

ASIA AVIATION PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2016



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Asia Aviation Public Company Limited

I have reviewed the accompanying consolidated and company statement of financial position as at 30 September 2016, the related consolidated and company statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and condensed notes to interim financial information of Asia Aviation Public Company Limited and its subsidiary, and of Asia Aviation Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in blue ink, appearing to read 'Chanchai Chaiprasit', with a checkmark at the end.

Chanchai Chaiprasit
Certified Public Accountant (Thailand) No. 3760
PricewaterhouseCoopers ABAS Ltd.

Bangkok
9 November 2016

Asia Aviation Public Company Limited
Statement of Financial Position
As at 30 September 2016

	Notes	Consolidated		Company	
		Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Assets					
Current assets					
Cash and cash equivalents		6,285,176,972	6,122,814,644	53,156,099	51,437,734
Cash at financial institutions pledged as security		310,359,364	358,741,649	-	-
Short-term investments	5	1,535,728,653	1,109,230,126	-	-
Trade and other receivables, net	6	451,056,198	439,190,726	160,500	-
Amounts due from related parties	13.4	586,462,267	326,208,917	-	-
Inventories		128,650,385	94,033,284	-	-
Prepaid expenses		235,496,829	315,699,793	168,728	928,847
Other current assets		319,684,305	63,283,980	2,697,265	1,563,891
Total current assets		9,852,614,973	8,829,203,119	56,182,592	53,930,472
Non-current assets					
Cash at financial institutions pledged as security		1,601,820	6,441,435	-	-
Long-term investments		11,848,500	13,291,300	-	-
Investment in a subsidiary	7	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	13.5	2,512,023,068	1,066,380,311	-	-
Aircraft, leasehold improvements and equipment, net	8	17,492,634,425	18,216,068,951	14,182	17,401
Intangible assets, net	8	14,869,930,738	14,868,493,040	1	1
Goodwill		8,824,825,803	8,824,825,803	-	-
Deferred tax assets, net		-	-	858,421	1,404,795
Other non-current assets		1,060,051,495	1,001,821,169	-	-
Total non-current assets		44,772,915,849	43,997,322,009	3,067,986,974	3,068,536,567
Total assets		54,625,530,822	52,826,525,128	3,124,169,566	3,122,467,039

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2016

		Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
	Notes	30 September	31 December	30 September	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		405,793,811	335,807,004	-	-
Other accounts payable		221,763,796	194,558,325	-	-
Amounts due to related parties	13.7	366,623,823	917,878,501	-	-
Deferred revenues		4,112,326,834	4,030,229,013	-	-
Accrued expenses		1,559,052,166	1,516,586,327	1,048,194	1,556,800
Current portion of long-term borrowings	9	459,496,780	-	-	-
Current portion of finance lease liabilities	10	1,030,718,625	1,261,443,422	-	-
Other current liabilities		40,793,676	39,983,783	774,377	748,738
Total current liabilities		8,196,569,511	8,296,486,375	1,822,571	2,305,538
Non-current liabilities					
Long-term borrowings	9	1,540,503,220	-	-	-
Finance lease liabilities	10	9,916,400,586	12,775,395,312	-	-
Deferred tax liabilities, net		3,365,910,589	3,502,537,265	-	-
Employee benefit obligations		200,743,581	168,945,620	-	-
Total non-current liabilities		15,023,557,976	16,446,878,197	-	-
Total liabilities		23,220,127,487	24,743,364,572	1,822,571	2,305,538

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2016

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Liabilities and shareholders' equity (Cont'd)				
Shareholders' equity				
Share capital				
Authorised share capital				
Ordinary shares, 4,850,000,000 shares of par Baht 0.1 each	485,000,000	485,000,000	485,000,000	485,000,000
Issued and paid-up share capital				
Ordinary shares, 4,850,000,000 shares of paid-up Baht 0.1 each	485,000,000	485,000,000	485,000,000	485,000,000
Premium on share capital	2,599,808,274	2,599,808,274	2,599,808,274	2,599,808,274
Retained earnings				
Appropriated				
Legal reserve	26,619,661	26,510,386	26,619,661	26,510,386
Unappropriated	18,859,174,558	17,031,066,832	10,919,060	8,842,841
Equity attributable to owners of the parent	21,970,602,493	20,142,385,492	3,122,346,995	3,120,161,501
Non-controlling interests	9,434,800,842	7,940,775,064	-	-
Total shareholders' equity	31,405,403,335	28,083,160,556	3,122,346,995	3,120,161,501
Total liabilities and shareholders' equity	54,625,530,822	52,826,525,128	3,124,169,566	3,122,467,039

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 September 2016

	Notes	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Revenues from sales and services		8,145,482,621	7,254,198,090	6,250,000	6,250,000
Cost of sales of goods and services		(6,943,997,005)	(6,354,107,424)	-	-
Gross profit		1,201,485,616	900,090,666	6,250,000	6,250,000
Net gain on exchange rates		39,279,717	-	-	-
Other income	13.1	162,628,117	201,100,564	47	527,022,166
Profit before expenses		1,403,393,450	1,101,191,230	6,250,047	533,272,166
Selling expenses		(396,169,766)	(366,241,027)	-	-
Administrative expenses		(262,610,225)	(225,400,957)	(9,211,631)	(8,749,420)
Net loss on exchange rates		-	(231,423,906)	-	-
Profit (loss) before finance costs, share of loss from investment in an associate and income tax		744,613,459	278,125,340	(2,961,584)	524,522,746
Finance costs		(160,197,724)	(88,205,673)	-	-
Profit (loss) before share of loss from investment in an associate and income tax		584,415,735	189,919,667	(2,961,584)	524,522,746
Share of loss from investment in an associate		-	(305,600)	-	-
Profit (loss) before income tax		584,415,735	189,614,067	(2,961,584)	524,522,746
Income tax	11	138,675,147	(21,428,009)	592,316	499,884
Net profit (loss) for the period		723,090,882	168,186,058	(2,369,268)	525,022,630
Total comprehensive income (expense) for the period		723,090,882	168,186,058	(2,369,268)	525,022,630
Net profit (loss) for the period attributable to:					
Owners of the parent		396,633,813	91,602,541	(2,369,268)	525,022,630
Non-controlling interests		326,457,069	76,583,517	-	-
		723,090,882	168,186,058	(2,369,268)	525,022,630
Earnings (loss) per share					
Basic earnings (loss) per share	12	0.0818	0.0189	(0.0005)	0.1083

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the nine-month period ended 30 September 2016

	Notes	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Revenues from sales and services		24,853,828,062	21,873,327,027	18,750,000	18,750,000
Cost of sales of goods and services		(19,966,912,397)	(18,551,413,636)	-	-
Gross profit		4,886,915,665	3,321,913,391	18,750,000	18,750,000
Net gain on exchange rates		65,155,540	-	-	-
Other income	13.1	576,513,545	588,226,581	963,000	527,749,022
Profit before expenses		5,528,584,750	3,910,139,972	19,713,000	546,499,022
Selling expenses		(1,133,122,669)	(1,044,946,483)	-	-
Administrative expenses		(801,656,212)	(623,326,901)	(16,981,132)	(17,401,020)
Net loss on exchange rates		-	(300,352,014)	-	-
Profit before finance costs, share of loss from investment in an associate and income tax		3,593,805,869	1,941,514,574	2,731,868	529,098,002
Finance costs		(396,181,888)	(339,640,223)	-	-
Profit before share of loss from investment in an associate and income tax		3,197,623,981	1,601,874,351	2,731,868	529,098,002
Share of loss from investment in an associate		-	(487,638)	-	-
Profit before income tax		3,197,623,981	1,601,386,713	2,731,868	529,098,002
Income tax	11	124,618,798	(141,029,869)	(546,374)	(415,167)
Net profit for the period		3,322,242,779	1,460,356,844	2,185,494	528,682,835
Total comprehensive income for the period		3,322,242,779	1,460,356,844	2,185,494	528,682,835
Net profit for the period attributable to:					
Owners of the parent		1,828,217,001	803,943,565	2,185,494	528,682,835
Non-controlling interests		1,494,025,778	656,413,279	-	-
		3,322,242,779	1,460,356,844	2,185,494	528,682,835
Earnings per share					
Basic earnings per share	12	0.3770	0.1658	0.0005	0.1090

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity
For the nine-month period ended 30 September 2016

	Consolidated						
	Attributable to owners of the parent				Total owners of the parent	Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings				
			Appropriated - legal reserve	Unappropriated	Baht	Baht	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2015 (Audited)	485,000,000	2,599,808,274	-	16,449,402,593	19,534,210,867	7,481,688,238	27,015,899,105
Total comprehensive income for the period	-	-	-	803,943,565	803,943,565	656,413,279	1,460,356,844
Dividends	-	-	-	(483,139,470)	(483,139,470)	(431,200,154)	(914,339,624)
Legal reserve	-	-	24,250,000	(24,250,000)	-	-	-
Closing balance as at 30 September 2015 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>24,250,000</u>	<u>16,745,956,688</u>	<u>19,855,014,962</u>	<u>7,706,901,363</u>	<u>27,561,916,325</u>
Opening balance as at 1 January 2016 (Audited)	485,000,000	2,599,808,274	26,510,386	17,031,066,832	20,142,385,492	7,940,775,064	28,083,160,556
Total comprehensive income for the period	-	-	-	1,828,217,001	1,828,217,001	1,494,025,778	3,322,242,779
Legal reserve	-	-	109,275	(109,275)	-	-	-
Closing balance as at 30 September 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,619,661</u>	<u>18,859,174,558</u>	<u>21,970,602,493</u>	<u>9,434,800,842</u>	<u>31,405,403,335</u>

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity (Cont'd)
For the nine-month period ended 30 September 2016

	Company				Total Baht
	Issued and paid-up share capital Baht	Premium on share capital Bath	Retained earnings (deficits)		
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2015 (Audited)	485,000,000	2,599,808,274	-	(11,715,033)	3,073,093,241
Total comprehensive income for the period	-	-	-	528,682,835	528,682,835
Dividends	-	-	-	(483,139,470)	(483,139,470)
Legal reserve	-	-	24,250,000	(24,250,000)	-
Closing balance as at 30 September 2015 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>24,250,000</u>	<u>9,578,332</u>	<u>3,118,636,606</u>
Opening balance as at 1 January 2016 (Audited)	485,000,000	2,599,808,274	26,510,386	8,842,841	3,120,161,501
Total comprehensive income for the period	-	-	-	2,185,494	2,185,494
Legal reserve	-	-	109,275	(109,275)	-
Closing balance as at 30 September 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,619,661</u>	<u>10,919,060</u>	<u>3,122,346,995</u>

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Cash Flows
For the nine-month period ended 30 September 2016

	Note	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Cash flows from operating activities					
Profit before income tax		3,197,623,981	1,601,386,713	2,731,868	529,098,002
Adjustments for:					
Bad debt		216,569	-	-	-
Depreciation	8	865,703,885	830,493,433	3,219	3,039
Amortisation	8	3,422,392	3,643,795	-	-
Amortisation of prepaid expenses		89,770,662	156,726,319	1,209,669	1,486,554
(Gain) loss on disposals of leasehold improvements and equipment		(1,645,131)	1,909,900	-	-
Employee benefit expenses		33,397,961	31,633,937	-	-
Net (gain) loss on exchange rate		(197,415,459)	489,156,409	-	-
Net gain on fair value adjustment in investments in private funds		-	(27,192)	-	-
Share of loss from investment in an associate		-	487,638	-	-
Finance costs		396,161,888	339,640,223	-	-
Interest income		(46,391,605)	(80,301,639)	(93,000)	(6,856)
Dividends income		-	-	-	(527,022,166)
		4,340,845,143	3,374,749,536	3,851,756	3,558,573
Changes in operating assets and liabilities:					
- Trade and other receivables		(13,007,613)	139,380,084	(160,500)	-
- Amounts due from related parties		(260,601,007)	(393,642,535)	-	(6,687,500)
- Inventories		(34,617,102)	(36,311,393)	-	-
- Prepaid expenses		(7,167,698)	(153,869,338)	(449,550)	(1,990,738)
- Value added tax receivable		-	63,641,218	-	-
- Other current assets		(251,691,416)	(13,598,921)	(554,344)	(396,672)
- Other non-current assets		(58,230,326)	(181,715,618)	-	-
- Trade accounts payable		69,986,807	39,374,543	-	-
- Other accounts payable		27,205,471	28,242,132	-	-
- Amounts due to related parties		(551,254,678)	(18,684,422)	-	-
- Deferred revenues		82,097,821	(862,162,661)	-	-
- Accrued expenses		45,157,756	(2,040,212)	(508,606)	1,774,999
- Other current liabilities		1,297,793	(4,410,393)	25,639	28,698,569
Cash generated from operating activities		3,390,020,951	1,978,952,020	2,204,395	24,957,231
Income tax paid		(17,204,687)	(5,064,860)	(579,030)	(381,069)
Interest received		29,642,225	19,451,087	93,000	6,856
Employee benefit paid		(1,600,000)	-	-	-
Net cash generated from operating activities		3,400,858,489	1,993,338,247	1,718,365	24,583,018

The accompanying notes are an integral part of these interim financial information.

Asia Aviation Public Company Limited
Statement of Cash Flows (Cont'd)
For the nine-month period ended 30 September 2016

	Notes	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Cash flows from investing activities					
Decrease (increase) in cash at financial institutions pledged as security		40,191,481	(258,918,263)	-	-
Decrease (increase) in short-term investments		(443,877,653)	409,578,602	-	-
Decrease in investments in private funds		-	10,507,428	-	-
Decrease in long-term investments		1,442,800	498,836,800	-	-
Payment for investment in an associate		-	(2,500,000)	-	-
Payment for aircraft maintenance reserves		(1,445,642,757)	-	-	-
Proceeds from disposals of leasehold improvements and equipment		76,929,202	1,497,261	-	-
Payments for aircraft, leasehold improvements and equipment		(211,460,999)	(794,740,810)	-	(21,500)
Payments for intangible assets	8	(4,860,090)	(4,414,731)	-	-
Interest received		19,125,063	101,819,607	-	-
Dividends received		-	-	-	527,022,166
Net cash generated from (used in) investing activities		(1,968,152,953)	(38,334,106)	-	527,000,666
Cash flows from financing activities					
Proceeds from long-term borrowings	9	2,000,000,000	-	-	-
Payment for front end fee		(2,400,000)	-	-	-
Payments for early termination of finance leases		(1,931,831,266)	-	-	-
Repayments of finance leases		(895,589,988)	(766,306,954)	-	-
Interest paid		(394,995,714)	(411,137,180)	-	-
Dividends paid to Group shareholders		-	(483,139,470)	-	(483,139,470)
Dividends paid to non-controlling interests		-	(431,200,154)	-	-
Net cash used in financing activities		(1,224,816,968)	(2,091,783,758)	-	(483,139,470)
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period		6,122,814,644	4,789,064,903	51,437,734	5,632,235
Exchange gain (loss) on cash and cash equivalents		(45,526,240)	157,636,247	-	-
Cash and cash equivalents at the end of the period		6,285,176,972	4,809,921,533	53,156,099	74,076,449

Non-cash transactions

Significant non-cash transactions during the nine-month periods ended 30 September 2016 and 2015 are as follows:

Purchases of aircraft spare parts which have not been paid	6,745,676	68,331,256	-	-
Purchases of aircraft and aircraft engine under finance lease agreements	-	2,318,695,692	-	-

The accompanying notes are an integral part of these interim financial information.

1 General information

Asia Aviation Public Company Limited (“the Company”) is a public company and incorporated in Thailand. The address of the Company’s registered office is as follows:

222, Don Mueang International Airport, 3rd floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin district, Don Mueang, Bangkok, 10210.

The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiary is referred to as “the Group”.

The principal business operations of the Company and its subsidiary are summarised below:

The Company’s principal business operation is to invest in low-fare airline business company which is Thai AirAsia Company Limited. The Company’s shareholding interest is 55% (2015: 55%).

The subsidiary, Thai AirAsia Company Limited, principally provides low-fare airline services.

These interim consolidated and company financial information were approved by the Board of Directors on 9 November 2016.

These interim consolidated and company financial information have been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

These interim consolidated and company financial information were prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statement of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2015), “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the consolidated and company financial statements for the year ended 31 December 2015.

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the consolidated and company financial statements for the year ended 31 December 2015.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Asia Aviation Public Company Limited
Condensed Notes to Interim Financial Information
For the nine-month period ended 30 September 2016

2 Accounting policies (Cont'd)

2.2 New financial reporting standard, revised accounting standards, revised financial reporting standards, and related interpretations (collectively called financial reporting standards)

The Group has applied the new and revised financial reporting standards effective on 1 January 2016 which were disclosed to financial statement for the year ended 31 December 2015. The application of those financial reporting standards does not have significant impact to the interim financial information.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and company financial statements for the year ended 31 December 2015.

4 Segment information

Financial information by business segments

	Consolidated				
	For the three-month period ended 30 September 2016 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	7,503,447,343	642,035,278	6,250,000	(6,250,000)	8,145,482,621
Profit (loss) from operation	366,308,884	184,086,875	(2,961,631)	-	547,434,128
Unallocated costs					(4,728,503)
Net gain on exchange rates					39,279,717
Other income					162,628,117
Finance costs					(160,197,724)
Profit before income tax					584,415,735
Income tax					138,675,147
Net profit for the period					723,090,882
Consolidated total assets					54,625,530,822

Asia Aviation Public Company Limited
Condensed Notes to Interim Financial Information
For the nine-month period ended 30 September 2016

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

	Consolidated				
	For the three-month period ended 30 September 2015 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	6,678,901,512	575,296,578	6,250,000	(6,250,000)	7,254,198,090
Profit (loss) from operation	242,049,114	73,820,680	(2,499,420)	-	313,370,374
Unallocated costs					(4,921,692)
Other income					201,100,564
Net loss on exchange rates					(231,423,906)
Finance costs					(88,205,673)
Profit before share of loss from investment in an associate and income tax					189,919,667
Share of loss from investment in an associate					(305,600)
Income tax					(21,428,009)
Net profit for the period					168,186,058
Consolidated total assets					51,723,400,163

	Consolidated				
	For the nine-month period ended 30 September 2016 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	23,139,571,527	1,714,256,535	18,750,000	(18,750,000)	24,853,828,062
Profit from operation	2,478,457,811	486,145,579	1,768,868	-	2,966,372,258
Unallocated costs					(14,235,474)
Net gain on exchange rates					65,155,540
Other income					576,513,545
Finance costs					(396,181,888)
Profit before tax					3,197,623,981
Income tax					124,618,798
Net profit for the period					3,322,242,779
Consolidated total assets					54,625,530,822

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4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

	Consolidated				Total Baht
	For the nine-month period ended 30 September 2015 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	
Revenues from sales and services	20,265,846,372	1,607,480,655	18,750,000	(18,750,000)	21,873,327,027
Profit from operation	1,370,498,124	297,059,098	1,348,980	-	1,668,906,202
Unallocated costs					(15,266,195)
Other income					588,226,581
Net loss on exchange rates					(300,352,014)
Finance costs					(339,640,223)
Profit before share of loss from investment in an associate and income tax					1,601,874,351
Share of loss from investment in an associate					(487,638)
Income tax					(141,029,869)
Net profit for the period					<u>1,460,356,844</u>
Consolidated total assets					51,723,400,163

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

The operations of the Group's reporting segments are described as follows:

- Scheduled flight operations: The Group provides passenger air transportation services to routine destinations based on scheduled flights. The Group sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Charter flight operations: The Group provides passenger air transportation services to non-routine destinations. Flights are operated when there is a hiring from customers who normally are tourist agency companies.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial information. Net gain (loss) on exchange rates, other income, finance costs, share of gain (loss) from investment in an associate and income tax are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segments. Hence, they are not allocated to each reporting segment.

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5 Short-term investments

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Fixed deposits	1,535,728,653	1,109,230,126	-	-

As at 30 September 2016, short-term investments comprise fixed deposits of US Dollars 30 million and Baht 500 million (as at 31 December 2015: US Dollars 9.99 million and Baht 750 million). Fixed deposits have the period of 10-month to 12-month and bear interests at the rates of 1.00% to 1.65% per annum (2015: 0.80% to 2.00% per annum).

6 Trade and other receivables, net

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Trade accounts receivable	337,407,628	354,170,114	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable, net	337,407,628	354,170,114	-	-
Accrued airport incentive	42,584,875	2,843,204	-	-
Accrued income	43,218,218	49,568,722	-	-
Other accounts receivable	27,845,477	32,608,686	160,500	-
Total trade and other receivables, net	451,056,198	439,190,726	160,500	-

Outstanding trade accounts receivable can be analysed by age as follows:

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Up to 3 months	320,725,474	340,651,599	-	-
3 - 6 months	5,148,784	7,020,344	-	-
6 - 12 months	7,477,719	726,806	-	-
Over 12 months	4,055,651	5,771,365	-	-
Total trade accounts receivable	337,407,628	354,170,114	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable, net	337,407,628	354,170,114	-	-

7 Investment in a subsidiary

The investment of the Group is as follows:

	Country of incorporation	Nature of business	Percentage of Shareholding and voting rights		Company Cost method	
			30 September 2016 Percent	31 December 2015 Percent	30 September 2016 Baht	31 December 2015 Baht
Thai AirAsia Company Limited	Thai	Providing a low-fare airline service	55	55	3,067,114,370	3,067,114,370

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8 Aircraft, leasehold improvements, equipment and intangible assets, net

	Consolidated				Company	
	Intangible assets				Intangible assets	
	Aircraft, leasehold improvements and equipment Baht	Computer software and computer installation Baht	Landing rights Baht	Total Baht	Leasehold improvements and equipment Baht	Computer software Baht
For the nine-month period ended 30 September 2016						
Opening net book amount (Audited)	18,216,068,951	12,493,040	14,856,000,000	14,868,493,040	17,401	1
Additions	217,553,430	4,860,090	-	4,860,090	-	-
Disposals/write-offs, net	(75,284,071)	-	-	-	-	-
Depreciation/amortisation	(865,703,885)	(3,422,392)	-	(3,422,392)	(3,219)	-
Closing net book amount (Unaudited)	17,492,634,425	13,930,738	14,856,000,000	14,869,930,738	14,182	1

9 Long-term borrowings

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2016 Baht
Long-term borrowings				
from financial institutions:				
- Current portion	459,496,780	-	-	-
- Non-current portion	1,540,503,220	-	-	-
Total	<u>2,000,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the nine-month period ended 30 September 2016, the Group entered into loan agreements with local financial institutions for repayment of the remaining obligations to the existing financial institutions on behalf of the early termination of 2 aircraft finance leases and 2 aircraft engine finance leases. As the result, the Company has lower interest payment and cash flow hedges of future interest payments. The loan agreements mature in 3 years and bear interest at a fixed rate per annum. These borrowings are unsecured and denominated in Thai Baht.

Movements in long-term borrowings for the nine-month period ended 30 September 2016 are analysed as follows:

	Consolidated	Company
	2016 Baht	2016 Baht
Opening book amount (Audited)	-	-
Proceed from long-term borrowing	2,000,000,000	-
Closing book amount (Unaudited)	<u>2,000,000,000</u>	<u>-</u>

Credit facilities

As at 30 September 2016, the Group has non-available credit facilities.

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10 Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Within 1 year	1,363,439,828	1,709,396,605	-	-
Later than 1 year but not later than 5 years	5,453,759,315	6,765,109,949	-	-
Later than 5 years	5,876,782,510	8,033,497,105	-	-
<u>Less</u> Future finance charges on finance leases	(1,746,862,442)	(2,471,164,925)	-	-
Total	10,947,119,211	14,036,838,734	-	-
Representing lease liabilities:				
- Current portion	1,030,718,625	1,261,443,422	-	-
- Non-current portion	9,916,400,586	12,775,395,312	-	-
Total	10,947,119,211	14,036,838,734	-	-

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Within 1 year	1,338,329,914	1,676,545,078	-	-
Later than 1 year but not later than 5 years	4,945,062,991	6,104,530,065	-	-
Later than 5 years	4,663,726,306	6,255,763,591	-	-
Total	10,947,119,211	14,036,838,734	-	-

11 Income tax

Income tax expense presented in the consolidated and company statements of comprehensive income is calculated from the taxable net profit at 20% (2015: 20%).

12 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares outstanding during the period.

	Consolidated		Company	
	For the three-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	396,633,813	91,602,541	(2,369,268)	525,022,630
Weighted average number of paid-up ordinary shares outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings (loss) per share (Baht per share)	0.0818	0.0189	(0.0005)	0.1083
	Consolidated		Company	
	For the nine-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
Net profit for the period attributable to ordinary shareholders of the parent (Baht)	1,828,217,001	803,943,565	2,185,494	528,682,835
Weighted average number of paid-up ordinary shares outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings per share (Baht per share)	0.3770	0.1658	0.0005	0.1090

The Group has no diluted potential ordinary shares in issue during the periods.

13 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

On 13 June 2016, the Company changed its major shareholder from the Bijleveld family, also the Company's management, to the Srivaddhanaprabha family, the new major shareholder and management of the King Power Group. The remaining shares are widely held. The shareholding structure change caused new related party transactions: commission from sales of duty free goods and sponsorship fee paid to Leicester City Football Club because the Company and the King Power Group have the same major shareholder from 13 June 2016 onwards.

For reporting purpose, AirAsia Berhad who held 45% of the shares of Thai AirAsia Company Limited, a subsidiary, and AirAsia Berhad's related parties are referred to as other related parties.

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13 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

13.1 Income

	Consolidated		Company	
	For the three-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Other related parties				
Interest income	3,559,898	624,755	-	-
Other administrative fee	8,667,387	13,185,708	-	-
Commission from sales of duty free goods	1,854,543	-	-	-
Subsidiary				
Management fee	-	-	6,250,000	6,250,000
Dividend income	-	-	-	527,022,166

	Consolidated		Company	
	For the nine-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Other related parties				
Interest income	11,108,054	2,227,623	-	-
Other administrative fee	31,399,254	33,948,677	-	-
Commission from sales of duty free goods	2,219,514	-	-	-
Subsidiary				
Management fee	-	-	18,750,000	18,750,000
Dividend income	-	-	-	527,022,166

13.2 Purchases of goods, services and expenses

	Consolidated		Company	
	For the three-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Other related parties				
Share of loss from fuel price swap agreements	54,011,023	298,412,370	-	-
Share of staff costs for accounting and other services	5,575,738	7,714,325	-	-
Aircraft rental	1,117,629,764	1,073,389,417	-	-
Aircraft repair and maintenance	531,008,279	276,561,239	-	-
Purchases of merchandises and equipment	16,965,030	31,894,944	-	-
Management fee expenses	4,188,996	4,315,756	-	-
Booking fee expenses	39,673,960	33,897,560	-	-
Pilot training expenses	46,947,488	38,716,200	-	-
Brand license fee expenses	82,685,730	75,594,311	-	-
Sponsorship fee paid to Leicester City Football Club	2,500,000	-	-	-

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13 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

13.2 Purchases of goods, services and expenses (Cont'd)

	Consolidated		Company	
	For the nine-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Other related parties				
Share of loss from				
fuel price swap agreements	372,264,123	852,092,113	-	-
Share of staff costs for				
accounting and other services	24,300,109	29,548,417	-	-
Aircraft rental	3,373,388,888	3,003,666,021	-	-
Aircraft repair and maintenance	1,536,139,129	1,083,251,224	-	-
Purchases of merchandises				
and equipment	84,559,301	178,073,139	-	-
Management fee expenses	12,732,612	12,272,428	-	-
Booking fee expenses	121,105,467	94,377,711	-	-
Pilot training expenses	95,087,867	81,506,067	-	-
Brand license fee expenses	252,221,516	224,828,821	-	-
Sponsorship fee paid to				
Leicester City Football Club	6,542,460	-	-	-

13.3 Management remunerations

Key management includes directors (executive and non-executive). The compensation paid or payable to key management is shown below:

	Consolidated		Company	
	For the three-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Salaries and other short-term				
employee benefits	25,300,955	27,083,645	2,040,000	4,424,999
Retirement benefits	2,362,357	1,315,523	-	-
Total	27,663,312	28,399,168	2,040,000	4,424,999

	Consolidated		Company	
	For the nine-month periods ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Salaries and other short-term				
employee benefits	94,911,519	80,874,043	5,960,000	8,172,499
Retirement benefits	7,087,083	4,049,005	-	-
Total	101,998,602	84,923,048	5,960,000	8,172,499

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13 Related party transactions (Cont'd)

Outstanding balances of receivables, aircraft maintenance reserves, other non-current assets and payables are summarised as follows:

13.4 Amounts due from related parties

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Other related parties	586,462,267	326,208,917	-	-

Amounts due from related parties for overdue amount have been charged with the interest at 6% per annum (2015: 6% per annum).

13.5 Aircraft maintenance reserves

AirAsia Berhad, a related party, had entered into an Aircraft maintenance services agreement with the Group. Under this agreement, the Group will make prepayments for the aircraft maintenance reserves based on the number of aircraft, number of engines and number of hours flown. These aircraft maintenance reserves are managed by AirAsia Berhad for future maintenance/overhaul deemed necessary to be performed once the aircraft reaches certain engine hours/hours flown.

As at 30 September 2016, the Group had commitment from an Aircraft maintenance services agreement amounting to US Dollars 2,160,146 (as at 31 December 2015: US Dollars 21,960,368).

13.6 Other non-current assets

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Other related parties				
Aircraft rental deposits	717,760,197	748,209,343	-	-
Fuel price swap deposit	17,262,150	17,961,650	-	-
Total	735,022,347	766,170,993	-	-

13.7 Amounts due to related parties

	Consolidated		Company	
	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 September 2016 Baht	Audited 31 December 2015 Baht
Other related parties	366,623,823	917,878,501	-	-

14 Fair value of derivative financial instruments

The following table presents the fair value of the derivatives used to manage risks as at 30 September 2016

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Consolidated	
	Level 2 USD	Level 2 Baht
Assets		
Derivatives used for hedging		
Fuel price swap agreements	6,289,458	-
Total assets	6,289,458	-
Liabilities		
Derivatives used for hedging		
Foreign exchange forward contracts	-	31,370,110
Cross currency swap agreement	-	8,954,037
Interest rate swap agreements	-	163,761,419
Total liabilities	-	204,085,566

The following table presents the fair value of the derivatives used to manage risks as at 31 December 2015.

	Consolidated	
	Level 2 USD	Level 2 Baht
Assets		
Derivatives used for hedging		
Foreign exchange forward contract	-	3,461,205
Cross currency swap agreement	-	52,215,877
Total assets	-	55,677,082
Liabilities		
Derivatives used for hedging		
Fuel price swap agreements	21,775,524	-
Interest rate swap agreements	-	10,977,994
Total liabilities	21,775,524	10,977,994

14 Fair value of derivative financial instruments (Cont'd)

Derivatives instruments are measured at their fair values which were quoted prices of the financial institutions with which the Group entered into derivative instrument agreements. The fair values were based on observable information, such as interest rates, foreign exchange rates and fuel prices commonly quoted in publicly available sources on the date of the statements of financial position. This is within level 2 of the fair value hierarchy.

15 Commitments

For the nine-month period ended 30 September 2016, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2015 (please see consolidated and company financial statements for the year ended 31 December 2015).

The Group had the future aggregate minimum lease payments in respect of non-cancellable operating aircraft lease agreements made with AirAsia (Mauritius) Limited, which is a related company, and another third party lessors, and insurance agreements of aircraft and aircraft engines as follows:

	Consolidated			
	Unaudited 30 September 2016		Audited 31 December 2015	
	Rental US Dollars	Insurance agreements US Dollars	Rental US Dollars	Insurance agreements US Dollars
Within 1 year	141,613,445	1,681,510	126,647,808	1,003,906
Later than 1 year but not later than 5 years	512,659,261	-	481,391,232	-
Later than 5 years	212,845,537	-	220,655,835	-
Total	867,118,243	1,681,510	828,694,875	1,003,906

16 Guarantees

As at 30 September 2016, there was a commitment related to guarantees issued by bank in respect of pilot trainees' loans in accordance with its professional pilot courses amounting to Baht 215.66 million (as at 31 December 2015: Baht 178.17 million). Normally, a guarantee is terminated when the pilot trainee earns a commercial pilot's license and is assigned as a co-pilot or when the pilot trainee settles all outstanding debts with the bank. However, the Group can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Group.

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17 Letters of guarantee

The Group had commitments from letters of guarantee in respect of ground handling, technical support and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows:

	Consolidated						
	Unaudited			Audited			
	30 September 2016			31 December 2015			
	Singapore	US	Indian		US	Indian	
	Baht	Dollars	Dollars	Rupee	Baht	Dollars	Rupee
	million	million	million	million	million	million	million
Guarantees relating to flight operating activities	7.90	1.81	0.09	34.82	7.90	0.09	23.58
Guarantees relating to maintenance reserve fund	-	-	29.97	-	-	27.62	-
Total	7.90	1.81	30.06	34.82	7.90	27.71	23.58

The Group also used its saving and current accounts as collateral for these letters of guarantee as follows:

	Consolidated						
	Unaudited			Audited			
	30 September 2016			31 December 2015			
	Singapore	US	Indian		US	Indian	
	Baht	Dollars	Dollars	Rupee	Baht	Dollars	Rupee
	million	million	million	million	million	million	million
Saving account	-	-	8.99	-	85.38	-	-
Current account	-	-	-	3.30	-	7.61	12.68
Total	-	-	8.99	3.30	85.38	7.61	12.68

18 Promotional privileges

On 13 March 2013, a subsidiary received a certificate of promotional privileges from the Board of Investment (“BOI”) for 24 aircraft for the business of air transportation. The main privileges include exemption from payment of import duty on aircraft and related spare parts and exemption from corporate income tax for the promoted activities for a period of eight years from the date when income is first derived. To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. The conditions require that the subsidiary’s authorized and paid-up share capital is not less than Baht 435.50 million.

As at 30 September 2016, the subsidiary had received 21 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2015: 17 aircraft).

19 Subsequent events

On 29 October 2016, Thai AirAsia Company Limited, its subsidiary accepted the delivery of one additional Airbus A320-251N aircraft. The expansion of the subsidiary's fleet is to support the launch of new routes and increase the frequency of flights on the subsidiary's existing routes. This aircraft is acquired under finance lease agreement for period of 12 years.

At the Board of Directors' meeting of Thai AirAsia Co., Ltd., a subsidiary on 9 November 2016, the Board of Directors passed a resolution to propose the interim dividend at Baht 30.80 per share, totalling of Baht 1,341.51 million.

At the Board of Directors' meeting of Thai AirAsia Co., Ltd., a subsidiary on 9 November 2016, the Board of Directors passed a resolution to issue debentures amounting not more than Baht 10,000 million. The debentures mature no longer than 10 years from the date of issuance. The subsidiary expects to offer the debentures in the first quarter of 2017.