



Thai Airways International Public Company Limited
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(Translation)

THAI 01/242

1 July 2022

Subject: Report on Thai Airways International Public Company Limited's filing of petition for plan amendment
To: President,
The Stock Exchange of Thailand
Enclosure: Public relations news of the Corporate Communication Department on the website of Thai Airways International Public Company Limited, No. TG047/010722.

As the Central Bankruptcy Court has issued an order to approve the business rehabilitation of Thai Airways International Public Company Limited (the "Company" or "THAI") and appointed the Planner on 14 September 2020, and the Central Bankruptcy Court issued an order to approve the business rehabilitation plan and the amendment petitions in accordance with the resolution of the creditors' meeting. As a result, the plan administrator nominations according to the business rehabilitation plan, i.e. (1) Mr. Piyasvasti Amranand, (2) Mr. Pornchai Thiravet, (3) Mr. Siri Jirapongphan, (4) Mr. Kraisorn Barameeauychai, and (5) Mr. Chansin Treenuchagron, became the plan administrators ("Plan administrator") of which two of the Plan administrator are authorized to jointly sign to bind the Company. Therefore, the Plan Administrator's Meeting No. 25/2022, held on 30 June 2022, has approved the amendment of the business rehabilitation plan and submitted to the official receiver on 1 July 2022.

THAI would like to inform that today (1 July 2022) the Plan administrator submitted the petition for plan amendment to the official receiver, Business Reorganization Division, Legal Execution Department under the Ministry of Justice. The official receiver will determine and inform the date of the creditor's meeting to the creditors who are eligible to vote for consideration of the plan amendment proposal. The main issues for the plan amendment are as shown in the Enclosure. The Company will communicate the progress of rehabilitation including any other further developments as see appropriate.

Please be informed accordingly.

Yours sincerely,

(Mr. Suvadhana Sibunruang)
Acting Chief Executive Officer,
Attorney-in-Fact of the Plan Administrator

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A STAR ALLIANCE MEMBER 

TG047/010722

THAI Files Plan Amendment Petition to Build Confidence for its Airline Business to Recover, with Exponentially Growing Income in the Highest Liquidity in 24 Months

Thai Airways International Public Company Limited (THAI) said THAI has earned significant amount of revenue since November 2021 thanks to the eased global COVID-19 situation and international travel measures, the accomplishment of the Government's preventive measures, Test and Go travel measures, and the full border reopening on 1 July 2022 together with the declining of the COVID-19 situation around the world that has resulted in various countries gradually relaxed and canceled travel control measures since the last quarter of 2021. As a result, THAI increase flight frequencies in response to the growing travel demand. During the period of 1 - 27 June 2022, THAI and THAI Smile's average numbers of daily passenger increased to 12,568 and 12,257 passengers per day from 269 and 4,929 passengers per day, respectively, compared to those of April-October 2021. Whilst cabin factor has risen up to 75% in June 2022, advance booking in the third quarter of 2022 shows continual growth compared to the same period last year. During the first 6 months of 2022, THAI increased its flight frequencies and opened up new routes, again to capitalize the opportunities while air travel demand seems rapidly recovered. Such routes are Delhi, Mumbai, Chennai, Bengaluru, Lahore, Karachi, Islamabad, Hanoi, Ho Chi Minh City, Phnom Penh, Melbourne, London, Jakarta, Dhaka, Frankfurt, Taipei, Singapore, Copenhagen, Munich, Zurich, etc. THAI also plans to further increase flight frequencies during the second half of the year to Jakarta, Taipei, Singapore, Copenhagen, Munich, Zurich and Seoul, with flights to Tokyo (Haneda Airport), Brussels and Jeddah to be introduced as new routes. On cargo side, THAI cargo revenue in May 2022 amounted to 2,104 million baht, 41% higher than those in the same period in 2019.

THAI has accomplished progress in the business reorganization in other parts of process including achievement of the organization restructuring to be competitive in the aviation industry, the improvement of competitiveness to support sustainable growth, the disposal of assets that are not essential for the business plan (both by sales and rent) that generates cash flow for the company totaling approximately 9 billion baht that was used to maintain the operation of business for the past 2 years without creating burdens on shareholders and creditors, the cost reduction in various areas such as the cost of aircraft and aircraft engine maintenance and the increase in efficiency of fuel utilization in aviation operation. THAI has also progressed in personnel management and benefits, distribution channel management, as well as the increase of efficiency and opportunity to generate income, digital transformation improvement, and revenue generation from the aviation business unit. The company has established business cooperation with potential partners to expand distribution channels and developed new products to the market e.g. THAI's deep-fried dough stick (Patongko), "Royal Orchid Dining Experience" restaurant by THAI Catering, cargo charter flight services, as well as the development of aircraft and aircraft engine maintenance services. As a result, THAI's cash flow levels have significantly increased, causing demand for new loans to decrease from the original plan.

Therefore, today (1st July 2022), the Plan Administrator submitted the petition for plan amendment to the official receiver. The main issues for the plan amendment are as follows:

1. THAI may seek a new term loan of up to 6 years and/or a bond with the term of up to 6 years, which is up to Baht 12,500 million. Besides, THAI may also seek a revolving facility, which is up to Baht 12,500 million.
2. THAI is to increase its capital registration by approximately 31,500 million shares with the aim for positive equity for the stability of THAI's financial status. Consequently, THAI shares can be traded on the stock exchange again with the following methods.
 - a. To give a new financial supporter the right to buy a new share at the same amount as the drawdown amount of the new facility approximately Baht 12,500 million.

- b. To repay the creditor under the plan with debt-to-equity conversion. The Ministry of Finance, which is the financial creditor and main shareholder, will be repaid by debt-to-equity conversion for the whole principal amount. The other financial creditors, including debenture creditors, will be repaid by debt-to-equity conversion for 24.50% of the principal and the remaining principal of 75.50% will be repaid by cash with the same term of the existing Plan. The debt-to-equity conversion causes THAI to increase its equity and reduce the debts under the Plan by approximately Baht 37,800 million.
- c. To allot the new shares for the creditor under the Plan to exercise its right to convert the new interest into the equity at 2.5452 Baht/share. This may cause THAI to reduce the debts on new interests, which are suspended, by approximately Baht 4,845 million.
- d. To allot and sell the new shares, at the price which the Plan Administrator sees fit and at least 2.5452 Baht/share, to the original shareholders as per their proportion. In case where no one exercises the right or the original shareholder does not exercise the right for buying the shares in full, the remaining share shall be sold to THAI's employees and in a private placement. This would raise additional equities for THAI by approximately Baht 25,000 million.

THAI expects to receive the total equity from debt and capital restructuring under the proposal for plan amendment by approximately Baht 80,000 million. THAI expects to complete this capital restructuring within 2024. If this process can be completed under the proposal of the plan amendment, THAI's equity will be positive in 2024 and THAI share is likely to be traded again in the stock exchange in 2025.

- 3. THAI revises and adds the details of repayment to some creditor classes to make it clear for implementing and enhancing flexibility in THAI's operation during the ramp-up period without any effect to the creditors' right and repayment under the Plan.
- 4. THAI revises the details in the success of the Plan and the parts that are unnecessary and inconsistent with the current situation.

The Plan Administrator is confident that the submission of the proposal for a plan amendment would enhance the confidence of THAI's creditors, shareholders, passengers, and customers toward the THAI's business reorganization. This is a significant step in laying the foundation for THAI's growth and profit-making capability in the future for sustaining THAI as the national flag carrier, the main airline bringing profit to the country, and the main resource to support and promote the recuperation of Thai economy in the upcoming period.

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About Star Alliance:

The Star Alliance network was established in 1997 as the first truly global airline alliance to offer worldwide reach, recognition and seamless service to the international traveller. Its acceptance by the market has been recognised by numerous awards, including the Air Transport World Market Leadership Award and Best Airline Alliance by both Business Traveller Magazine and Skytrax. The member airlines are: Aegean Airlines, Air Canada, Air China, Air India, Air New Zealand, ANA, Asiana Airlines, Austrian, Avianca, Brussels Airlines, Copa Airlines, Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Air Portugal, THAI, Turkish Airlines and United. Overall, the Star Alliance network currently offers more than 19,000 daily flights to over 1,250 airports in 195 countries. Further connecting flights are offered by Star Alliance Connecting Partner, Juneyao Airlines. Further information is available via: www.staralliance.com, Facebook, Twitter, Youtube, LinkedIn or Instagram.