Office, 2<sup>nd</sup> Infantry Division, Queen's Guard
- Commanding General, 1<sup>st</sup> Army Area
- Special Advisor to the Army
- Chairman of the Advisory Committee, Ministry of Defence
- Judge of Military Supreme Court
- Special Royal Guard
- Member of the National Legislative Assembly (2006)

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Security

### Other Positions :

- Member of the National Legislative Assembly (2014)
- Executive Director of the Royal Turf Club of Thailand
- Member of the Board of Directors, Five Provinces Forest



## 3. Mr. Chaicharearn Atibaedya Director

(Appointed as the Directors on 15 August 2014)

Age : 62

Position : Academician

### Education :

- Bachelor of Electrical Engineering and Mechanical, Philippines
- Master of Business Administration, Kasetsart University

### Training :

- Certificate from Confederation of British Industry (CBI) : GAS Turbine, Compressor : Instrumentation ; Automation & Process Control Systems, UK.
- Certificate : Banff School of Advance Management, Canada
- Certificate : GE Management School; USA.
- Certificate : SASIN & KELLOGG School of Management, USA.
- Certificate : MIT Sloan School of Management, USA.

### Work Experiences :

- Executive Vice President, PTT Research & Technology Institute
- Executive Vice President, PTT, Chairman of the Executive Committee for sustainability, PTT Group
- President, PTT ICT Solutions Co. LTD
- Member of the Board of Directors, National Metal and Materials Technology Center
- Member of the Board of Directors, National Electronics and Computer Technology Center
- President of the Association, CIO 16
- Chairman Information and Communication Technology State Enterprise Club of Thailand
- Chairman Technology Innovation Management Group (TIMG,TMA)

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- ICT and Management Changes
- Engineering

### Other Positions :

- Executive Board Member, Electronic Government Agency (Public Organization) (ICT)
- Committee on Government Computer Systems Supply
- The Civil Service Sub-commission on Development of Public Sector Workforce Quality
- Chairman of the Executive Board ASEAN CIO Association
- President of the Thailand IT Architects Association
- Name listed in the Directors' Pool of State Owned Enterprise in Engineering, Information and Communication Technologies, Personnel Development



## 4. Mr. Wanchart Santikunchorn Director

(Appointed as the Directors on 15 August 2014)

Age : 61

Position : Deputy Director-General  
Department of Legal Counsel, Office of  
The Attorney General

### Education :

- Bachelor of Law, Thammasat University
- Thai Barrister
- Master of Science (Knowledge Management), Chiang Mai University

### Training :

- Director Certification Program (DCP class of 138), Thai Institute of Directors
- Audit Committee Program (ACP class of 38), Thai Institute of Directors
- Role of the Chairman Program (RCP class of 32), Thai Institute of Directors
- Public Director Certification Program (PDI class of 9), King Prajadhipok's Institute
- Certificate Course in Public Administration and Law for Executives (Class of 9)

### Work Experiences :

- 2011 – present Deputy Director-General Department of Legal Counsel, Office of The Attorney General
- 2007 – 2011 Deputy Director-General Department of Public Prosecutor Commission
- 2006 – 2007 Executive Director Office of Contract and Legal Advice Department of Legal Counsel
- 2004 – 2006 Secretary to the Deputy Attorney General
- 2002 – 2004 Expert Public Prosecutor, Department of Legal Counsel

### Fields of Competence :

- Management and Business Administration
- Law

### Other Positions :

- Member of the Board of Director, Bangkok Mass Transit Authority
- E-auction Committee
- Procurement Committee
- E-procurement Committee
- Name listed in the Directors' Pool of State Owned Enterprise in Law (Administrative Law, Civil and Commercial Law) and Special Law (Participation in State Undertakings)



## 5. Mr. Krisada Chinavicharana Director

(Appointed as the Directors on 15 August 2014)

Age : 51

Position : Director General, Fiscal Policy office,  
Ministry of Finance

### Education :

- Bachelor of Law, Chulalongkorn University
- Master of Business Administration (M.B.A), USA.
- National Defence College (Class of 54)

### Training :

- Director Certification Program (DCP class of 186), Thai Institute of Directors
- Senior Executive Development Program (2010), the Office of the Civil Service Commission (OCSC)
- Civil Service Executive Program (Class of 56), the Office of the Civil Service Commission (OCSC)
- Integrated Proactive Criminal Justice Administration Course, (Batch 4/2006), Office of Justice Affair
- Financial Instrument and Market 2004, Harvard Business School

### Work Experiences :

- Member of Board of Directors, Krung Thai Bank Public Company Limited
- Member of Board of Directors, Bangkok Commercial Asset Management Co., LTD.
- Member of Board of Directors, Phayathai Asset Management Co., LTD.
- Member of Board of Directors, Islamic Bank of Thailand

### Fields of Competence :

- Economics and Finance
- Management and Business Administration, Strategy and Development Planning
- Law

### Other Positions :

- Member of Board of Directors, Bank of Thailand
- Government Pension Fund Board
- Capital Market Supervisory Board, Securities and Exchange Commission
- Office of the National Economics and Social Development Board
- Office of the Agricultural Futures Trading Commission Board
- Name listed in the Directors' Pool of State Owned Enterprise in Economics, Finance (Finance and Banking), Management and Business Administration (Organization Management), and Law ( Financial, Saving and Budget)



## 6. Colonel Peerawat Promkladpanao Director

(Appointed as the Directors on 15 August 2014)

Age : 44

Position : Attached in Joint Civil Affairs, Royal Thai Armed Forces Headquarters  
On temporary duty of Chairman, National Telecommunications Commission  
and Vice Chairman, National Broadcasting and Telecommunications Commission (NBTC)

### Education :

- Bachelor of Electrical Engineering (Communication Engineering), Chulachomklao Royal Military Academy
- Master of Public Administration (MPA), Burapha University

### Training :

- New Infantry Officer Orientation Course : Signal
- Electronic System Engineering Course : Signal (Class of 8)
- Infantry Officer Basic Course : Signal (Class of 42)
- Infantry Officer Advance Course : Signal (Class of 37)
- Infantry Chief of Staff Course (Class of 84)
- Comptroller of The Army Course (Class of 26)

### Work Experiences :

- Attached in Joint Civil Affairs Department, Royal Thai Armed Forces Headquarters
- On Temporary Duty of Vice Chairman, National Broadcasting and Telecommunications Commission and Chairman, National Telecommunications Commission (NBTC)
- Assistant Director of Civil Affairs Department, Royal Thai Armed Forces Headquarters
- Chief of Civil Affairs Department, Royal Thai Armed Forces Headquarters
- Staff officer of Deputy Supreme Commander Office, Royal Thai Armed Forces Headquarters
- Staff officer of Signal Department Budget Division, Royal Thai Army
- Executive officer of Signal Battalion, 2<sup>nd</sup> Cavalry Regiment Royal Guard
- Operation and Intelligence Division Officer, 12<sup>th</sup> Signal Battalion Royal Guard, 2<sup>nd</sup> Cavalry Regiment Royal Guard
- Service Company Executive Officer, 12<sup>th</sup> Signal Battalion Royal Guard, 2<sup>nd</sup> Cavalry Regiment Royal Guard
- Service Company Commander, 12<sup>th</sup> Signal Battalion Royal Guard, 2<sup>nd</sup> Cavalry Regiment Royal Guard

- Artificer Staff Officer, 12<sup>th</sup> Signal Battalion Royal Guard, 2<sup>nd</sup> Cavalry Regiment Royal Guard
- Radio Relay officer Wire and Radio Relay Company, 2<sup>nd</sup> Signal Battalion Royal Guard, 2<sup>nd</sup> Cavalry - Regiment Royal Guard
- Prachinburi to Aranyaprathet railway station Fiber optic setup team Commander
- Assistant secretary of CAT Telecom Public Company Limited
- Corporate Governance Committee of CAT Telecom Public Company Limited
- Public Relations Committee of CAT Telecom Public Company Limited
- Corporate Governance Committee of TRUE-move, Total Access Communication Public Company Limited and digital phone issue according to legal problems of legal problem "Draft Act on Private Participation in State Undertaking B.E.2535 (Section 22)" CAT Telecom Public Company Limited
- Public Affairs Expert of TOT Public Company Limited
- Working Group of National Council for Peace and Order

**Fields of Competence :**

- Telecommunication and communication
- Security

**Other Positions :**

- Subcommittee of the Participation of Citizens in Telecommunications, National Broadcasting and Telecommunications Commission (NBTC)
- Working group of Support on the allocation of spectrum for security, National Broadcasting and Telecommunications Commission (NBTC)



## 7 • Mr. Puttipong Prasarttong-Osoth Director

(Appointed on 18 April 2012)

Age : 49

Position : President, Bangkok Airways Public Company Limited



### Education :

- Bachelor of Commerce and Accountancy, Chulalongkorn University
- National Defence College (Class of 54)

### Work Experiences :

- 2008-present      President, Bangkok Airways Public Company Limited
- 2007-2008      Senior Vice President Operations, Bangkok Airways Company Limited
- 1997-2006      Vice President, Operations, Bangkok Airways Company Limited

### Training :

- SASIN Senior Executive Program, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Commercial Pilot Licence
- The Program for Senior Executives on Justice Administration (Batch 13), Judicial Training Institute

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Accounting and Finance
- Aviation, Aviation Management and Air Traffic Control

### Other Positions :

- Director of the Board of Bangkok Air Catering Company Limited
- Director of the Board of WFS-PG Cargo Company Limited
- Director of the Board of Worldwide Flight Service Bangkok Air Ground Handling Company Limited
- Director of the Board of Bangkok Helicopter Services Company Limited
- Pilot of Airbus 319/320 fleet, Bangkok Airways Public Company Limited
- Advisor, Bangkok Christian College Association
- Senior Advisor, Nakorn Ratchasima's Municipality

## 8. First Lieutenant Athisak Padchuenjai Director

(Appointed on 1 November 2013  
and retired on 1 October 2014)

Age : 60

Position : Executive Vice President Operations,  
Thai Airways International Public Co., Ltd.

### Education :

- Bachelor of Engineering (Survey Engineering), Chulachomkiao Royal Military Academy

### Work Experiences :

- 2012- present Executive Vice President Operations, Thai Airways International Public Co., Ltd.
- 2011 - 2012 Vice President, Flight Operations Department, Thai Airways International Public Co., Ltd.
- 2010 - 2011 Vice President, Aviation Resources Development, Thai Airways International Public Co., Ltd.
- 2010 Mission Commander, Aviation Resources Development, Thai Airways International Public Co., Ltd.
- 2009 - 2010 Mission Commander, Flight Operations Department, Thai Airways International Public Co., Ltd.
- 2006 - 2009 Director, Operations Coordination and Dispatch Services Department

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Aviation and Air Traffic Control
- Transport
- Engineering
- Human Resource Management and Organization Development

### Other Positions :

- Director of the Board of Bangkok Aviation Fuel Services Public Company Limited



## 9. Mrs. Sarinee Sangprasit President

(Appointed on 15 August 2014)

Age : 55

Position : President, Aeronautical Radio of  
Thailand Ltd.

### Education :

- Bachelor of Arts, Kasertsat University
- Master of Business Administration, Kasertsat University
- National Defence College (Class of 55)

### Training :

- Air War College (Class of 34)
- CEO : Leadership Succession Program (LSP)

### Work Experiences :

- 5 June 2014 - present      President, Aeronautical Radio of Thailand Ltd.
- 2010 - 5 June 2014      Executive Vice President,  
Aeronautical Radio of Thailand Ltd.
- 2009 - 2010              Expert, Executive Vice President Level
- 2002 - 2009              Senior Vice President (Planning) and Executive Vice  
President (Policy)

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Human Resource Management



# Directors Resigning

During The Fiscal Year 2014

## 1 • Mr. Voradej Harnprasert Chairman

(Appointed as the Chairman on 14 November 2011 and retired on 29 July 2014)

Age : 56

Position : Director General, Department of Civil Aviation

### Education :

- Bachelor's Degree in Accounting, Institute of Technology and Vocational Education
- Master's Degree in Economics, Middle Tennessee State University, USA
- National Defence College (Class of 53)

### Training :

- Advanced Certificate Course in Public Economics Management for Executives (Class of 5), King Prajadhipok's Institute
- Civil Service Executive Program: Visionary and Moral Leadership (Class of 56), the Office of the Civil Service Commission (OCSC)
- IVEY Executive Program, Richard Ivey School of Business, the University of Western Ontario, Canada

### Work Experiences :

- 2011- present      Director General, Department of Civil Aviation, Ministry of Transport
- 2010 – 2011      Inspector General, Ministry of Transport
- 2008 – 2010      Principal Advisor on Air Transport Economics, Ministry of Transport
- 2005-2008      Director, Bureau of Planning, Office of Transport and Traffic Policy and Planning

### Fields of Competence :

- Economics and Finance
- Management and Business Administration, Strategy, and Development Planning
- National Transport Plan
- Air Transport, Aviation and Air Traffic Control
- Transport and Communication

### Other Positions :

- Secretary of the Civil Aviation Board
- Name listed in Directors' Pool of State Owned Enterprise in Economics, Finance (Finance and Budget), Strategy and Development Planning (Strategy Planning) and Transport (Air Transport)



# Directors Resigning

During The Fiscal Year 2014

## 2. Mr. Somchai Sujjapongse Director

(Appointed as the Directors and Vice Chairman on 18 April 2012 and 31 October 2013 and retired on 27 June 2014)

Age : 53

Position : Director General, Customs Department, Ministry of Finance



### Education :

- Bachelor of Economics (Honours), Chulalongkorn University
- Master of Economics, Ohio State University, USA
- Doctorate of Economics, Ohio State University, USA
- The Joint State-Private Sector Regular Course (Class of 20), National Defence College

### Training :

- Top Executive Program (Class of 2), Capital Market Academy (CMA)
- Public Director Certification Program, King Prajadhipok's Institute
- Director Certification Program (DCP class of 75), Thai Institute of Directors
- Civil Service Executive Program: Visionary and Moral Leadership (Class of 44), the Office of the Civil Service Commission (OCSC)

### Work Experiences :

- 2011 - 26 June 2014 Director General, Fiscal Policy Office, Ministry of Finance
- 2010 - 2011 Director General, State Enterprise Policy office, Ministry of Finance
- 2009 - 2010 Director General, Customs Department, Ministry of Finance
- 2008 - 2009 Director General, Fiscal Policy Office, Ministry of Finance
- 2007 - 2008 Fiscal Advisor, Fiscal Policy Office, Ministry of Finance
- 2003 - 2007 Deputy Director General, Fiscal Policy Office, Ministry of Finance

### Fields of Competence :

- Economics and Finance
- Management and Business Administration, and Strategy and Development Planning

### Other Positions :

- Member of the Board of Directors, Metropolitan Electricity Authority
- Member of the Board of Directors, PTT Public Company Limited
- Chairman of the Board of Directors, Government Savings Bank
- Name listed in Directors' Pool of State Owned Enterprise in Economics, Finance, Management and Business Administration, and Strategy and Development Planning

# Directors Resigning

During The Fiscal Year 2014

## 3. General Lieutenant Police Yongyuth Tiewtrakul Director

(Appointed on 14 November 2011  
and retired on 1 August 2014)

Age : 64

Position : Retired Officer

### Education :

- Bachelor of Economics, Thammasat University
- Bachelor of Law, Sripatum University
- Master of Liberal Arts (Political Science), Ramkhamhaeng University
- National Defence College (Class of 46)

### Training :

- Senior Police Officers Course (Class of 17)
- Mini Master of Modern Management, National Defence College
- Advanced Security Management Program, National Defence College Association
- Public Director Certification Program (PDI class of 11), King Prajadhipok's Institute

### Work Experiences :

- 2009 - 2010      Inspector General (Level 8), Royal Thai Police
- 2004 - 2009      - Deputy Commissioner, Immigration Bureau  
                          - Deputy Commissioner, Provincial Police Region 1  
                          - Deputy Commissioner, Provincial Police Region 7

### Fields of Competence :

- Economics and Finance
- Management and Business Administration, Strategy and Development Planning
- Law
- Personnel Management and Political Science
- Aviation, Air Traffic Control, and Airport Management
- Transport and Communication
- Security



# Directors Resigning

During The Fiscal Year 2014

## 4. Air Chief Marshal Somchai Thean-anant Director

(Appointed on 18 April 2013  
and retired on 1 August 2014)

Age : 63

Position : Retired Officer

### Education :

- Bachelor of Electrical Engineering, Royal Thai Air Force Academy
- Master of Electrical Engineering (Aerospace Systems), Cranfield Institute of Technology, the United Kingdom
- National Defence College (Class of 46)

### Training :

- Certificate, Airport Management Program (Class of 1), Kasetsart University
- Air War College (Class of 30)
- Top Executive Program (Class of 5), Capital Market Academy (CMA)
- Director Accreditation Program (DAP class of 47), Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG class of 2), Thai Institute of Directors
- Role of the Compensation Committee (RCC class of 14), Thai Institute of Directors
- Director Certification Program (DCP class of 155), Thai Institute of Directors
- Role of the Chairman Program (RCP class of 30), Thai Institute of Directors
- Public Director Certification Program (PDI class of 3), King Prajadhipok's Institute

### Work Experiences :

- 2008 - August 2011      President, Aeronautical Radio of Thailand Ltd.
- 2007 - 2008              Executive Expert (a position for an officer of the rank of Air Chief Marshal)
- 2006 - 2007              Chief of Staff Attached to the Commander-in-Chief, Royal Thai Air Force
- 2005 - 2006              The Commander of the Science and Weapon System Development Centre, Royal Thai Air Force

### Fields of Competence :

- Strategy and Development Planning, Aviation, Air Traffic Control and, Transport and Communication, Engineering and Security

### Other Positions :

- Chairman of the Board of Directors, PEA ENCOM International Co., Ltd.
- Member of the Board of Directors, PTT Global Chemical Public Company Limited
- Judge of the Military Court
- Name listed in the Directors' Pool of State Owned Enterprise in Strategy, Development Planning, Transport, and Telecommunication and Information Technology



# Directors Resigning

During The Fiscal Year 2014

## 5. Mr. Pisit Boonchoang Director

(Appointed on 14 November 2011 and retired on 1 August 2014)

Age : 63

Position : Retired Officer

### Education :

- Bachelor of Political Science, Thammasat University
- Master of Public Affairs, Kentucky State University, USA
- National Defence College (Class of 46)

### Training :

- School for District Chief Officers, Institute of Administration Development
- Senior Governing Officer Training School
- Staff, Territorial Defence Volunteers
- Public Director Certification Program (PDI class of 11), King Prajadhipok's Institute

### Work Experiences :

- 2010-2011 Governor of Phatthalung Province, Minister of Interior
- 2009-2010 Vice Governor of Uthai Thani Province, Minister of Interior
- 2008-2009 Vice Governor of Chon Buri Province, Minister of Interior
- 2007-2008 Vice Governor of Ratchaburi Province, Minister of Interior

### Fields of Competence :

- Management and Business Administration
- Strategy and Development Planning
- Organization Management and Development
- Political Science



# Directors Resigning

During The Fiscal Year 2014

## 6. Mr. Kusol Yaemsa-ard Director

(Appointed on 14 November 2011  
and retired on 1 August 2014)

Age : 58

Position : Executive Director, Office of the Attorney  
General

### Education :

- Bachelor of Law (Honours), Chulalongkorn University
- Thai Barrister
- Master of LL.M. (in Criminal Justice), New York University, USA
- Master of LL.M. (General), New York University, USA

### Work Experiences :

- 2013 – Present      Executive Director, Office of the Attorney General
- 2010- 2013      Senior Expert Public Prosecutor, Department of Legal  
Counsel, Office of the Attorney General
- 2007-2010      Expert Public Prosecutor, Department of Legal Counsel,  
Office of the Attorney General

### Fields of Competence :

- Management and Business Administration
- Strategy and Development Planning
- Law and Government Contract

### Other Positions :

- Member of the Board of Directors, Neighboring Countries Economic Development Cooperation Agency (Public Organization)
- Name listed in the Directors' Pool of State Owned Enterprise in Law (Criminal Law, Civil and Commercial Law) and Government Contracts.



# Directors Resigning

During The Fiscal Year 2014

## 7 • General Chamni Rakrueng • Director

(Appointed on 31 October 2013  
and retired on 1 August 2014)

Age : 58

Position : Chief of Staff Officers to the Minister  
of Defence

### Education :

- Chulachomkiao Royal Military Academy
- Command and General Staff College (Class of 66)
- National Defence College

### Training :

- Command and General Staff College (Class of 40)
- Capital Market Academy Course

### Work Experiences :

- 2013 - Present Chief of Staff Officers to the Minister of Defence
- 2011 - 2012 Director of Support Services Department
- 2010 Deputy Director of Support Services Department

### Fields of Competence :

- Management and Business Administration
- Strategy and Development Planning
- Organization Management and Development
- Security



# Directors Resigning

During The Fiscal Year 2014

## 8. Mr. Kraitos Ongchaisak Director

(Appointed on 28 February 2013  
and retired on 1 August 2014)

Age : 42

Position : Managing Director,  
Expanets Integrated Solution Co., Ltd.



### Education :

- Bachelor of Economics (Honours), Chulalongkorn University
- Bachelor of Science in Computer Science, Assumption University
- Master of Business Administration, Indiana University at South Bend, Indiana, USA

### Training :

- Director Certification Program (DCP class of 159), Thai Institute of Directors
- Public Director Certification Program (PDI class of 10), King Prajadhipok's Institute

### Work Experiences :

- 2012 - present            Managing Director, Take One Music Co., Ltd.
- 2008 - present            Managing Director, Auto Network Service Co., Ltd.
- 2006 - present            Managing Director, Glomex Media (Thailand) Co., Ltd.
- 2004 - present            Managing Director, Expanets Integrated Solution Co., Ltd.

### Fields of Competence :

- Economics and Finance
- Management and Business Administration
- Information Technology, Communication and Computer, Logistic Management
- Transport

### Other Positions :

- Chairman of the Board of Directors, PEA ENCOM International Co., Ltd.
- Member of the Board of Directors, Thailand Post Co., Ltd.
- Member of the Board of Directors, MCOT Public Company Limited

# Directors Resigning

During The Fiscal Year 2014

## 9. Squadron Leader Asdavut Watanangura Director

(Appointed on 18 April 2012 and retired on 1 November 2013)

Age : 55

Position : Executive Vice President, Operations Support for DD-D, Thai Airways International Public Company Limited

### Education :

- Master's Degree in Civil Engineering, Hochschule Der Bundeswehr Muenchen, Federal Republic of Germany

### Work Experiences :

- 1 October 2012 - present Executive Vice President, Operations Support for DD-D, Thai Airways International Public Company Limited
- 2010 - 30 September 2012 Executive Vice President, Operations Department, Thai Airways International Company Limited
- 2008 - 2010 Vice President Aviation Resources Development, Thai Airways International Company Limited
- 2006 - 2008 Director Flight Deck Crew Training Department, Flight Operation, Thai Airways International Company Limited

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Aviation, Aviation Safety
- Aviation Resources Management and Development

### Other Positions :

- Chamberlain for HRH Crown Prince Maha Vajiralongkorn Mahidol
- Attached to HRH Crown Prince Maha Vajiralongkorn Mahidol and Head of Administrative Department attached to HRH Crown Prince Maha Vajiralongkorn Mahidol, Flight Operations Section



# Directors Resigning

During The Fiscal Year 2014

## 10. Squadron Leader Prajak Sajjasophon President

(Appointed on 14 November 2011 and  
retired on 12 May 2014)

Age : 60

Position : Retired Officer

### Education :

- Bachelor of Electrical Engineering, Royal Thai Air Force Academy
- Master of Public Administration, Thammasat University

### Training :

- Air War College (Class of 37)
- Executive Communications Program, Wharton School, University of Pennsylvania, USA
- Advanced Management Program, Wharton School, University of Pennsylvania, USA
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Class of 11), King Prajadhipok's Institute
- Financial Statements for Directors Program (FSD class of 11), Thai Institute of Directors
- Justice Executive Training Course (JET Class of 2), Justice Officials Training Institute
- Advanced Security Management Program (Class of 3), National Defence College
- Top Executive Program (Class of 17), Capital Market Academy (CMA)

### Work Experiences :

- 2011 - 11 May 2014                      President, Aeronautical Radio of Thailand Ltd.
- 2010    Executive Vice President, Aeronautical Radio of Thailand Ltd.
- 2009 - 2010                                  Vice President (Administration), Aeronautical Radio of Thailand Ltd.
- 2006 - 2009                                  Senior Expert, Aeronautical Radio of Thailand Ltd.

### Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Organization Management and Development
- Political Science
- Aviation, Aviation Management, and Air Traffic Control
- Engineering
- Security

### Other Positions :

- Name listed in Directors' Pool of State Owned Enterprise in Strategy and Development Planning (Project Management) and Transport (Air Transport)
- Committee, Thailand Security of Association
- Vice President of Thailand Volleyball Association
- Advisor to Sub-Committee on Air Transport
- Advisor, King Prajadhipok's Institute Society





### **1.3 Committees Appointed by the Board of Directors and their Responsibilities**

The Board of Directors establish the policies and oversee the Company's operation. They also play an important part to set up the strategic plan for organization development in accordance with State Enterprise's practices and the Company's vision stated that "To be the quality leading air navigation service provider". The Board of Directors appoint the knowledgeable and experienced directors to Sub-Committees for screening any necessary matters as follows :

1. The Executive Committee
2. The Audit Committee
3. The Risk Management Committee
4. The Remuneration Committee
5. The Corporate Governance and Corporate Social Responsibility Committee
6. The Legal Committee

The five Independent Directors were also announced.

The Company schedules the Board of Directors' meetings in advance throughout the year, which the meeting is held each month to oversee and monitor the Company's operation. Meetings and some extra meetings will be called for if necessary as shown in the Annual Report. The meeting invitation letter and agenda in the form of document are provided to the Board of Directors 3-5 days prior to the meeting.

The minutes of the meetings were recorded in writing and kept available for Directors and relevant persons to inspect. In addition, the minutes of the Executive Committee's Meetings and Board of Directors' Meetings were distributed to A Shareholders (the Ministry of Finance and the Ministry of Transport) and B Shareholders (Member Airlines) for acknowledgement and also available on website for shareholders.

#### **The Evaluation of Board of Directors**

To be in line with the Good Corporate Governance practice, the Board of Directors did their evaluation to monitor themselves for better performing their duties. This evaluation also assisted them in setting the Company's direction and supervising the management properly. The evaluation was conducted every six months and based on two categories: Self Assessment and Board Evaluation.

## The Evaluation of Board of Directors

Category of evaluation	First Evaluation (October 2013 – March 2014)		Second Evaluation (April – September 2014)	
	Point	Level	Point	Level
	Self Assessment	108.30/112	Excellent	110.50/112
Board Evaluation	116.40/120	Excellent	118.50/120	Excellent

The Self Assessment consists of six topics: core competency, independence, preparedness, practices as a director, committed activities and development of organization. The Self Assessment's result was shown excellent.

The Board Evaluation consists of four topics: Board of Directors and their meetings, communications, work procedures and the relationship with executive management. The Board Evaluation's result was shown excellent.

### The Board of Directors' knowledge and skill development

The Company realized the importance of the Board of Directors' competency development, which contributed to the Company highest efficiency and productivity as well as being in line with the Good Corporate Governance practices. In the Fiscal Year 2014, the Board of Directors participated in training and seminars arranged by the King's Prajadhipok's Institute and Capital Market Academy (CMA). They also joined the various activities such as the AEROTHAI 2014 Innovation Fair and site visits to the Air Traffic Control Centres for better understanding of the Company's functions.



### **The Orientation for the new Directors**

The Company arranged the orientation for the new Directors with a provision of essential and responsibility-related information in the form of documents, presentation and facility visit. The documents proposed to the new Directors were as follows :

1. The Board of Directors and Sub-Committee appointment letter.
2. The Company's information consisting of the booklet of the Company's memorandum of association, general information (Company background and status, shareholders, policies, vision, values, responsibilities in air navigation services and business units), organization chart, personnel, air transport situation and the Company's performance and financial statements, Corporate Plan, significant projects, relevant national and overseas organizations and the Company's Annual Report.
3. Board of Directors' handbook consisting of the names of the Board of Directors and its composition, their authorization and duties, terms, Board meeting and its allowances, Sub-Committee and their authorization and duties, information of independent directors, the evaluation, the application to be member airlines, agreement between the Ministry of Transport and the Company, the asset account submission under the Organic Act on Anti Corruption B.E. 2542 and relevant laws, regulations and the Act including a booklet of information system application for the Board of Directors.

### **Connected Transactions of the Board of Directors with the Company**

In the Fiscal Year 2014, the Company was reported that the Board of Directors had no connected transactions. In addition, they did not hold any shares or held not more than 10 per cent of all voting shares of the Company.

### **Authorized Directors**

In the Fiscal Year 2014, two out of the following five Authorized Directors could co-sign and affix the Company seal to bind the Company:

1. Air Chief Marshal (Retd) Itthaporn Subhawong
2. Mr. Krisada Chinavicharana
3. Mr. Puttipong Prasarttong-Osoth
4. First Lieutenant Athisak Padchuenjai
5. Mrs. Sarinee Sangprasit

### **The Secretary to The Board of Directors**

- |                                |  |
|--------------------------------|--|
| 1. Mrs. Sarinee Sangprasit     | Secretary President  |
| 2. Miss Duangta Samitsuwan     | Assistant Secretary Vice President (Office of President)           |
| 3. Mrs. Thaniya Suntharasantic | Assistant Secretary Senior Director, Finance and Accounting Bureau |

## The Executive Committee

The Executive Committee is appointed according to Article 42 fourth paragraph of the Company's Articles of Association which stipulates that "In order to facilitate and expedite the conduct of the Company and to supervise the management of the Company more closely the Board of Directors shall set up an Executive Committee of not less than three nor more than five persons".

In the Fiscal Year 2014, there are changes in the Executive Committee during the year as follows:

- Between October 1, 2013 – July 31, 2014 consisted of :
  1. Mr. Somchai Sujjapongse Chairman
  2. Mr. Kusol Yaemsa-ard Member
  3. Squadron Leader Asdavut Watanangura Member
  4. Mr. Puttipong Prasarttong-Osoth Member
  5. Squadron Leader Prajak Sajjasophon Member and Secretary
  6. Miss Duangta Samitsuwan Assistant Secretary
  7. Mrs. Thaniya Suntharasantic Assistant Secretary
  
- Between August 15, 2014 – September 30, 2014 consisted of :
  1. Mr. Krisada Chinavicharana Chairman
  2. Mr. Puttipong Prasarttong-Osoth Member
  3. First Lieutenant Athisak Padchuenjai Member
  4. Mr. Wanchart Santikunchorn Member
  5. Mrs. Sarinee Sangprasit Member and Secretary
  6. Miss Duangta Samitsuwan Assistant Secretary
  7. Mrs. Thaniya Suntharasantic Assistant Secretary

## The Audit Committee

1. Report on validity of financial statements and management reports.
2. Report on the efficiency, effectiveness and cost control schemes of the Company's operations.
3. Report on conflicts of interest and related matters.
4. Report on compliance with rules, regulations, Cabinet Resolutions and policies set by the State Enterprises Board of Directors

In the Fiscal Year 2014, there are changes in the Audit Committee during the year as follows :

- Between October 1, 2013 – July 31, 2014 consisted of :
  1. Mr. Pisit Boonchoang Chairman
  2. General Lieutenant Police Yongyuth Tiewtrakul Member
  3. Mr. Kraits Ongchaisak Member
  4. Vice President (Office of Internal Audit) Secretary
  
- Between August 15, 2014 – September 30, 2014 consisted of :
  1. General Kanit Sapitaks Chairman
  2. Mr. Chaicharearn Atibaedya Member
  3. Colonel Peerawat Promkladpanao Member
  4. Vice President (Office of Internal Audit) Secretary
  5. Senior Director, Core Business and Information Technology Audit Bureau Assistant Secretary
  6. Senior Director, Support and Planning Audit Bureau Assistant Secretary

### The Risk Management Committee

The Risk Management Committee considers all aspects or situations that might pose risk to or otherwise affect the Company. The Committee has to evaluate such situations and determine policy to eliminate and/or reduce the risk. The Management and staff then have to follow such policy.

In the Fiscal Year 2014, there are changes in the Risk Management Committee during the year as follows :

- Between October 1, 2013 – July 31, 2014 consisted of :
  1. Mr. Puttipong Prasarttong-Osoth Chairman
  2. Air Chief Marshal Somchai Thean-anant Member
  3. General Chamni Rakrueng Member
  4. President Member
  5. Vice President (Office of Policy and Strategy) Secretary
  6. Senior Director, Policy and Strategy Management Bureau Assistant Secretary
  
- Between August 15, 2014 – September 30, 2014 consisted of :
  1. First Lieutenant Athisak Padchuenjai Chairman
  2. Mr. Wanchart Santikunchorn Member
  3. Mrs. Sarinee Sangprasit Member
  4. Vice President (Office of Policy and Strategy) Secretary
  5. Senior Director, Policy and Strategy Management Bureau Assistant Secretary

### The Remuneration Committee

The Remuneration Committee is responsible for recommendation of policy and establish the benefits, remuneration rate and evaluation criteria of the President, consider the evaluation standards of the President's performance, give the policy or make an approval of remuneration and benefit packages of Management appropriately, propose the President's evaluation for the Board of Directors' approval and perform the relevant matters as assigned by the Board of Directors.

In the Fiscal Year 2014, there are changes in the Remuneration Committee during the year as follows:

- Between October 1, 2013 – July 31, 2014 consisted of :
  1. General Lieutenant Police Yongyuth Tiewtrakul Chairman
  2. Mr. Pisit Boonchoang Member
  3. General Chamni Rakrueng Member
  4. First Lieutenant Athisak Padchuenjai Member
  5. Vice President (Human Resource) Secretary
  6. Senior Director, Human Resource and Quality of Work Life Bureau Assistant Secretary
  
- Between August 15, 2014 – September 30, 2014 consisted of :
  1. Mr. Puttipong Prasarttong-Osoth Chairman
  2. Mr. Chaicharearn Atibaedya Member
  3. Colonel Peerawat Promkladpanao Member
  4. Vice President (Human Resource) Secretary
  5. Senior Director, Human Resource and Quality of Work Life Bureau Assistant Secretary



## The Corporate Governance and Corporate Social Responsibility Committee

To set the Corporate Governance and Corporate Social Responsibility policy and practices, pre-consider and give the suggestion, report on compliance with the Corporate Governance and Corporate Social Responsibility Plan including monitoring and evaluating the Corporate Governance and Corporate Social Responsibility practices.

In the Fiscal Year 2014, there are changes in the Corporate Governance and Corporate Social Responsibility Committee during the year as follows :

- Between October 1, 2013 – July 31, 2014 consisted of :

1. Mr. Voradej Harnprasert	Chairman
2. Mr. Somchai Sujjapongse	Member
3. General Lieutenant Police Yongyuth Tiewtrakul	Member
4. Mr. Kusol Yaemsa-ard	Member
5. Mr. Pisit Boonchoang	Member
6. Air Chief Marshal Somchai Thean-anant	Member
7. Mr. Kraitos Ongchaisak	Member
8. General Chamni Rakrueng	Member
9. Mr. Puttipong Prasarttong-Osoth	Member
10. First Lieutenant Athisak Padchuenjai	Member
11. Squadron Leader Prajak Sajjasophon	Member
12. Vice President (Office of the President)	Secretary
13. Miss Sumontha Cherdchuen	Assistant Secretary
14. Mrs. Pornnabpan Chootai	Assistant Secretary

- Between August 15, 2014 - September 30, 2014 consisted of :

1. Air Chief Marshal (Retd) Itthaporn Subhawong	Chairman
2. General Kaniit Sapitaks	Member
3. Mr. Krisada Chinavicharana	Member
4. Mr. Puttipong Prasarttong-Osoth	Member
5. First Lieutenant Athisak Padchuenjai	Member
6. Mr. Chaicharearn Atibaedya	Member
7. Mr. Wanchart Santikunchorn	Member
8. Colonel Peerawat Promkladpanao	Member
9. Mrs. Sarinee Sangprasit	Member
10. Vice President (Office of the President)	Secretary
11. Mrs. Nuannong Mungtrison	Assistant Secretary





### The Legal Committee

To consider and give suggestion regarding laws, regulations and contract as assigned by the Company or the Board of Directors In the Fiscal Year 2014, there are changes in the Legal Committee during the year as follows:

- Between October 1, 2013 – July 31, 2014 consisted of :
 

1. Mr. Kusol Yaemsa-ard	Chairman
2. Miss Chunchachit Sungmai	Member
3. Mr. Narin Yiamsombat	Member
4. Squadron Leader Prajak Sajjasophon	Member
5. Dr. Abhijai Chandrasen	Legal Advisor
6. Vice President (Office of the President)	Secretary
7. Senior Director, General Administration Bureau	Assistant Secretary
8. Director, Legal Affairs Department	Assistant Secretary
  
- Between August 15, 2014 – September 30, 2014 consisted of :
 

1. Mr. Wanchart Santikunchorn	Chairman
2. Miss Chunchachit Sungmai	Member
3. Miss Nartsinee Yuttithumdumrong	Member
4. Dr. Abhijai Chandrasen	Legal Advisor
5. Vice President (Office of the President)	Secretary
6. Senior Director, General Administration Bureau	Assistant Secretary

## Independent Directors

The Independent Directors have performed their duty in line with a principle of “Independence” which is defined as “a key to foster the Directors’ responsibilities. A certain number of the Independent Directors should be comprised of the Board of Directors and they can make suggestions or reports with consideration of their duties and responsibilities independently and justly without direct or indirect benefits or advantages in that case and without considering any benefits relating to properties or positions. In addition, the Independent Directors are not under any influence from people, groups or situations that would result in the Company and shareholders incurring damage or loss of appropriate benefits due to act or omission of act.”

In the Fiscal Year 2014, there are changes in the Independent Directors during the year as follows :

- Between October 1, 2013 – July 31, 2014 consisted of :
  1. General Lieutenant Police Yongyuth Tiewtrakul
  2. Mr. Kusol Yaemsa-ard
  3. Mr. Pisit Boonchoang
  4. Air Chief Marshal Somchai Thean-anant
  5. Mr. Kraitos Ongchaisak
  6. General Chamni Rakrueng
  
- Between August 15, 2014 – September 30, 2014 consisted of :
  1. Air Chief Marshal (Retd) Itthaporn Subhawong
  2. General Kaniit Sapataks
  3. Mr. Chaicharearn Atibaedya
  4. Mr. Wanchart Santikunchorn
  5. Colonel Peerawat Promkladpanao



## 1.4 Meetings and Remuneration

### Rate for Board of Directors and Committees

#### Board of Directors' Attendance

In the Fiscal Year 2014, the Board of Directors held thirteen meetings with attendance details as follows :

Name	Number of Attendances
Air Chief Marshal (Retd) Itthaporn ubhawong 1/	3/3
General Kanit Sapitaks 1/	3/3
Mr. Chaicharearn Atibaedya 1/	2/3
Mr. Wanchart Santikunchorn 1/	3/3
Mr. Krisada Chinavicharana 1/	3/3
Colonel Peerawat Promkladpanao 1/	3/3
Mr. Puttipong Prasarttong-Osoth 2/	13/15
First Lieutenant Athisak Padchuenja 3/i	9/13
Mrs. Sarinee Sangprasit 1/	3/3
Mr. Voradej Harnprasert 4/	11/11
Mr. Somchai Sujjapongse 5/	10/11
General Lieutenant Police Yongyuth Tiewtrakul 6/	11/11
Air Chief Marshal Somchai Thean-anant 7/	8/11
Mr. Pisit Boonchoang 6/	11/11
Mr. Kusol Yaemsa-ard 6/	10/11
General Chamni Rakrueng 8/	10/11
Mr. Kraitos Ongchaisak 9/	10/11
Squadron Leader Asdavut Watanangura 10/	2/2
Squadron Leader Prajak Sajjasophon 11/	9/9

(The absent attendants were due to overseas engagement.)

#### Remarks :

- 1/ Appointed on 15 August 2014
- 2/ Appointed on 18 April 2012
- 3/ Appointed on 1 November 2013 and retired on 1 October 2014
- 4/ Appointed on 14 November 2011 and retired on 29 July 2014
- 5/ Appointed on 18 April 2012 and retired on 27 June 2014

- 6/ Appointed on 14 November 2011 and retired on 1 August 2014
- 7/ Appointed on 18 April 2012 and retired on 1 August 2014
- 8/ Appointed on 31 October 2013 and retired on 1 August 2014
- 9/ Appointed on 28 February 2013 and retired on 1 August 2014
- 10/ Appointed on 18 April 2012 and retired on 1 November 2013
- 11/ Appointed on 14 November 2011 and retired on 12 May 2014

#### The Executive Committee's Attendance

In the Fiscal Year 2014, the Executive Committee held ten meetings with attendance details as follows :

Name	Number of Attendances
Mr. Krisada Chinavicharana	3/3
Mr. Puttipong Prasarttong-Osoth	7/13
First Lieutenant Athisak Padchuenjai	10/12
Mr. Wanchart Santikunchorn	3/3
Mrs. Sarinee Sangprasit	3/3
Mr. Somchai Sujjapongse	6/10
Mr. Kusol Yaemsa-ard	10/10
Squadron Leader Asdavut Watanangura	1/1
Squadron Leader Prajak Sajjasophon	10/10

(The absent attendants were due to overseas engagement.)





Remuneration Rate for the Board of Directors and Committee Divided into Groups in the Fiscal Year 2014

No.	Committee	No. of Meetings	Total Remuneration (Baht)
1.	The Board of Directors	15	1,260,000.00
2.	The Executive Committee	13	546,000.00
3.	The Audit Committee	6	375,323.00
4.	The Risk Management Committee	12	315,000.00
5.	The Remuneration Committee	4	150,000.00
6.	The Corporate Governance and Corporate Social Responsibility Committee	4	262,500.00
7.	The Legal Committee	6	111,500.00
Total			3,020,323.00

Remuneration Rate for the Board of Directors and Committee Divided individually in the Fiscal Year 2014

No.	The Board of Directors		Total Remuneration (Baht)
1	Air Chief Marshal (Retd) Itthaporn	Subhawong	80,968.00
2	General Kanit	Sapitaks	79,839.00
3	Mr. Krisada	Chinavicharana	80,484.00
4	Mr. Chaicharearn	Atibaedya	80,968.00
5	Mr. Wanchart	Santikunchorn	77,984.00
6	Colonel Peerawat	Promkladpanao	80,968.00
7	First Lieutenant Athisak	Padchuenjai	344,000.00
8	Mr. Puttipong	Prasartong-Osoth	416,500.00
9	Mrs. Sarinee	Sangprasit	55,484.00
10	Dr. Abhijai	Chandrasen	255,000.00
11	Miss Nartsinee	Yuttithumdumrong	-
12	Miss Chunchachit	Sungmai	12,000.00
13	Mr. Voradej	Harnprasert	135,564.50
14	Mr. Somchai	Sujjapongse	171,170.00
15	General Lieutenant Police Yongyuth	Tiewtrakul	187,500.00
16	Air Chief Marshal Somchai	Thean-anant	252,500.00
17	Mr. Kusol	Yaemsa-ard	964,500.00
18	Mr. Pisit	Boonchoang	415,000.00
19	Mr. Kraitos	Ongchaisak	320,000.00
20	General Chamni	Rakrueng	270,000.00
21	Mr. Narin	Yiamsombat	12,000.00
22	Mrs. Phankhanitta	Boonkrong	1,000.00
23	Squadron Leader Asdavut	Watanangura	40,000.00
24	Air Chief Marshal Bureerat	Ratanavanich	14,100.00
25	Squadron Leader Prajak	Sajjasophon	210,000.00
<b>Total</b>			<b>4,560,529.50</b>

**Remarks** Number 1-12 currently committee  
Number 13-25 retired committee

### The Labor Relations Committee

In the Fiscal Year 2014 (October 2013 – September 2014) there were 10 meetings. During May - July 2014, appointment of Chairman was pending as the former Chairman retired on 7 May 2014.

In the Fiscal Year 2014 , the Labor Relations Committee consisted of :

No.	The Board of Directors	Title	Number of attendances
1.	Squadron Leader Prajak Sajjasophon	Chairman	8/10
2.	Mrs. Sarinee Sangprasit	Chairman	2/10
3.	Group Captain Choekchai Spanon	Member (Employer)	8/10
4.	Mr. Teekayu Muratha	"	5/10
5.	Mr. Nuttawat Supanundha	"	6/10
6.	Miss Duangta Samitsuwan	"	7/10
7.	Miss Tipaporn Nippakakorn	"	10/10
8.	Mr. Waravut Raphiphan	"	7/10
9.	Mrs. Thaniya Suntharasantic	"	10/10
10.	Mr. Marnoch Sawatdee	"	10/10
11.	Mr. Surapat Chootinantana	Member (Employer) and Secretary	10/10
12.	Mr. Parinya Thienthong	Member (Employee)	10/10
13.	Flight Sergeant1 Thanoo Ratanasupaphunt	"	10/10
14.	Mr. Wanchai Chaipanset	"	10/10
15.	Mr. Sukit Klinhom	"	7/10
16.	Mr. Matee Khamhaeng	"	10/10
17.	Mr. Sangsith Prasomthong	"	8/10
18.	Flight Sergeant 1 Chaiyant Changrangkarn	"	6/10
19.	Mr. Choophong Karnfung	"	9/10
20.	Mr. Sapol Singhadara	"	10/10

**Remarks** No. 2 was appointed to be the Chairman on August 2014 to replace the retired member.

### 1.5 Remuneration Rate for the Executive Management in the Fiscal Year 2012-2014

Fiscal Year	Title	Salary (Baht)	Other Revenue (Baht)
2014	President	5,305,136.00	1,903,378.00
	Executive Vice President	10,226,448.00	5,304,000.00
	Vice President	28,074,204.00	10,968,000.00
2013	President	5,165,760.00	2,385,018.00
	Executive Vice President	10,156,800.00	8,227,600.00
	Vice President	31,740,756.00	3,456,000.00
2012	President	4,716,596.00	2,200,584.00
	Executive Vice President	10,156,800.00	8,227,600.00
	Vice President	30,044,004.00	21,558,668.00

**Remarks** Other Revenue was consisted of Position Allowance, License, Vehicles Allowance and Annual Rewards.

### 1.6 Conflict of Interests Policy

The Company set a policy to disclose the information to prevent conflict of interest between the staff and the Company in order to prevent any activities which may cause conflict or illegal and unsuitable activities. This will resume disadvantage or disrupt the efficient operation of the Company. If any of the staff have any connection with this item, he/she has to inform the Company of such connection.



# ACCOUNTABILITY





Commitment is what  
transforms a promise into reality.

- Abraham Lincoln -



## 2. Operation Reports

### 2.1 The Audit Committee's Performance Report for The Fiscal Year 2014

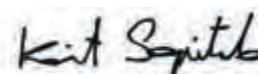
In the Fiscal Year 2014 the Audit Committee members were as follows:

1. During 1 October 2013 – 31 July 2014, members of the Audit Committee consisted of Mr. Pisit Boonchoang as Chairman, Police Lieutenant General Yongyuth Tiewtrakul and Mr. Kraitos Ongchaisak.
2. On 18 August 2014 - present, members of the Audit Committee consisted of General Kanit Sapitaks as Chairman, Mr. Chaicharearn Atibaedy and Colonel Peerawat Promkladpanao.

The Audit Committee performed their duties as assigned by the Board of Directors, the Audit Committee Charter and the Audit Committee of State Enterprise under the Ministry of Finance Practice Handbook. In the Fiscal Year 2014, the Audit Committee held six meetings which were attended by the senior management, Chief Audit Executive, the management of Office of Internal Audit and the officers from the Office of the Auditor General. Major matters could be summarized as follows :

1. To verify the financial report for its accountability, make reports of the implementation projects with respect to efficiency, effectiveness and economics measures, report on conflicts of interest and report on activities in accordance with related rules, regulations, Cabinet Resolutions, and policies set by the Board of Directors.
2. To review the efficiency and the effectiveness of the Company's Internal Controls, Risk Management and Good Corporate Governance by receiving internal audit reports and the Internal audit group's practice report regularly. Moreover, the Committee has followed up the results of the control self assessment in accordance with Internal Control Standard 2001.
3. To review the Independence of Internal Auditor group and the audit practices to ensure compliance with regulations and best practice determined by the Ministry of Finance. To monitor for the measures taken to follow the recommendations after each audit to ensure that the corporate has appropriate internal control and to prevent or reduce any risk that might occur.
4. To review the Audit Committee Charter, key performance index with a result of 4.00 out of 4.00 points and determine the planned agenda. The Committee also conducted self assessment and the Audit Committee's performance with a result of 4.00 out of 4.00 points.
5. To supervise internal audit practices by approving the internal audit charter, Practice Handbook, key performance index, the five years strategic internal audit implementation plan and the annual internal audit implementation plan for the Fiscal Year 2015. To agree to the budget for the Fiscal Year 2015. To appraise the Chief Audit Executive, Experts, Senior Director Level, Experts, Director Level and Internal Audit officers for their performance in the Fiscal Year 2014. To review manpower management in accordance with the five years strategic internal audit implementation plan and the training plan for the Fiscal Year 2015 . To follow up the progress of the internal audit implementation plan and review internal audit group annual report for the Fiscal Year 2014.
6. The quarterly review and annual financial statements audit fees of the Company are totally Baht 1,200,000. After performing their duties and responsibilities delegated by the Board of Directors, the Audit Committee certified that the financial report truly and fairly reflected the Company's financial status and operating results in accordance with generally accepted accounting standards. In conclusion, the Company has been operated in accordance with appropriate internal control measurement, rules, regulations, Cabinet resolutions and policies set by the Board of Directors. The Company has adequate risk management control. The Internal audit practice complies with the principle and best practice under the Ministry of Finance. There were no issues relating to conflicts of interest. The written reports of the Audit Committee were submitted to the Board of Directors on a regular basis. The Audit Committee's suggestions and guidelines were considered by the Company to improve operations and enhance effectiveness.

General



(Kanit Sapitaks)

Chairman of the Audit Committee

## 2.2 Report of the Board of Directors' responsibility to the financial statements

The Company's financial report was arranged under the approval of the Company's Board of Directors to reflect the Company's financial status together with annual operating performance in accordance with generally accepted accounting standards.



The Company's Board of Directors was well aware of the responsibility to prepare and arrange the Financial Report that presented the Company's annual financial status and operating performance in compliance with generally accepted accounting standards as well as its responsibility to financial information which was presented in the 2014 annual report. Thus, appropriate accounting principles have been applied on a consistent basis and due consideration with optimal estimation in preparing the Company's consolidated financial statements. All important information was sufficiently disclosed in the notes on the Company's Financial Statements for the benefits of shareholders and stakeholders.





In addition, the Company's Board of Directors has deployed and maintained effective systems of risk management and internal controls which provided reasonable assurance that the Company's accounting records were accurate, complete and sufficient to protect the assets of the Company. The systems were also designed to prevent fraud or other material irregular activities.

The Company's Board of Directors monitored the preparation of financial reports by appointing the Audit Committee to oversee the quality of the Company's financial reports and internal control procedures thoroughly. The Audit Committee's opinion regarding such matters was disclosed in this Annual Report under the Audit Committee's Report.

In the Board of Directors' opinion, the Company's internal control systems were satisfactory and assure the reliability of the Company's financial statements in compliance with generally accepted accounting standards, legal requirements and other associated regulations.



# TRANSPARENCY





Whoever is careless with the truth  
in small matters can not be trusted  
with important matters.

- Albert Einstein -



## 3. Financial Report

### The Company's Operation Analysis

The Company's total income in the Fiscal Year 2014 was over total expenditure with over collection of Baht 1,755.59 Million, which will be accumulated and refunded to Member Airlines in the future.

Unit: Million Baht

Items	2014	2013	Increase (Decrease)	
			Amount	%
<b>Income</b>				
Air Navigation Services	8,936.69	7,506.98	1,429.71	19
Other Related Services	541.39	489.49	51.90	11
Other Income	79.05	50.63	28.42	56
<b>Total Income</b>	<b>9,557.13</b>	<b>8,047.10</b>	<b>1,510.03</b>	<b>19</b>
<b>Expenditure</b>				
Operating Expenditure	7,674.28	6,935.58	738.70	11
Finance Costs	127.26	159.29	(32.03)	(20)
Total Expenditure	7,801.54	7,094.87	706.67	10
<b>Overcollection to Member Airlines</b>	<b>1,755.59</b>	<b>952.23</b>	<b>803.36</b>	<b>84</b>

### 3.1 Income Analysis

The Company's total income in the Fiscal Year 2014 was Baht 9,557.13 million.

This was derived mainly from income from air navigation services of Baht 8,936.69 million or 93% of total income along with income from other related services including rental and maintenance of equipment, aeronautical telecommunications services (AOC), and work orders accounting for 6% of total income or Baht 541.39 million. In addition, income from other services was Baht 79.05 million or 1% of total income.

Actual income from air navigation services was Baht 8,936.69 million with an increase of Baht 1,429.71 million or 19% from the previous year which derived from air traffic growth by 11% and the rest of 8% was from the new Air Navigation Services Charges Structure (phase II), en route charge was adjusted from Baht 3,300 to Baht 3,500 per unit and terminal charge remains at Baht 500 per unit since 1 October 2013. Also, the addition 10% discount for ANS Charges of domestic flights has been discontinued since 31 May 2013.

Income of Baht 541.39 million from other related services increased by 11% or Baht 51.90 million from the previous year mainly due to the increase in income from rental and maintenance of equipment and Airline Operational Control services (AOC). The other income of Baht 79.05 million increased by 56% or Baht 28.42 million from the previous year because of interest received from deposit account.

### 3.2 Expenditure Analysis

The Company's total expenditure in the Fiscal Year 2014 was Baht 7,801.54 million, of which 72% or Baht 5,618.41 million was accounted for employee benefits, 26% or Baht 2,055.87 million was other operating expenditure, and the remaining 2% or Baht 127.26 million was the cost of finance. As a result of measures taken by the Company to control and save costs, which do not affect the core business and safety standards, the operating expenditure of Baht 107.69 million was saved in 2014.

The Company's Fundamental Analysis

### 3.3 Assets Analysis

The Company's total assets as of 30 September 2014 were Baht 9,862.69 million, comprised of 48% current assets and 52% non-current assets, with the following details :

Unit: Million Baht

Items	2014	2013	Increase (Decrease)	
			Amount	%
<b>Current Assets</b>	<b>4,698.60</b>	<b>3,614.70</b>	<b>1,083.90</b>	<b>30</b>
<b>Non-current Assets</b>				
- Long-Term Investments	10.10	1.90	8.20	432
- Long-Term Loans to Staff	10.81	0.36	10.45	2,903
- Buildings and Equipment -Net	4,064.68	4,052.23	12.45	-
- Intangible Assets	4.58	-	4.58	100
- Assets under Construction	1,073.92	514.31	559.61	109
<b>Total</b>	<b>9,862.69</b>	<b>8,183.50</b>	<b>1,679.19</b>	<b>21</b>

In 2014, total assets increased by 21% or Baht 1,679.19 million from the previous year as the current assets increased due to the increase in cash and cash equivalents.

### 3.4 Liabilities Analysis

The Company's total liabilities as of 30 September 2014 were Baht 9,007.61 million, comprised of 52% current liabilities and 48% non-current liabilities with the following details :

Unit: Million Baht

Items	2014	2013	Increase (Decrease)	
			Amount	%
Current Liabilities	4,018.22	2,084.27	1,933.95	93
Current Portion of Long-Term Liabilities	644.54	644.54	-	-
Non-current Liabilities	4,344.85	4,629.65	(284.80)	(6)
<b>Total</b>	<b>9,007.61</b>	<b>7,358.46</b>	<b>1,649.15</b>	<b>22</b>

In 2014, total liabilities increased by about 22% or Baht 1,649.15 million from the previous year. The non-current liabilities were mainly long-term loans from Government Savings Bank, Krung Thai Bank Public Company Limited and Siam Commercial Bank Public Company Limited, which were used for investment in projects at Suvarnabhumi Airport and other projects. The payments of principal and interest are scheduled every 6 months.

### 3.5 Shareholders' Equity Analysis

The Company's shareholders' equity as of 30 September 2014 was Baht 855.08 million with the following details :

Unit: Million Baht

Items	2014	2013	Increase (Decrease)	
			Amount	%
Registered Ordinary Share Capital	660.00	660.00	-	-
Staff Welfare Fund	195.08	165.04	30.04	18
<b>Total</b>	<b>855.08</b>	<b>825.04</b>	<b>30.04</b>	<b>4</b>

The capital structure as of 30 September 2014 comprised of total liabilities of Baht 9,007.61 million or 91% and shareholders' equity of Baht 855.08 million or 9%.



### 3.6 The Company's Cash Flow Analysis

The Company's closing balance of cash and cash equivalents as of 30 September 2014 was Baht 3,227.31 million, which increased from the opening balance by Baht 966.70 million. Net cash from operating activities was mainly from overcollection and depreciation of the investment in fixed assets. Net cash used in investment activities was mainly used for project investments to support and enhance the capabilities of air traffic control services. Additionally, net cash used in financing activities was mostly for payments of long-term loans that were due.

Unit: Million Baht

Items	2014	2013	Increase (Decrease)
Cash Flow from Operating Activities	3,051.09	2,262.77	788.32
Cash Flow from Investing Activities	(1,281.78)	(866.70)	(415.08)
Cash Flow from Financing Activities	(802.68)	(20.57)	(782.11)
Gain (Loss) on Exchange Rate	0.07	0.78	(0.71)
Cash and Cash Equivalent - At the end of the period	3,227.31	2,260.61	966.70





### 3.7 The Company's Financial Ratio Analysis

The Company's debt-to-equity ratio in 2014 increased from the previous year because of the increase in accumulated overcollection. Additionally, the fixed charge coverage ratio (an ability to pay principal and interests) derived from net cash flow from operating activities mainly from higher depreciation of the completed projects

Unit: Million Baht

Items	2014	2013	Increase (Decrease)
Debt-to-Equity Ratio (times)	10.53	8.92	1.61
Debt-to-Equity Ratio (times) (Not including accumulated overcollection)	7.85	8.10	(0.25)
Fixed Charge Coverage Ratio (times)	1.08	1.16	(0.08)

The Company operates on a cost-recovery basis (or as a non-profit organization). If income exceeds expenditure, the overcollection will be refunded to Member Airlines. On the other hand, the Company will collect income shortage from Member Airlines if income falls below total expenditure. The majority of Company's funds for projects are financed by long-term loans from financial institutions. The ability to pay interest and loans mainly depends on depreciation each year, which is already included in Air Navigation Services Charges (ANS Charges) to be collected from Airlines.

### 3.8 Financial Trend

The Company's estimation of income and expenditure budget was revised in 2015 Financial Plan (approved by the Company's Board of Directors at the 11/2014 (565) Meeting on 29 September 2014). The total income is estimated to be Baht 10,175.35 million which derived from ANS Charges at Baht 9,602.80 million which was projected on 8% of air traffic growth from the previous year. The rest of estimated total income derived from other related services and other income of Baht 572.55 million. The estimated operating expenditure is Baht 9,500.85 million. Therefore, overcollection is expected to be at Baht 674.50 million.

The capital expenditure budget in 2015 is approved by the Cabinet at the ceiling of Baht 3,391.20 million, mainly for the investments in safety and other safety supporting projects which are in line with the Company's Corporate Plan for the years 2015 – 2019. The Company's capital expenditure budget is used for normal operations at Baht 1,630 million which will be funded by long term loan in fiscal year 2015 at Baht 700 million together with revenue or remaining working capital. And the rest of investments are for ANS Infrastructure Development Project of Baht 1,761.20 million which will be funded by long term loan that has been arranged since 2013.



## AUDITOR'S REPORT

To the Shareholders of AERONAUTICAL RADIO OF THAILAND LTD.

The Office of the Auditor General of Thailand has audited the accompanying consolidated financial statements of AERONAUTICAL RADIO OF THAILAND LTD. (the "Company") and subsidiary and the Company's financial statements which includes consolidated and the Company Statement of Financial Position as at 30 September 2014, the related consolidated and the Company Comprehensive Statements of Income and Expenditure, and the Company statements of cash flows for the years then ended of the Company and subsidiary as well as summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated and the Company financial statements

The Management is responsible to prepare and present these consolidated and the Company financial statements in accordance with Thai Financial Reporting Standard as well as maintaining the necessary internal controls to ensure that the preparation and presentation of the consolidated and the Company financial statements are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

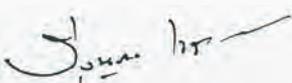
The Office of the Auditor General of Thailand 's responsibility is to express an opinion on these consolidated and the Company financial statements based on the audit. The Office of the Auditor General of Thailand conducted the audit in accordance with the Generally Accepted Auditing Standards. Those standards require that the Auditor General of Thailand complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the consolidated and the Company financial statements are free from material misstatement

The audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and the Company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and presentation of the consolidated and the Company financial statements in order to design audit procedures that are appropriate in the circumstances without the purpose of expressing an opinion on the effectiveness of the Company's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and the Company financial statements.

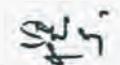
The Office of the Auditor General of Thailand believes that the audit evidences the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

The Office of the Auditor General of Thailand's opinion to the consolidated and the Company financial statements presented above is fairly presented, in all material respects, the financial status of the Company and subsidiary as at 30 September 2014, and the result of the Company and subsidiary's operations as well as the Company's cash flow for the year then ended in conformity with the Thai Financial Reporting Standards.



(Mrs. Roongnapa Charoenkunwiwat)  
Director of Audit Office



(Mrs. Sulaiwon Phianphoemphat)  
Auditor In-Charge

Office of the Auditor General of Thailand  
20 November 2014

**AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**  
**Statements of Financial Position**  
**As at 30 September 2014**

Unit : Baht

Statements	Supplementary Information	Consolidated Financial Statement		Separate Financial Statements	
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	5.1	3,227,308,561.01	2,260,614,287.00	3,156,662,210.69	2,206,196,423.84
Temporary Investment	5.2	106,298,157.68	89,486,707.06	-	-
Receivables from ANS and Other Receivables	5.3	1,209,756,874.47	1,093,716,198.46	1,195,724,058.78	1,079,517,729.83
Short-Term Loans to Staff	5.4	7,004,552.00	18,574,395.00	-	-
Store Supplies	5.5	140,513,408.41	141,413,509.25	140,513,408.41	141,413,509.25
Other Current Assets		7,717,025.38	10,895,464.66	7,717,025.38	10,895,464.66
<b>Total Current Assets</b>		<b>4,698,598,578.95</b>	<b>3,614,700,561.43</b>	<b>4,500,616,703.26</b>	<b>3,438,023,127.58</b>
<b>Non-Current Assets</b>	5.6				
Other Long-Term Investments	5.6	10,100,000.00	1,900,000.00	10,000,000.00	-
Long-Term Loans to Staff	5.7	10,806,404.00	361,047.00	-	-
Buildings and Equipment-Net	5.7	4,064,678,375.11	4,052,231,694.19	4,064,409,800.53	4,052,095,681.80
Intangible Assets	5.9	4,585,259.51	-	4,585,259.51	-
Assets under Construction		1,073,923,069.17	514,303,883.76	1,073,923,069.17	514,303,883.76
<b>Total Non-Current Assets</b>		<b>5,164,093,107.79</b>	<b>4,568,796,624.95</b>	<b>5,152,918,129.21</b>	<b>4,566,399,565.56</b>
<b>Total Assets</b>		<b>9,862,691,686.74</b>	<b>8,183,497,186.38</b>	<b>9,653,534,832.47</b>	<b>8,004,422,693.14</b>

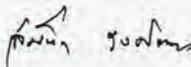
Notes to financial statements are an integral part of these financial statements.

**AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**  
**Statements of Financial Position**  
**As at 30 September 2014**

Unit : Baht

	Supplementary Information	Consolidated Financial Statement		Separate Financial Statements	
		2014	2013	2014	2013
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	5.10	662,082,952.03	400,910,243.88	654,304,073.08	388,911,589.72
Current Portion of Long-Term Liabilities	5.11	644,540,000.00	644,540,000.00	644,540,000.00	644,540,000.00
Accrued Expenses	5.12	915,894,452.74	830,544,219.84	909,979,774.74	828,916,618.84
Interest Payable		51,195,784.17	75,633,749.92	51,195,784.17	75,633,749.92
Accumulated Overcollection	5.13	2,299,282,031.75	679,037,949.04	2,299,282,031.75	679,037,949.04
Other Current Liabilities	5.14	89,769,112.57	98,143,408.79	89,488,443.72	97,834,463.94
<b>Total Current Liabilities</b>		<b>4,662,764,333.26</b>	<b>2,728,809,571.47</b>	<b>4,648,790,107.46</b>	<b>2,714,874,371.46</b>
<b>Non-Current Liabilities</b>					
Children's Educational Support		102,731.10	99,738.93	-	-
Long-Term Loans	5.15	3,394,960,000.00	4,038,500,000.00	3,394,960,000.00	4,038,500,000.00
Employee Benefits Obligations	5.16	949,784,725.01	591,048,321.68	949,784,725.01	591,048,321.68
<b>Total Non-Current Liabilities</b>		<b>4,344,847,456.11</b>	<b>4,629,648,060.61</b>	<b>4,344,744,725.01</b>	<b>4,629,548,321.68</b>
<b>Total Liabilities</b>		<b>9,007,611,789.37</b>	<b>7,358,457,632.08</b>	<b>8,993,534,832.47</b>	<b>7,344,422,693.14</b>
<b>Shareholders' Equity</b>					
Share Capital	5.17	-	-	-	-
Registered Ordinary Share Capital					
6,600,000 shares of Baht 100.00 each		660,000,000.00	660,000,000.00	660,000,000.00	660,000,000.00
Paid-in Capital					
6,600,000 shares of Baht 100.00 each		660,000,000.00	660,000,000.00	660,000,000.00	660,000,000.00
Staff Welfare Fund		195,079,897.37	165,039,554.30	-	-
<b>Total Shareholders' Equity</b>		<b>855,079,897.37</b>	<b>825,039,554.30</b>	<b>660,000,000.00</b>	<b>660,000,000.00</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>9,862,691,686.74</b>	<b>8,183,497,186.38</b>	<b>9,653,534,832.47</b>	<b>8,004,422,693.14</b>

Notes to financial statements are an integral part of these financial statements.

  
 (Mr. Somnuk Rongthong)  
 Executive Vice President  
 Acting, President

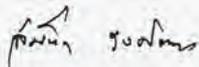
  
 (Miss Waraporn Songcharoen)  
 Vice President (Finance)

**AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**  
**Statements of Financial Position**  
**As at 30 September 2014**

Unit : Baht

	Supplementary Information	Consolidated Financial Statement		Separate Financial Statements	
		2014	2013	2014	2013
<b>Income</b>					
Income from Air Navigation Service Charges		8,936,694,894.62	7,506,982,841.17	8,936,694,894.62	7,506,982,841.17
Equipment rental, Maintenance and NOC income		451,661,059.72	382,265,648.88	451,661,059.72	382,265,648.88
Revenue from work orders		89,727,508.32	107,225,387.48	89,727,508.32	107,225,387.48
Other Income	5.19	79,048,330.34	50,625,467.09	79,048,330.34	50,625,467.09
Income from Welfare fund		23,492,160.54	18,231,763.00	-	-
<b>Total income (net)</b>		<b>9,580,623,953.54</b>	<b>8,065,331,107.62</b>	<b>9,557,131,793.00</b>	<b>8,047,099,344.62</b>
<b>Expenditure</b>					
Costs of production		55,188,665.33	64,682,357.15	55,188,665.33	64,682,357.15
Supplies used		44,609,160.76	45,811,110.71	44,609,160.76	45,811,110.71
Employee Benefits Expense	5.20	5,401,134,095.83	4,844,018,999.73	5,618,407,823.53	5,043,007,421.67
Depreciation Expenses		655,439,379.02	739,009,115.23	655,439,379.02	739,009,115.23
Maintenance of Assets & Equipmen		262,811,979.49	194,298,470.56	262,811,979.49	194,298,470.56
Assets Rental and Property Tax		289,270,434.24	278,817,565.57	289,270,434.24	278,817,565.57
Utilities and Communication Expenses	5.21	140,936,111.45	133,585,907.00	140,936,111.45	133,585,907.00
Other Expenses	5.22	607,617,767.83	436,373,373.79		436,373,373.79
Finance costs		127,258,420.69	159,287,322.82	127,258,420.69	159,187,322.82
Welfare Fund Expenses		210,725,545.17	193,784,863.74	-	-
<b>Total Expenditure</b>		<b>7,794,991,559.81</b>	<b>7,089,669,086.30</b>	<b>7,801,539,742.34</b>	<b>7,094,872,644.50</b>
Overcollection to Member Airlines		1,755,592,050.66	952,226,700.12	1,755,592,050.66	952,226,700.12
<b>Income over (under) Expenditure</b>		<b>30,040,343.07</b>	<b>23,435,321.20</b>	<b>-</b>	<b>-</b>

Notes to financial statements are an integral part of these financial statements.

  
 (Mr. Somnuk Rongthong)  
 Executive Vice President  
 Acting, President

  
 (Miss Waraporn Songcharoen)  
 Vice President (Finance)

**AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**  
**Statements of Cash Flow**  
**As at 30 September 2014**

Unit : Baht

	Consolidated Financial Statement		Separate Financial Statements	
	2014	2013	2014	2013
<b>Cash Flow from Operating Activities :</b>				
Overcollection to Member Airlines	1,755,592,050.66	952,226,700.12	1,755,592,050.66	952,226,700.12
Income over expenses to welfare fund	30,040,343.07	23,435,321.20	-	-
Reconciliations of (Under-Recovery) or Overcollection as Cash Receipts or Disbursements) from Operating Activities :				
(Gain) Loss on exchange rate	452,778.07	(648,669.67)	452,778.07	(648,669.67)
Loss on Interest Rate Swap Agreement	7,440,948.52	5,028,077.61	7,440,948.52	5,028,077.61
Doubtful Debts	24,448,788.91	31,872,389.88	24,448,788.91	31,872,389.88
Depreciation	655,491,816.83	739,060,189.63	655,439,379.02	739,009,115.23
Assets under construction transferred to Expenses	30,545,038.29	1,805,475.08	30,545,038.29	1,805,475.08
(Gain) on sale of Equipment	(1,595,352.38)	(1,450,762.06)	(1,595,352.38)	(1,450,762.06)
Loss on Assets Retirement	1,063,232.91	2,937,005.95	1,063,232.91	2,937,005.95
Income from damage assets compensation	(7,073,999.70)	(1,134,921.20)	(7,073,999.70)	(1,134,921.20)
Deferred income	(270,682.61)	(7,138.43)	(270,682.61)	(7,138.43)
Interest Received	(58,427,845.49)	(30,251,539.93)	(54,478,455.59)	(26,854,491.87)
Interest Expense	127,258,420.69	159,287,322.82	127,258,420.69	159,287,322.82
Employee Benefits Obligations	403,077,632.94	383,863,949.66	403,077,632.94	383,863,949.66
Overcollection to be refunded to Member Airlines before any changes in Operating Assets and Liabilities Changes in Operating Assets and Liabilities				
	2,968,043,170.71	2,266,023,400.66	2,941,899,779.73	2,245,934,053.12
<b>Operating Assets (Increase) Decrease</b>				
Receivables from ANS and Other Receivables	(125,865,076.53)	(252,390,716.86)	(126,046,974.73)	(247,937,254.33)
Store supplies	900,100.84	(1,693,672.95)	900,100.84	(1,693,672.95)
Other Current Assets	3,178,439.28	(1,171,878.22)	3,178,439.28	(1,171,878.22)
<b>Operating Liabilities Increase (Decrease)</b>				
Trade and Other Payables	260,631,752.17	32,381,626.50	264,851,527.38	27,408,299.61
Accumulated Under-Recovery or (Overcollection)	(135,347,967.95)	574,381.74	(135,347,967.95)	574,381.74
Accrued Expenses	85,350,232.90	210,938,122.12	81,063,155.90	211,787,581.12
Other Current Liabilities	(12,361,703.61)	44,162,057.79	(12,333,427.61)	44,120,831.18
Children's Educational Support	2,992.17	2,669.41	-	-
Cash Receipts from Operating Activities	3,044,531,939.98	2,298,825,990.19	3,018,164,632.84	2,279,022,341.27
Interest Received	50,897,216.94	29,307,417.54	46,964,072.30	25,956,453.96
Employee benefits paid	(44,341,229.61)	(65,360,799.24)	(44,341,229.61)	(65,360,799.24)
<b>Net Cash flows from Operating Activities</b>	<b>3,051,087,927.31</b>	<b>2,262,772,608.49</b>	<b>3,020,787,475.53</b>	<b>2,239,617,995.99</b>

**AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**  
**Statements of Cash Flow**  
**As at 30 September 2014**

Unit : Baht

	Consolidated Financial Statement		Separate Financial Statements	
	2014	2013	2014	2013
<b>Cash Flow from Investing Activities:</b>				
Cash Deposit to Temporary Investment	-	21,363,959.54	-	-
Cash Withdrawal from Temporary Investment	(16,811,450.62)	(102,302,123.06)	-	-
Payment Received from Short-Term Loan to Staff	34,395,865.76	23,738,098.00	-	-
Cash Paid to Short-Term Loan to Staff	(22,826,022.76)	(25,570,402.00)	-	-
Payment Received from Long-Term Loan to Staff	266,621.59	382,531.00	-	-
Cash Paid to Long-Term Loan to Staff	(10,711,978.59)	(257,318.00)	-	-
Acquisition of Assets under Construction	(1,258,934,472.17)	(847,078,121.67)	(1,258,934,472.17)	(847,078,121.67)
Acquisition of Equipment	(1,029,418.32)	(243,949.80)	(844,418.32)	(243,949.80)
Cash Deposits (Paid) to Long-Term Investment	(8,200,000.00)	60,909,000.00	(10,000,000.00)	-
Proceeds from Sale of Equipment	2,066,100.00	2,359,102.96	2,066,100.00	2,359,102.96
Net Cash flows from Investing Activities	(1,281,784,755.11)	(866,699,223.03)	(1,267,712,790.49)	(844,962,968.51)
<b>Cash Flow from Financing Activities :</b>				
Proceeds from promissory notes	-	-	-	-
Proceeds from long-term loans	1,000,000.00	785,000,000.00	1,000,000.00	785,000,000.00
Payments for redemption of promissory notes	-	-	-	-
Payments for long-term loans – due within 1 year	(644,540,000.00)	(644,540,000.00)	(644,540,000.00)	(644,540,000.00)
Cash paid to interest on loans	(159,137,334.96)	(161,029,522.66)	(159,137,334.96)	(161,029,522.66)
Net Cash flows from Financing Activities	(802,677,334.96)	(20,569,522.66)	(802,677,334.96)	(20,569,522.66)
Net Increase in Cash and Cash Equivalents	966,625,837.24	1,375,503,862.80	950,397,350.08	1,374,085,504.82
Cash and Cash Equivalents at the beginning of the year	2,260,614,287.00	884,326,707.27	2,206,196,423.84	831,327,202.09
Gain or loss on revaluation of foreign exchange	68,436.77	783,716.93	68,436.77	783,716.93
Cash and Cash Equivalents at the end of the year	3,227,308,561.01	2,260,614,287.00	3,156,662,210.69	2,206,196,423.84

## **AERONAUTICAL RADIO OF THAILAND LTD. AND SUBSIDIARY**

### **Notes to Financial Statements**

### **For the years ended 30 September 2014**

#### **1. The Objective of the Establishment of the Company**

The Company's objective is to provide air traffic control, aeronautical telecommunications and related services to meet the requirements of air transport operators and the International Civil Aviation Organization's (ICAO) standards and recommended practices. The services are provided safely, frequently, efficiently and in accordance with the Government's obligation to ICAO as one of the Contracting States. The Company provides services to air transport operators on a cost recovery basis. The Company recovers expenses by collecting air navigation charges fairly from users.

#### **2. Principles for Presentation of Financial Statements**

The financial statements of Aeronautical Radio of Thailand Ltd. and subsidiary have been prepared in accordance with generally accepted accounting principles of the Accounts Act, 2000 and Accounting Professional Act, 2004 as well as accounting interpretation and guidelines that have been approved by the Federation of Accounting Professions. Also, the Company's financial statements have been prepared in accordance with the announcement by Department of Business Development regarding the brief items necessary in 2011 financial statements, dated 28 September 2011 by including the accounting transaction of Staff Welfare Fund.

#### **3. The new/revised Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standards Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI) which were announced in the Government Gazette, are as follows:**

- The effective date for the fiscal year begins as at or later than 1 January 2014

TAS 1 (revised 2012)	: Presentation of Financial Statements
TAS 7 (revised 2012)	: Statement of Cash Flows
TAS 12 (revised 2012)	: Income taxes
TAS 17 (revised 2012)	: Leases
TAS 18 (revised 2012)	: Revenue
TAS 19 (revised 2012)	: Employee Benefits
TAS 21 (revised 2012)	: The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	: Related Party Disclosures
TAS 28 (revised 2012)	: Investment in Associates
TAS 31 (revised 2012)	: Interests in Joint Ventures
TAS 34 (revised 2012)	: Interim Financial Reporting
TAS 36 (revised 2012)	: Impairment of Assets
TAS 38 (revised 2012)	: Intangible Assets
TFRS 2 (revised 2012)	: Share-Based Payments
TFRS 3 (revised 2012)	: Business Combinations
TFRS 5 (revised 2012)	: Non-Current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	: Operating Segments

TSI 15	: Operating Leases – Incentives
TSI 27	: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	: Disclosure -Service Concession Arrangements
TSI 32	: Intangible Assets -Web Site Costs
TFRI 1	: Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	: Determining Whether an Arrangement Contains a Lease
TFRI 5	: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	: Interim Financial Reporting and Impairment
TFRI 12	: Service Concession Arrangements
TFRI 13	: Customer Loyalty Programmes
TFRI 17	: Distributions of Non-cash Assets to Owners
TFRI 18	: Transfer of Assets From Customers

- The effective date for the fiscal year begins as at or later than 1 January 2016

TFRS 4	: Insurance Contracts
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The Company's management has already considered that the adoption of those mentioned accounting standards will have no material impact on the submitted Financial Statement.

#### 4. Summary of Significant Accounting Policies

##### 4.1 Incomes and Expenditures Recognition

- 4.1.1 Income derived from air navigation services is recognized as income in the accounting period that services are provided.
- 4.1.2 Equipment rental and maintenance incomes and Airline Operational Control (AOC) incomes are recognized as income over the period at the rate of remuneration specified in the agreement.
- 4.1.3 Income from work orders is recognized as income when each order is completed and delivered to customers.
- 4.1.4 Interest received is recognized in proportion of time on the basis of actual rate of return.
- 4.1.5 Expenditures are recognized on an accrual basis.

##### 4.2 Provision for Doubtful Debts

The allowance is recorded equal to the estimated losses that may result in collection of debts. Generally, estimations are based on an experience of debt recovery in the past and from non-governmental organizations or non-state enterprise debtors' current status at the balance sheet date. This year, the provision for doubtful debts is made according to the Regulations for Account and Finance, 2005 by the Ministry of Finance.

Period Overdue	Rate of Provision for Doubtful Debts
Over 6 months - 1 year	50%
Over 1 year	100%

##### 4.3 Store Supplies

Store supplies have been recorded at cost on the weighted average basis. For overseas purchases, import formality handling charges are recorded as operations expenditure.

#### 4.4 Investment

Investment has been recorded at cost as follows :

- 4.4.1 Temporary investment is the investment that the Company expects to hold to maturity or converts into cash within one year such as 12-month fixed deposit account.
- 4.4.2 Long-term investment is the investment that the Company expects to hold longer than one year such as over 12-month fixed deposit account.

#### 4.5 Buildings and Equipment

4.5.1 Buildings and equipment are recorded at cost less accumulated depreciation.

Depreciation on fixed assets, the Company has depreciated the assets by using the straight-line method based on the estimated useful life of assets begin from the month the assets were received or installed or available for use as follows :

Buildings and Construction	7-20	years
Utility System	5-20	years
Radar and Equipment	7-15	years
Power Generators	10-20	years
Teleprinters	7	years
Equipment and Tools	7-20	years
Office Supplies	5-7	years
Vehicles	5	years
Aircraft	5-25	years
Assets from Donations	5-25	years

Assets with a value not exceeding Baht 30,000 are recognized as expenses.

The developments of computer system in order to materially enhance and extend the capacity or efficiency are recognized as asset.

4.5.2 Aircraft Inspection and Repair as Necessary (IRAN) are recorded at cost and depreciation is calculated using the straight-line method based on the duration of the affected aircraft's useful life: 5-10 years.

#### 4.6 Intangible Assets

The amortization of intangible assets is calculated using the straight-line method of 20% per year over the asset's estimated useful life.

#### 4.7 Interest Paid on Loan

Asset under construction funded by loans: interest paid will be recorded as the cost of the asset under construction. After the work has been completed, the interest paid will be recognized as expenses.

#### 4.8 Unearned Income

Assets donated, used for operations longer than one accounting period are recorded at cost as unearned income and then gradually transferred to other income throughout the useful life of those assets.

#### 4.9 Accounting Items in Foreign Currency

Assets and Liabilities of foreign currency value are recorded in Baht by initially using the currency exchange rate at the date the transaction occurs. At the end of each accounting period, the asset and liability value will be adjusted to Baht according to the currency exchange rate announced by the Bank of Thailand on that day. Gain or loss from currency exchange rate revaluation will be recorded wholly as an income or expense item in the Comprehensive Statements of Income and Expenditure.

#### 4.10 Interest Rate Swap (IRS) Agreement

The Company has signed the financial derivatives, including Interest Rate Swap Agreement (IRS) in order to hedge the risk on an accrual basis. The difference of interest payments will be recorded as other incomes or other operating expenditures in the Comprehensive Statements of Income and Expenditure.

#### 4.11 Overcollection and Under-Recovery to Member Airlines

The Company operates on a non-profit or cost recovery basis. If income exceeds expenditure, the overcollection amount will be recorded as liability and will be refunded to Member Airlines. On the other hand, if expenditure exceeds income, then the under-recovery amount will be recorded as asset and will be charged to Member Airlines. Such rule will be distributed to Member Airlines according to their number of flight units and revenue generated for that particular period.

#### 4.12 Employee Benefits Obligations

Employee benefits in respect of defined benefit plans and other long-term employee benefits recognized in the financial statements are based on calculations by using the projected unit credit method and market yields on high quality corporate bonds in which all actuarial gains and losses arising in each accounting period will be recognized as income or expense within the accounting period in which they arise.

#### 4.13 Provident Fund

On 1 October 1992, the Company established “the Registered Provident Fund for Staff of Aeronautical Radio of Thailand Ltd.” in accordance with the Provident Fund Act, 1987. The staff members pay accumulated contribution to the fund at the rate of 3 – 15% of their salaries and the Company makes a contribution to the fund at the rate of 8.5 - 15% of staff members’ salaries.

#### 4.14 Cash and Cash Equivalents

Cash and cash equivalents mean cash on hand and at bank for which repayment is due within 3 months.

### 5. Supplementary Information

#### 5.1 Cash and Cash Equivalents

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash in Hand	3.64	3.82	1.25	1.43
Cash at Bank	3,223.67	2,256.79	3,155.41	2,204.76
Total	3,227.31	2,260.61	3,156.66	2,206.19

#### 5.2 Temporary Investment

The temporary investment in Consolidated Financial Statements as at 30 September 2014 is a fixed account of the Staff Welfare Fund at the amount of Baht 106.30 million.

### 5.3 Receivables from Air Navigation Service (ANS) and other receivables

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Receivables from ANS				
Receivable check	3.69	2.79	3.69	2.79
Airlines Debtors	1,173.51	975.4	1,103.51	975.14
Domestic Debtors	57.80	52.20	57.62	52.14
International Debtors	17.67	17.97	17.67	17.97
Accrued Income	5.19	11.52	5.19	11.52
	1,187.86	1,059.62	1,187.68	1,059.56
Less Provision for doubtful debts	(121.61)	(97.88)	(121.61)	(97.88)
Total Receivables from ANS -Net	1,066.25	961.74	1,066.07	961.68
<b>Other receivables</b>				
Interest Receivable	5.37	1.25	5.17	1.06
Penalty Charges to contractors	68.21	71.07	68.21	71.07
Loans to staff	0.22	0.21	0.22	0.21
Prepaid Expenses	39.10	42.01	39.10	42.01
Advances to staff for expenses	30.60	17.44	16.95	3.49
Total other receivables	143.50	131.98	129.65	117.84
<b>Total Receivables from ANS and other receivables<sup>2</sup></b>	<b>1,209.75</b>	<b>1,093.72</b>	<b>1,195.72</b>	<b>1,079.52</b>

Penalty Charges to contractors as at 30 September 2014 at Baht 67.36 million is mainly derived from the delayed acquisition and installation of Automatic Message Handling System (AMHS). Since AEROTHAI has not paid the last installment of Baht 40 million to this contractor, after deducting the penalty charge the supplier has an outstanding debt of Baht 27.36 million. This case is still in fact finding process by the Central Administrative Court and pending for a Central Administrative Court's order to appoint for first trial.

#### 5.4 Store Supplies

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Spare parts for Radar	103.76	108.31
Spare parts for Aircraft	21.34	19.06
Spare parts for Air Navigation Aids	-	1.02
Spare parts for Radio Equipment	10.63	8.28
Office supplies	3.71	3.57
Other spare parts	1.07	1.17
<b>Total</b>	<b>140.51</b>	<b>141.41</b>

#### 5.5 Other Current Assets

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Deposit Payments	6.25	7.10
Work in Process	1.82	4.26
Suspense accounts	(0.35)	(0.47)
<b>Total</b>	<b>7.72</b>	<b>10.89</b>

#### 5.6 Other long-term investments

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial statements	
	2014	2013	2014	2013
Vayupak 1 Fund	10.00	-	10.00	-
Fixed Deposit Account -36 months	0.10	1.90	-	-
<b>Total</b>	<b>10.10</b>	<b>1.90</b>	<b>10.00</b>	<b>-</b>

## 5.7 Buildings and Equipment – Net

Unit: Million Baht

	Original Cost			Accumulated Depreciation				Book Value		
	Balance 1 Oct 13	Increase	Decrease	Balance 30 Sept 14	Balance 1 Oct 13	Increase	Decrease	Balance 30 Sept 14	30 Sept 13	
<b>The Company's buildings and equipment</b>										
Buildings and Construction	2,602.41	87.26	-	2,689.67	1,375.01	111.84	-	1,468.85	1,202.82	1,227.40
Utility Systems	941.80	148.01	7.97	1,081.84	566.79	58.17	7.86	617.10	464.74	375.01
Radar and Equipment <sup>1/</sup>	5,490.55	290.93	191.75	5,589.73	3,835.81	366.24	190.75	4,011.30	1,578.43	1,654.74
Power Generators	295.33	30.76	3.73	322.36	187.30	13.75	3.61	197.44	124.92	108.03
Teleprinters	0.13	-	0.07	0.06	0.13	-	0.07	0.06	-	-
Equipment and Tools	796.50	41.52	9.44	828.58	630.55	41.75	9.20	663.09	165.49	165.95
Office Supplies (including computer systems and equipment)	748.79	65.00	24.57	789.22	645.49	42.80	24.51	663.78	125.44	103.30
Vehicles	1.92	-	-	1.92	1.92	-	-	1.92	-	-
Aircraft	491.42	-	-	491.42	73.77	19.08	-	92.85	398.57	417.65
Assets from Donations	119.86	4.25	10.54	113.57	119.85	0.27	10.55	109.57	4.00	0.01
<b>Total</b>	<b>11,488.71</b>	<b>667.73<sup>2/</sup></b>	<b>248.07</b>	<b>11,908.37</b>	<b>7,436.62</b>	<b>653.90</b>	<b>246.55</b>	<b>7,843.96</b>	<b>4,064.41</b>	<b>4,052.09</b>
<b>Staff Welfare Fund's equipment</b>										
Musical Instruments and Sports Equipment	2.5	0.18	-	2.68	2.36	0.05	-	2.41	0.27	0.14
<b>Total</b>	<b>11,491.21</b>	<b>667.91</b>	<b>248.07</b>	<b>11,911.05</b>	<b>7,438.98</b>	<b>653.95</b>	<b>246.55</b>	<b>7,846.37</b>	<b>4,064.68</b>	<b>4,052.23</b>

**Notes :** <sup>1/</sup> Radar and Equipment comprise of radar systems, air navigation aids, surveillance systems, automatic message switching systems, and other communication equipment.

<sup>2/</sup> The amount is for buildings and equipment which increased from the transfer of assets under construction at Baht 606.71 million and an additional acquisition of assets at the amount of Baht 0.24 million.

Buildings and construction, used for operations, are constructed on the Ratchaphatsadu land with ownership resting with the Ministry of Finance.

## 5.8 Intangible Assets

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Computer Program	6.14	-
Accumulated Amortization	1.55	-
<b>Total Computer Program</b>	<b>4.59</b>	<b>-</b>
Amortization – This year	1.55	-

## 5.9 Assets under Construction

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Balance brought forward as at 1 October 2013	514.30	275.73
Add Additional during the year	1,245.93	847.08
	1,773.23	1,122.82
Less Transfer to Buildings and Equipment	(668.77)	(606.71)
Transfer to Expenses	(30.54)	(1.81)
<b>Balance carried forward as at 30 September 2014</b>	<b>1,073.92</b>	<b>514.30</b>

## 5.10 Trade and Other Payables

Unit : Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Trade Payable</b>				
Trade Payable -Domestic	106.39	80.34	106.39	80.34
Trade Payable -Overseas	34.69	31.88	34.69	31.88
Suspense Account for Goods and Services	324.03	143.36	324.03	143.36
<b>Total Trade Payable</b>	<b>465.11</b>	<b>255.58</b>	<b>465.11</b>	<b>255.58</b>
<b>Other Payables</b>				
Suspense Account for Pay Check	56.39	115.73	48.61	103.73
Suspense Account for Debtor	109.97	16.27	109.97	16.27
Staff Payable	17.24	2.95	17.24	2.95
Deferred Income	13.37	10.38	13.37	10.38
<b>Total Other Payables</b>	<b>196.97</b>	<b>145.33</b>	<b>189.19</b>	<b>133.33</b>
<b>Total</b>	<b>662.08</b>	<b>400.91</b>	<b>654.30</b>	<b>388.91</b>

## 5.11 Current portion of Long-term Liabilities due in One Year

Unit: Million Baht

Separate Financial Statements	Bank						Total
	CIMB Thai	Krung Thai		Siam Commercial	Government Savings		
Credit Limit	850.00	1,390.28	1,100.00	1,519.55	1,650.00	1,200.00	
Balance brought forward as at 1 Oct 13	85.00	116.00	84.80	131.80	126.94	100.00	644.54
Less Payments during the period	(85.00)	(116.00)	(84.80)	(131.80)	(126.94)	(100.00)	(644.54)
	-	-	-	-	-	-	-
Add Transferred from long-term loans	85.00	116.00	84.80	131.80	126.94	100.00	644.54
<b>Balance carried forward as at 30 Sept 14</b>	<b>85.00</b>	<b>116.00</b>	<b>84.80</b>	<b>131.80</b>	<b>126.94</b>	<b>100.00</b>	<b>644.54</b>

## 5.12 Accrued Expenses

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Special Annual Rewards	825.07	748.49	825.07	748.49
Ratchaphatsadu Land Lease and Property Tax	47.68	45.17	47.68	45.17
Utilities	23.76	25.26	23.76	25.26
Others	19.38	11.62	13.47	10.00
<b>Total</b>	<b>915.89</b>	<b>830.54</b>	<b>909.98</b>	<b>828.92</b>

## 5.13 Accumulated Under – Recovery or (Overcollection)

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Overcollection to Member Airlines - brought forward	(679.04)	273.76
Less Collected Under-Recovery from Member Airlines, membership terminated during the year	-	(0.57)
	(679.04)	273.19
Less Under-Recovery (Overcollection)to Member Airlines during the year	(1,755.59)	(952.23)
	(2,434.63)	(679.04)
Add Return Overcollection in 2013 to Member Airlines during the year	135.35	-
<b>Balance carried forward as at 30 September 2014</b>	<b>(2,299.28)</b>	<b>(679.04)</b>

The Company has implemented the New Air Navigation Services (ANS) Charges Structure to comply with the policies and standards of International Civil Aviation Organization (ICAO) and be fair and more practical to all users. The new ANS charges structure is divided into 2 phrases as follows :

**Phase 1 :** From 1 June 2012 to 30 September 2013, en route charge is at Baht 3,300 per unit and terminal charge is at Baht 500 per unit

**Phase 2 :** From 1 October 2013 onwards, en route charge is at Baht 3,500 per unit and terminal charge is at Baht 500 per unit

The Company's Shareholders at the 67<sup>th</sup> Ordinary General Meeting on 7 May 2014 approved to return 20% of overcollection of year 2013 to member airlines who had overcollection as at 30 September 2013 in the form of credit note to deduct Air Navigation Service charges within fiscal year 2014 (April – September 2014). The remaining 80% of overcollection will be carried forward as working capital of the company for operations and investments in the future.

In 2014, the Company had Baht 9,557.13 million total income and Baht 7,801.54 million total expenditure resulting in an income-over-expenditure (overcollection) at Baht 1,755.59 million. When combined overcollection of year 2014 with the accumulated overcollection brought forward from 2013 of Baht 679.04 million and amount returned to member airlines who had overcollection according to the Company's Shareholders at the 67th Ordinary General Meeting on 7 May 2014 of Baht 135.35 million leaving the accumulated overcollection of Baht 2,299.28 million at the end of the fiscal year.

In addition, income derives from telecommunication business under telecommunication license type 2 for the operator with its own network which is amounted to Baht 74.28 million during 1st October 2013 – 30th September 2014 which already included in Equipment Rental & Maintenance and AOC income.

#### 5.14 Other Current Liabilities

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Unearned Income	4.00	3.01	4.00	3.01
Accrued Income Tax and Tax Payable	45.16	45.32	45.01	45.10
Guarantee Money	36.74	45.99	36.61	45.90
Suspense Account for B Share allocation	2.81	3.09	2.81	3.09
Suspense Account for Reimbursement	1.06	0.73	1.06	0.73
<b>Total</b>	<b>89.77</b>	<b>98.14</b>	<b>89.49</b>	<b>97.83</b>

#### 5.15 Long - Term Loans

Unit: Million Baht

Bank	Contract Date	Credit Limit	Duration	Additional Loan during current period	Transferred to loans due within 1 year	Balance as at 30 Sept. 2014	Balance as at 30 Sept. 2013
CIMB Thai	21 Jul. 03	850.00	12 Y., Grace Period 2 Y.	-	85.00	-	85.00
Krung Thai	15 Jan. 04	1,390.28	15 Y., Grace Period 3 Y.	-	116.00	462.28	578.28
Siam Commercial	15 Jul. 05	1,519.55	14 Y., Grace Period 2 Y.	-	131.80	531.05	662.85
Krung Thai	25 Aug. 06	1,100.00	15 Y., Grace Period 2 Y.	-	84.80	548.80	633.60
Government Savings	25 Aug. 06	1,650.00	15 Y., Grace Period 2 Y.	-	126.94	951.83	1,078.77
Government Savings	18 Sept. 09	1,200.00	14 Y., Grace Period 2 Y.	-	100.00	900.00	1,000.00
Government Savings	23 Sept. 13	3,480.00	15 Y., Grace Period 3 Y.	1.00	-	1.00	-
<b>Total</b>		<b>11,189.83</b>		<b>1.00</b>	<b>644.54</b>	<b>3,394.96</b>	<b>4,038.50</b>

As at 30 September 2014, the Company's long-term loans were Baht 11,189.83 million. There are 2 banks that set the loan agreements for the Company to issue a bill of exchange at the loan balance plus interest. These loans are used for investment in Suvarnabhumi Airport project and others. The payment of principal and interest is scheduled every 6 months.

#### 5.16 Employee Benefits Obligations

As at 30 September 2011, the Company had employee benefits obligations at the amount of Baht 1,047.56 million in which the Company will gradually recognize as expense on a straight-line basis at Baht 209.51 million annually over a period of 5 years. The Details in this accounting period are as follows:

Unit: Million Baht

	Separate Financial Statements	
	2014	2013
Employee benefits obligations - Balance brought forward	591.05	272.55
Gradual recognition of employee benefits	209.51	209.51
Current employee benefits	193.57	174.35
Employee benefit paid	(44.34)	(65.36)
Employee benefits obligations as at 30 September 2014	949.79	591.05
Employee benefits obligations -retrospective to 30 Sept. 2011	1,047.56	1,047.56
Gradual recognition of employee benefits -accumulated	(628.53)	(419.02)
Gradual recognition of employee benefits obligations -outstanding	419.03	628.54

#### 5.17 Share Capital

Unit: Million Baht

	2014	2013
Registered Ordinary Shares and paid up Share Capital		
Ordinary Shares: 6,600,000 shares; Baht 100 per share		
A-shares (held by the Ministry of Finance)	600.00	600.00
B-shares (held by airline companies)	60.00	60.00
<b>Total</b>	<b>660.00</b>	<b>660.00</b>

#### 5.18 Appropriation to the Ministry of Finance

The Cabinet Meeting on 27 October 1998 required the Company to pay the appropriation to the Ministry of Finance in proportion of 10% of income from air navigation services charges starting from the fiscal year 1998.

At the Cabinet Meeting on 13 August 2003, approval was given to the Company to prolong the non-payment of the appropriation to the Ministry of Finance between 2002 and 2005. Later, approval to terminate the payment of the appropriation to the Ministry of Finance effective from the fiscal year 2006 was given by the Cabinet Meeting on 20 September 2005.

#### 5.19 Other income (Separate Financial statements)

Unit: Million Baht

	2014	2013
Interest received	47.46	24.32
Gains (losses) on foreign exchange transactions	2.16	0.14
Other income	29.43	26.17
<b>Total other income</b>	<b>79.05</b>	<b>50.63</b>

#### 5.20 Employee Benefits Expense

Unit: Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Staff Costs	4,662.63	4,153.56	4,662.63	4,153.56
Employee Benefits Expenses	403.08	383.86	403.08	383.86
Contribution to Provident Fund	335.43	306.60	335.43	306.60
Contribution to Staff Welfare Fund	-	-	217.27	198.99
<b>Total</b>	<b>5,401.14</b>	<b>4,844.02</b>	<b>5,618.41</b>	<b>5,043.01</b>

### 5.21 Other Expenses (Separate Financial statements)

Unit: Million Baht

	2014	2013
Audit Fee	1.20	0.82
Meeting Expense	17.15	8.24
Consultant and service fees	14.27	12.95
Public Relations Expense	18.95	18.20
Donations	19.55	17.79
Traveling Expense	184.05	109.13
Premium Fee	47.72	46.63
Other Fees	9.86	8.53
Training Expense	71.37	51.75
Store Supplies and Assets Retirement Expense	84.55	44.66
Securities Expense	38.10	33.05
Doubtful Debts	1.06	2.94
Loss on Fixed Assets Retirement	7.44	5.03
Loss on Interest Rate Swap Agreement	24.45	31.87
Others	67.90	44.78
<b>Total</b>	<b>607.62</b>	<b>436.37</b>

### 5.22 Welfare Fund Expenses (Consolidated Financial Statements)

Unit: Million Baht

	2014	2013
Staff Welfare Expenses	210.25	193.45
Others	0.48	0.33
<b>Total</b>	<b>210.73</b>	<b>193.78</b>

### 5.23 Provident Fund

On 1 October 1992, the Company calculated the gratuity fund to be paid to staff as of that date at Baht 342.66 million. The Company transferred Baht 173.60 million to the Provident Fund. The remaining amount of Baht 169.06 million had to be transferred within 10 years and/or the remaining working period of the staff with interest at an average one year fixed deposit rate. The Company completed the transfer of all the remaining deferred gratuity funds to the Provident Fund in the Fiscal Year 2002.

On 30 September 2014 there were 2,927 staff members. The Company made a contribution in this period at Baht 337.28 million to the Provident Fund, (which was recorded as staff costs at Baht 335.43 million and cost of production of work order at Baht 1.85 million).

### 5.24 Remuneration for Committees

In this period, the Company paid remuneration to committees as follows :

	Baht
1. Monthly Remuneration to State Enterprise Committee	1,312,206.50
2. Board of Directors	1,130,000.00
3. Executive Committee	436,000.00
4. Audit Committee	375,323.00
5. Risk Management Committee	315,000.00
6. Remuneration Committee	150,000.00
7. Legal Committee	96,500.00
8. Corporate Governance and Social Responsibility Committee	144,000.00
9. President Remuneration Subcommittee	35,500.00
10. President Recruitment Committee	192,500.00

**Note :** The remuneration payment was paid to the Company's Board of Directors and the committee representatives from other organizations.

### 5.25 Contingent Liabilities

The company has Contingent Liabilities excluding interest as following :

Unit : Million Baht

	2014	2013
<b>The Company was brought to the Civil Court as defendant in the following lawsuits :</b>		
Labour disputes	7.07	7.07
Compensation demands	7.32	7.10
<b>Total</b>	<b>14.39</b>	<b>14.17</b>

### 5.26 Interest Rate Swap (IRS) Agreement

As at 30 September 2014, the Company had a loss from IRS agreement at Baht 7.44 million, as a result, the credit limit of the agreement was carried at Baht 633.60 million and the agreement will be terminated on 6 October 2014.

### 5.27 Transactions between the company and Welfare fund

In fiscal year 2014, the company received income and contributed to welfare fund at net amount of Baht 217.27 million.



ON THE JOURNEY FROM GOOD TO GREAT

**AEROTHAI**





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