

ASIA AVIATION PUBLIC COMPANY LIMITED

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

31 MARCH 2017



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Asia Aviation Public Company Limited and its subsidiary, and the interim separate financial information of Asia Aviation Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2017, and the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable 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".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "Paiboon Tunkoon", written over a horizontal line.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
8 May 2017

Asia Aviation Public Company Limited
Statement of Financial Position
As at 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Assets					
Current assets					
Cash and cash equivalents		5,133,796,532	4,661,352,232	64,779,981	112,126,184
Cash at financial institutions pledged as security		-	1,636,470	-	-
Short-term investments	5	2,028,570,657	2,069,763,643	-	-
Trade and other receivables, net	6	433,001,290	446,003,586	1,285,849	870,000
Amounts due from related parties	13.4	1,258,188,675	804,788,351	6,687,500	6,687,500
Inventories		101,202,161	118,176,358	-	-
Prepaid expenses		331,726,077	323,080,945	575,495	918,386
Other current assets		102,351,878	334,814,912	2,352,347	2,105,499
Total current assets		9,388,837,270	8,759,616,497	75,681,172	122,707,569
Non-current assets					
Long-term investment		11,848,500	11,848,500	-	-
Investment in a subsidiary	7	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	13.5	2,665,543,653	2,665,543,653	-	-
Aircraft, leasehold improvements and equipment, net	8	21,765,082,854	20,425,356,577	12,041	13,101
Intangible assets, net	8	14,892,597,456	14,871,536,619	1	1
Goodwill		8,824,825,803	8,824,825,803	-	-
Deferred tax assets, net		-	-	305,138	966,947
Other non-current assets		1,019,112,668	1,040,698,183	-	-
Total non-current assets		49,179,010,934	47,839,809,335	3,067,431,550	3,068,094,419
Total assets		58,567,848,204	56,599,425,832	3,143,112,722	3,190,801,988

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 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable		315,631,304	488,960,425	-	-
Other accounts payable		394,829,887	340,856,616	665,800	593,123
Amounts due to related parties	13.7	581,150,167	430,781,485	-	-
Deferred revenues		4,346,101,111	4,238,145,612	-	-
Accrued expenses		1,945,811,889	1,890,245,179	1,793,370	2,210,880
Current portion of long-term borrowings	9	462,766,645	559,746,132	-	-
Current portion of finance lease liabilities	10	1,302,920,340	1,231,760,940	-	-
Other current liabilities		62,666,093	89,604,216	650,961	50,642,628
Total current liabilities		9,411,877,436	9,270,100,605	3,110,131	53,446,631
Non-current liabilities					
Long-term borrowings	9	1,206,491,632	1,273,007,321	-	-
Finance lease liabilities	10	13,203,303,136	12,390,703,979	-	-
Deferred tax liabilities, net		3,326,405,760	3,290,418,091	-	-
Employee benefit obligations		264,741,673	254,950,594	-	-
Total non-current liabilities		18,000,942,201	17,209,079,985	-	-
Total liabilities		27,412,819,637	26,479,180,590	3,110,131	53,446,631

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 31 March 2017

	Consolidated financial information		Separate financial information	
	Unaudited	Audited	Unaudited	Audited
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
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				
	48,500,000	48,500,000	48,500,000	48,500,000
Unappropriated				
	18,707,533,269	18,137,211,185	6,694,317	4,047,083
Equity attributable to owners				
of the parent				
	21,840,841,543	21,270,519,459	3,140,002,591	3,137,355,357
Non-controlling interests	9,314,187,024	8,849,725,783	-	-
Total equity	31,155,028,567	30,120,245,242	3,140,002,591	3,137,355,357
Total liabilities and equity	58,567,848,204	56,599,425,832	3,143,112,722	3,190,801,988

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 31 March 2017

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Notes				
Revenues from sales and services	9,150,232,361	8,952,494,349	6,250,000	6,250,000
Cost of sales of goods and services	(7,569,211,125)	(6,467,058,864)	-	-
Gross profit	1,581,021,236	2,485,435,485	6,250,000	6,250,000
Net gain on exchange rates	143,582,665	-	-	-
Other income	251,801,565	230,506,461	565,849	-
Profit before expenses	1,976,405,466	2,715,941,946	6,815,849	6,250,000
Selling expenses	(379,565,311)	(390,070,023)	-	-
Administrative expenses	(367,598,694)	(273,421,426)	(3,506,806)	(3,585,233)
Net loss on exchange rates	-	(2,440,582)	-	-
Profit before finance costs and income taxes	1,229,241,461	2,050,009,915	3,309,043	2,664,767
Finance costs	(158,470,467)	(126,776,785)	-	-
Profit before income taxes	1,070,770,994	1,923,233,130	3,309,043	2,664,767
Income taxes	11 (35,987,669)	(90,287,006)	(661,809)	(532,953)
Net profit for the period	1,034,783,325	1,832,946,124	2,647,234	2,131,814
Total comprehensive income for the period	1,034,783,325	1,832,946,124	2,647,234	2,131,814
Net profit attributable to:				
Owners of the parent	570,322,084	1,009,079,686	2,647,234	2,131,814
Non-controlling interests	464,461,241	823,866,438	-	-
	1,034,783,325	1,832,946,124	2,647,234	2,131,814
Earnings per share				
Basic earnings per share	12 0.1176	0.2081	0.0005	0.0004

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

Asia Aviation Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2017

	Consolidated financial information						
	Attributable to owners of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total owners of the parent Baht	Non- controlling interests Baht	Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht			
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	-	-	-	1,009,079,686	1,009,079,686	823,866,438	1,832,946,124
Legal reserve	-	-	106,591	(106,591)	-	-	-
Closing balance as at 31 March 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,616,977</u>	<u>18,040,039,927</u>	<u>21,151,465,178</u>	<u>8,764,641,502</u>	<u>29,916,106,680</u>
Opening balance as at 1 January 2017 (Audited)	485,000,000	2,599,808,274	48,500,000	18,137,211,185	21,270,519,459	8,849,725,783	30,120,245,242
Total comprehensive income for the period	-	-	-	570,322,084	570,322,084	464,461,241	1,034,783,325
Closing balance as at 31 March 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>18,707,533,269</u>	<u>21,840,841,543</u>	<u>9,314,187,024</u>	<u>31,155,028,567</u>

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

Asia Aviation Public Company Limited
Statement of Changes in Equity (Cont'd)
For the three-month period ended 31 March 2017

	Separate financial information				Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Bath	Retained earnings		
			Appropriated	Unappropriated	
			- legal reserve Baht	Baht	
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	-	-	-	2,131,814	2,131,814
Legal reserve	-	-	106,591	(106,591)	-
Closing balance as at 31 March 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,616,977</u>	<u>10,868,064</u>	<u>3,122,293,315</u>
Opening balance as at 1 January 2017 (Audited)	485,000,000	2,599,808,274	48,500,000	4,047,083	3,137,355,357
Total comprehensive income for the period	-	-	-	2,647,234	2,647,234
Closing balance as at 31 March 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>6,694,317</u>	<u>3,140,002,591</u>

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

Asia Aviation Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2017

	Note	Consolidated financial information		Separate financial information	
		Unaudited	Unaudited	Unaudited	Unaudited
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income taxes		1,070,770,994	1,923,233,130	3,309,043	2,664,767
Adjustments for:					
Bad debt		346,144	-	-	-
Depreciation	8	327,612,858	284,277,689	1,060	1,069
Amortisation	8	2,232,576	1,088,308	-	-
Amortisation of prepaid expenses		43,022,307	34,854,657	551,441	604,857
Loss on disposals and write-offs of leasehold improvements, equipment and intangible asset		43,098,696	56,554,773	-	-
Employee benefit expenses		16,216,079	11,132,669	-	-
Net gain on exchange rates		(159,140,180)	(94,006,715)	-	-
Finance costs		158,470,467	126,776,785	-	-
Interest income		(8,678,369)	(12,268,701)	-	-
		1,493,951,572	2,331,642,595	3,861,544	3,270,693
Changes in operating assets and liabilities:					
- Trade and other receivables		19,022,395	(5,204,344)	(415,849)	-
- Amounts due from related parties		(453,675,385)	(31,499,409)	-	(6,687,500)
- Inventories		16,974,197	(17,157,770)	-	-
- Prepaid expenses		(51,667,439)	(90,205,513)	(208,550)	(294,050)
- Other current assets		234,739,919	(6,983,022)	(54,848)	(15,335)
- Other non-current assets		21,585,515	(23,433,294)	-	-
- Trade accounts payable		(173,329,121)	2,834,889	-	-
- Other accounts payable		53,973,271	41,648,683	72,677	-
- Amounts due to related parties		150,368,682	230,479,646	-	-
- Deferred revenues		107,955,499	(9,320,531)	-	-
- Accrued expenses		74,470,252	(73,120,358)	(417,510)	419,926
- Employee benefit paid		(6,425,000)	(1,600,000)	-	-
- Other current liabilities		(26,938,123)	12,943,329	(49,991,667)	(118,740)
Cash generated from (used in) operating activities		1,461,006,234	2,361,024,901	(47,154,203)	(3,425,006)
Income taxes paid		(2,276,885)	(1,365,655)	(192,000)	-
Interest received		820,571	1,523,006	-	-
Net cash generated from (used in) operating activities		1,459,549,920	2,361,182,252	(47,346,203)	(3,425,006)

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 three-month period ended 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Cash flows from investing activities					
Decrease in cash at financial institutions pledged as security		1,636,140	34,817,677	-	-
Decrease in short-term investments		-	250,000,000	-	-
Payment for aircraft maintenance reserves		-	(703,737,949)	-	-
Proceeds from disposals of leasehold improvements and equipment		51,579	1,680,732	-	-
Payments for aircraft, leasehold improvements and equipment		(317,483,796)	(60,138,275)	-	-
Payments for intangible assets	8	(23,293,415)	(3,406,600)	-	-
Interest received		-	10,209,597	-	-
Net cash used in investing activities		(339,089,492)	(470,574,818)	-	-
Cash flows from financing activities					
Repayments of long-term borrowings	9	(163,695,176)	-	-	-
Repayments of finance leases		(293,367,277)	(297,250,670)	-	-
Interest paid		(136,873,356)	(145,764,516)	-	-
Net cash used in financing activities		(593,935,809)	(443,015,186)	-	-
Net increase (decrease) in cash and cash equivalents		526,524,619	1,447,592,248	(47,346,203)	(3,425,006)
Cash and cash equivalents at the beginning of the period		4,661,352,232	6,122,814,644	112,126,184	51,437,734
Exchange loss on cash and cash equivalents		(54,080,319)	(52,346,870)	-	-
Cash and cash equivalents at the end of the period		<u>5,133,796,532</u>	<u>7,518,060,022</u>	<u>64,779,981</u>	<u>48,012,728</u>

Non-cash transactions

Significant non-cash transactions during the three-month periods ended 31 March 2017 and 2016 are as follows:

Purchases of aircraft spare parts which have not been paid	5,112,032	27,918,741	-	-
Purchases of aircraft under finance lease agreements	1,420,000,000	-	-	-

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% (2016: 55%).

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

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 8 May 2017.

The interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. 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 annual financial statements for the year ended 31 December 2016.

An English version of the interim consolidated and separate 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 annual financial statements for the year ended 31 December 2016.

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.

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 2017 which were disclosed in the notes to financial statements for the year ended 31 December 2016. 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 separate financial statements for the year ended 31 December 2016.

4 Segment information

Financial information by business segments

	Consolidated financial information				
	For the three-month period ended 31 March 2017 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	8,755,709,919	394,522,442	6,250,000	(6,250,000)	9,150,232,361
Profit from operation	728,477,192	107,248,532	2,743,194	-	838,468,918
Unallocated costs					(4,611,687)
Net gain on exchange rates					143,582,665
Other income					251,801,565
Finance costs					(158,470,467)
Profit before income taxes					1,070,770,994
Income taxes					(35,987,669)
Net profit for the period					<u>1,034,783,325</u>
Total assets					58,567,848,204

	Consolidated financial information				
	For the three-month period ended 31 March 2016 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	8,432,825,552	519,668,797	6,250,000	(6,250,000)	8,952,494,349
Profit from operation	1,678,234,833	145,823,133	2,664,767	-	1,826,722,733
Unallocated costs					(4,778,697)
Other income					230,506,461
Net loss on exchange rates					(2,440,582)
Finance costs					(126,776,785)
Profit before income taxes					1,923,233,130
Income taxes					(90,287,006)
Net profit for the period					<u>1,832,946,124</u>
Total assets					54,475,658,080

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.

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

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 and income taxes are not allocated to each reporting segment.

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

5 Short-term investments

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Fixed deposits	2,028,570,657	2,069,763,643	-	-

As at 31 March 2017, short-term investments comprised fixed deposits of US Dollars 30 million and Baht 1,000 million (2016: US Dollars 30 million and Baht 1,000 million). Fixed deposits have the period of 6-month to 12-month and bear interests at the rates of 1.00% to 1.65% per annum (2016: 1.00% to 1.65% per annum).

6 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Trade accounts receivable	352,649,472	339,573,128	-	-
Less Allowance for doubtful account	-	-	-	-
Trade accounts receivable, net	352,649,472	339,573,128	-	-
Accrued airport fee and incentive income	27,360,313	35,016,553	-	-
Accrued income	26,467,907	50,693,994	1,285,849	870,000
Other receivables	26,523,598	20,719,911	-	-
Total trade and other receivables, net	433,001,290	446,003,586	1,285,849	870,000

6 Trade and other receivables, net (Cont'd)

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

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Up to 3 months	316,039,713	311,441,205	-	-
3 - 6 months	21,043,891	14,996,214	-	-
6 - 12 months	4,123,252	8,894,433	-	-
Over 12 months	11,442,616	4,241,276	-	-
Total trade accounts receivable	352,649,472	339,573,128	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable, net	<u>352,649,472</u>	<u>339,573,128</u>	<u>-</u>	<u>-</u>

7 Investment in a subsidiary

Details of investment in a subsidiary are as follows:

	Country of incorporation	Nature of business	Percentage of shareholding and voting rights		Separate financial information	
			31 March 2017 Percent	31 December 2016 Percent	Cost method	
					31 March 2017 Baht	31 December 2016 Baht
Thai AirAsia Company Limited	Thai	Providing a low-fare airline service	55	55	3,067,114,370	3,067,114,370

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

	Consolidated financial information				Separate financial information	
	Intangible assets				Intangible assets	
	Aircraft, leasehold improvements and equipment Baht	Computer software and computer software under installation Baht	Landing rights Baht	Total Baht	Leasehold improvements and equipment Baht	Computer software Baht
For the three-month period ended 31 March 2017						
Opening net book amount (Audited)	20,425,356,577	15,536,619	14,856,000,000	14,871,536,619	13,101	1
Additions	1,710,489,409	23,293,415	-	23,293,415	-	-
Disposals/write-offs, net	(43,150,274)	(2)	-	(2)	-	-
Depreciation/amortisation	(327,612,858)	(2,232,576)	-	(2,232,576)	(1,060)	-
Closing net book amount (Unaudited)	21,765,082,854	36,597,456	14,856,000,000	14,892,597,456	12,041	1

9 Borrowings

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Current				
Current portion of long-term borrowings - Bank	463,566,645	560,546,132	-	-
<u>Less</u> Front end fee	(800,000)	(800,000)	-	-
Total current borrowings	<u>462,766,645</u>	<u>559,746,132</u>	<u>-</u>	<u>-</u>
Non-current				
Long-term borrowings - Bank	1,207,671,632	1,274,387,321	-	-
<u>Less</u> Front end fee	(1,180,000)	(1,380,000)	-	-
Total non-current borrowings	<u>1,206,491,632</u>	<u>1,273,007,321</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>1,669,258,277</u>	<u>1,832,753,453</u>	<u>-</u>	<u>-</u>

Movements in borrowings are analysed as follows:

	Consolidated financial information Baht	Separate financial information Baht
For the three-month period ended 31 March 2017		
Opening book amount (Audited)	1,832,753,453	-
Amortisation of front end fee	200,000	-
Payments for long-term borrowings	(163,695,176)	-
Closing amount as at interim date (Unaudited)	<u>1,669,258,277</u>	<u>-</u>

Collateral and credit facility

As at 31 March 2017, the Group had no collateral and non-available credit facility.

10 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,801,927,893	1,679,361,046	-	-
Later than 1 year but not later than 5 years	7,206,584,530	6,717,444,182	-	-
Later than 5 years	8,274,771,010	7,703,167,381	-	-
<u>Less</u> Future finance charges on finance leases	<u>(2,777,059,957)</u>	<u>(2,477,507,690)</u>	<u>-</u>	<u>-</u>
	<u>14,506,223,476</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>
Finance lease liabilities:				
- Current portion	1,302,920,340	1,231,760,940	-	-
- Non-current portion	13,203,303,136	12,390,703,979	-	-
	<u>14,506,223,476</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>

10 Finance lease liabilities (Cont'd)

The present value of finance lease liabilities is as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,765,781,504	1,646,864,776	-	-
Later than 1 year but not later than 5 years	6,466,845,333	6,054,315,289	-	-
Later than 5 years	6,273,596,639	5,921,284,854	-	-
	<u>14,506,223,476</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>

11 Income taxes

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 20% per annum (31 March 2016: 20 % per annum).

12 Earnings per share

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

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 31 March (Unaudited)			
	2017	2016	2017	2016
Net profit attributable to owners of the parent (Baht)	570,322,084	1,009,079,686	2,647,234	2,131,814
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)	0.1176	0.2081	0.0005	0.0004

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.

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.

13 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

13.1 Income

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 31 March (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Interest income	1,491,555	3,010,146	-	-
Other administrative fees	8,591,411	15,185,983	-	-
Commission from sales of duty free goods	4,326,784	-	-	-
Passenger service revenue	8,972,085	-	-	-
Advertising income	11,111,950	-	-	-
Subsidiary				
Management fee	-	-	6,250,000	6,250,000

13.2 Purchases of goods, services and expenses

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 31 March (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Share of (gain) loss from fuel price swap agreements	(180,284,076)	298,446,949	-	-
Share of staff costs for accounting and other services	12,491,685	8,710,187	-	-
Aircraft rental	1,122,443,147	1,130,526,300	-	-
Aircraft repair and maintenance	533,825,813	491,966,142	-	-
Purchases of merchandises and equipment	3,147,005	38,435,357	-	-
Management fee expenses	4,201,572	4,289,784	-	-
Booking fee expenses	44,581,241	41,842,168	-	-
Pilot training expenses	32,481,639	35,344,960	-	-
Brand license fee expenses	137,909,048	90,679,867	-	-
Sponsorship fee paid to Leicester City Football Club	24,929,165	-	-	-
Donation paid to King Power Foundation	5,000,000	-	-	-

13 Related party transactions (Cont'd)

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

13.3 Management remuneration

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

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 31 March (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	54,313,149	48,017,881	1,940,000	1,862,500
Retirement benefits	1,405,712	2,362,363	-	-
	<u>55,718,861</u>	<u>50,380,244</u>	<u>1,940,000</u>	<u>1,862,500</u>

Outstanding balances of amounts due from related parties, aircraft maintenance reserves, other non-current assets and amounts due to related parties are summarised as follows:

13.4 Amounts due from related parties

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
	Other related parties	1,258,188,675	804,788,351	-
Subsidiary	-	-	6,687,500	6,687,500
	<u>1,258,188,675</u>	<u>804,788,351</u>	<u>6,687,500</u>	<u>6,687,500</u>

Amounts due from related parties have been charged with the interest for overdue amount at 6.00% per annum (2016: 6.00% per annum).

13.5 Aircraft maintenance reserves

AirAsia Berhad, a related party, has 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 31 March 2017, the Group had commitment from an Aircraft maintenance services agreement amounting to US Dollars 12,370,113 (as at 31 December 2016: US Dollars 4,742,878).

13 Related party transactions (Cont'd)

Outstanding balances of amounts due from related parties, aircraft maintenance reserves, other non-current assets and amounts due to related parties are summarised as follows: (Cont'd)

13.6 Other non-current assets

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Other related parties				
Aircraft rental deposits	714,513,988	741,346,452	-	-
Fuel price swap deposit	17,142,850	17,829,400	-	-
	<u>731,656,838</u>	<u>759,175,852</u>	<u>-</u>	<u>-</u>

As at 31 March 2017, other non-current assets comprised aircraft rental deposits and fuel price swap deposit of US Dollars 23.70 million and US Dollars 0.50 million, respectively (2016: US Dollars 23.32 million and US Dollars 0.50 million).

13.7 Amounts due to related parties

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
Other related parties	581,150,167	430,781,485	-	-

14 Fair value of derivative financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that were measured at fair value at 31 March 2017.

	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Assets		
Derivatives used for hedging		
Fuel price swap agreements	6,287,451	-
Interest rate swap agreements	-	60,461,886
Cross currency swap agreement	-	6,928,532
Total assets	<u>6,287,451</u>	<u>67,390,418</u>

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

The following table presents the Group's financial assets and liabilities that were measured at fair value at 31 March 2017. (Cont'd)

	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Liabilities		
Derivatives used for hedging		
Foreign exchange forward contracts	-	45,831,022
Total liabilities	-	45,831,022

The following table presents the Group's financial assets and liabilities that were measured at fair value at 31 December 2016.

	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Assets		
Derivatives used for hedging		
Fuel price swap agreements	25,545,608	-
Interest rate swap agreements	-	62,702,735
Cross currency swap agreement	-	41,002,065
Total assets	25,545,608	103,704,800

	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Liabilities		
Derivatives used for hedging		
Foreign exchange forward contracts	-	3,990,101
Total liabilities	-	3,990,101

There were no transfers between levels during the period and changes in valuation techniques during the period.

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 and foreign exchange rates commonly quoted in publicly available sources on the date of the statements of financial position.

15 Commitments

For the three-month period ended 31 March 2017, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2016 (please see financial statements for the year ended 31 December 2016).

For the three-month period ended 31 March 2017, Thai AirAsia Company Limited, its subsidiary accepted the delivery of one additional Airbus A320-200 aircraft and one CFM 56-5B6/3 aircraft engine. These aircraft and aircraft engine are acquired under operating lease agreements. There were significant changes in commitments or contingent liabilities from the year ended 31 December 2016.

15 Commitments (Cont'd)

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

	Consolidated financial information			
	Unaudited		Audited	
	31 March 2017		31 December 2016	
	Rental	Insurance	Rental	Insurance
	US Dollars	agreements	US Dollars	agreements
		US Dollars	US Dollars	US Dollars
Within 1 year	146,142,473	735,842	141,613,445	1,668,900
Later than 1 year but not later than 5 years	505,323,537	-	500,694,439	-
Later than 5 years	194,609,118	-	189,148,559	-
Total	846,075,128	735,842	831,456,443	1,668,900

16 Guarantees

As at 31 March 2017, 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 2016: Baht 215.66 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.

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 financial information									
	Unaudited 31 March 2017					Audited 31 December 2016				
	Baht million	US Dollars million	Malaysia Ringgit million	Singapore Dollars million	Indian Rupee million	Baht million	US Dollars million	Malaysia Ringgit million	Singapore Dollars million	Indian Rupee million
Guarantees relating to flight operating activities	7.90	0.09	1.00	1.81	57.42	7.90	0.09	1.00	1.81	57.42
Guarantees relating to maintenance reserve fund	-	40.91	-	-	-	-	38.78	-	-	-
Total	7.90	41.00	1.00	1.81	57.42	7.90	38.87	1.00	1.81	57.42

The Group also used its current account as collateral for these letters of guarantee as follows:

	Consolidated financial information									
	Unaudited 31 March 2017					Audited 31 December 2016				
	Baht million	US Dollars million	Malaysia Ringgit million	Singapore Dollars million	Indian Rupee million	Baht million	US Dollars million	Malaysia Ringgit million	Singapore Dollars million	Indian Rupee million
Current account	-	-	-	-	-	-	-	-	-	3.30
Total	-	-	-	-	-	-	-	-	-	3.30

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 air transportation business. The main privileges include exemption from payment of import duty on aircraft and related spare parts and exemption from corporate income taxes for the promoted activities for a period of eight years starting from the date on which the Group started earning income from the promotes activities (commencing from 26 April 2013). To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. The conditions are that the subsidiary's authorised and paid-up share capital is not less than Baht 435.50 million. As at 31 March 2017, the subsidiary had received all 24 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2016: 23 aircraft).

In addition, On 14 March 2017, a subsidiary further received a certificate of promotional privileges from the Board of Investment ("BOI") for 2 aircraft for air transportation business. The main privileges include exemption from payment of import duty on aircraft and related spare parts and exemption from corporate income taxes for the promoted activities for a period of eight years starting from the date on which the Group started earning income from the promotes activities (commencing from 30 March 2017). To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. The conditions are that the subsidiary's authorised and paid-up share capital is not less than Baht 435.50 million. As at 31 March 2017, the subsidiary had received 1 aircraft under such certificate of promotional privileges from the BOI.