

ASIA AVIATION PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 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 30 September 2017, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-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 accompanying interim consolidated and separate 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', with a horizontal line underneath.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
9 November 2017

Asia Aviation Public Company Limited
Statement of Financial Position
As at 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September 2017 Baht	31 December 2016 Baht	30 September 2017 Baht	31 December 2016 Baht
Assets					
Current assets					
Cash and cash equivalents		5,540,082,865	4,661,352,232	65,977,860	112,126,184
Cash at financial institutions pledged as security		-	1,636,470	-	-
Short-term investments	5	1,509,864,365	2,069,763,643	-	-
Trade and other receivables, net	6	524,146,917	446,003,586	280,357	870,000
Amounts due from related parties	14.4	891,185,262	804,788,351	5,823,058	6,687,500
Inventories		120,202,277	118,176,358	-	-
Prepaid expenses		310,641,924	323,080,945	1,333,896	918,386
Other current assets		226,320,857	334,814,912	2,941,625	2,105,499
Total current assets		9,122,444,467	8,759,616,497	76,356,796	122,707,569
Non-current assets					
Long-term investment		11,883,900	11,848,500	-	-
Investment in subsidiary	7	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	14.5	3,418,467,191	2,665,543,653	-	-
Aircraft, leasehold improvements and equipment, net	8	22,737,526,100	20,425,356,577	9,885	13,101
Intangible assets, net	8	14,889,518,303	14,871,536,619	1	1
Goodwill		8,824,825,803	8,824,825,803	-	-
Deferred tax assets, net		-	-	-	966,947
Other non-current assets	14.6	980,397,810	1,040,698,183	-	-
Total non-current assets		50,862,619,107	47,839,809,335	3,067,124,256	3,068,094,419
Total assets		59,985,063,574	56,599,425,832	3,143,481,052	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 30 September 2017

		Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable		252,169,405	488,960,425	-	-
Other accounts payable		400,934,871	340,856,616	62,251	593,123
Amounts due to related parties	14.7	378,451,262	430,781,485	-	-
Deferred revenues		4,704,893,955	4,238,145,612	-	-
Accrued expenses		1,842,653,340	1,890,245,179	774,253	2,210,880
Current portion of long-term borrowings from financial institutions	9	266,877,252	559,746,132	-	-
Current portion of finance lease liabilities	11	1,315,964,652	1,231,760,940	-	-
Other current liabilities		50,826,664	89,604,216	593,484	50,642,628
Total current liabilities		9,212,771,401	9,270,100,605	1,429,988	53,446,631
Non-current liabilities					
Long-term borrowings from financial institutions	9	631,993,735	1,273,007,321	-	-
Debentures	10	1,597,853,785	-	-	-
Finance lease liabilities	11	13,044,303,576	12,390,703,979	-	-
Deferred tax liabilities, net		3,262,931,290	3,290,418,091	-	-
Employee benefit obligations		297,173,785	254,950,594	-	-
Total non-current liabilities		18,834,256,171	17,209,079,985	-	-
Total liabilities		28,047,027,572	26,479,180,590	1,429,988	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 30 September 2017

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 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				
	19,139,109,171	18,137,211,185	8,742,790	4,047,083
Equity attributable to owners of the parent				
	22,272,417,445	21,270,519,459	3,142,051,064	3,137,355,357
Non-controlling interests	9,665,618,557	8,849,725,783	-	-
Total equity	31,938,036,002	30,120,245,242	3,142,051,064	3,137,355,357
Total liabilities and equity	59,985,063,574	56,599,425,832	3,143,481,052	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 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenues from sales and services		8,734,499,785	8,145,482,621	6,250,000	6,250,000
Cost of sales of goods and services		(7,737,506,204)	(6,943,997,005)	-	-
Gross profit		996,993,581	1,201,485,616	6,250,000	6,250,000
Other income		258,596,677	162,628,117	-	47
Selling expenses		(362,076,787)	(396,169,766)	-	-
Administrative expenses		(351,747,342)	(262,610,225)	(4,651,980)	(9,211,631)
Net gain on exchange rates		72,338,406	39,279,717	-	-
Profit (loss) before finance costs and income taxes		614,104,535	744,613,459	1,598,020	(2,961,584)
Finance costs		(148,711,827)	(160,197,724)	-	-
Profit (loss) before income taxes		465,392,708	584,415,735	1,598,020	(2,961,584)
Income taxes	12	7,978,989	138,675,147	(330,423)	592,316
Net profit (loss) for the period		473,371,697	723,090,882	1,267,597	(2,369,268)
Total comprehensive income (expense) for the period		473,371,697	723,090,882	1,267,597	(2,369,268)
Net profit (loss) attributable to:					
Owners of the parent		260,924,852	396,633,813	1,267,597	(2,369,268)
Non-controlling interests		212,446,845	326,457,069	-	-
		473,371,697	723,090,882	1,267,597	(2,369,268)
Earnings (loss) per share					
Basic earnings (loss) per share	13	0.0538	0.0818	0.0003	(0.0005)

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 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenues from sales and services		26,220,373,160	24,853,828,062	18,750,000	18,750,000
Cost of sales of goods and services		(22,772,420,859)	(19,966,912,397)	-	-
Gross profit		3,447,952,301	4,886,915,665	18,750,000	18,750,000
Other income		733,717,283	576,513,545	722,735	963,000
Selling expenses		(1,117,227,355)	(1,133,122,669)	-	-
Administrative expenses		(1,041,030,092)	(801,656,212)	(13,589,578)	(16,981,132)
Net gain on exchange rates		246,066,557	65,155,540	-	-
Profit before finance costs and income taxes		2,269,478,694	3,593,805,869	5,883,157	2,731,868
Finance costs		(478,954,232)	(396,181,888)	-	-
Profit before income taxes		1,790,524,462	3,197,623,981	5,883,157	2,731,868
Income taxes	12	27,266,298	124,618,798	(1,187,450)	(546,374)
Net profit for the period		1,817,790,760	3,322,242,779	4,695,707	2,185,494
Total comprehensive income for the period		1,817,790,760	3,322,242,779	4,695,707	2,185,494
Net profit attributable to:					
Owners of the parent		1,001,897,986	1,828,217,001	4,695,707	2,185,494
Non-controlling interests		815,892,774	1,494,025,778	-	-
		1,817,790,760	3,322,242,779	4,695,707	2,185,494
Earnings per share					
Basic earnings per share	13	0.2066	0.3770	0.0010	0.0005

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

Asia Aviation Public Company Limited
Statement of Changes in Equity
For the nine-month period ended 30 September 2017

	Consolidated financial information						Total equity Baht
	Attributable to owners of the parent				Total owners of the parent Baht	Non- controlling interests Baht	
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings Appropriated - legal reserve Baht	Unappropriated Baht			
Opening balance 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 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>
Opening balance 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	-	-	-	1,001,897,986	1,001,897,986	815,892,774	1,817,790,760
Closing balance at 30 September 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>19,139,109,171</u>	<u>22,272,417,445</u>	<u>9,665,618,557</u>	<u>31,938,036,002</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 nine-month period ended 30 September 2017

	Separate financial information				Total equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance 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 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>
Opening balance 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	-	-	-	4,695,707	4,695,707
Closing balance at 30 September 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>8,742,790</u>	<u>3,142,051,064</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 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
Note	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before income taxes	1,790,524,462	3,197,623,981	5,883,157	2,731,868
Adjustments for:				
Bad debt	346,144	216,569	-	-
Depreciation	8 1,059,748,694	865,703,885	3,216	3,219
Amortisation	8 7,248,508	3,422,392	-	-
Amortisation of prepaid expenses	80,961,093	89,770,662	1,504,740	1,209,669
Gain on disposals and write-offs of leasehold improvements, equipment and intangible assets	(179,838)	(1,645,131)	-	-
Employee benefit expenses	48,648,191	33,397,961	-	-
Net gain on exchange rates	(321,152,917)	(197,415,459)	-	-
Finance costs	478,954,232	396,161,888	-	-
Interest income	(38,760,530)	(46,391,605)	-	(93,000)
	3,106,338,039	4,340,845,143	7,391,113	3,851,756
Changes in operating assets and liabilities:				
- Trade and other receivables	(81,922,097)	(13,007,613)	589,643	(160,500)
- Amounts due from related parties	(90,056,264)	(260,601,007)	864,442	-
- Inventories	(2,025,919)	(34,617,102)	-	-
- Prepaid expenses	(68,522,072)	(7,167,698)	(1,920,250)	(449,550)
- Other current assets	115,300,531	(251,691,416)	(255,697)	(554,344)
- Other non-current assets	60,300,373	(58,230,326)	-	-
- Trade accounts payable	(236,791,020)	69,986,807	-	-
- Other accounts payable	60,078,255	27,205,471	(530,872)	-
- Amounts due to related parties	(47,610,723)	(551,254,678)	-	-
- Deferred revenues	466,748,343	82,097,821	-	-
- Accrued expenses	(48,080,050)	45,157,756	(1,657,130)	(508,606)
- Other current liabilities	(38,777,552)	1,297,793	(50,049,144)	25,639
- Employee benefit	(6,425,000)	(1,600,000)	-	-
Cash generated from (used in) operating activities	3,188,554,844	3,388,420,951	(45,567,895)	2,204,395
Income taxes paid	(6,806,476)	(17,204,687)	(580,429)	(579,030)
Interest received	15,546,682	29,642,225	-	93,000
Net cash generated from (used in) operating activities	3,197,295,050	3,400,858,489	(46,148,324)	1,718,365

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 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	40,191,481	-	-
Decrease (increase) in short-term investments		486,342,968	(443,877,653)	-	-
Decrease (increase) in long-term investments		(35,400)	1,442,800	-	-
Payment for aircraft maintenance reserves		(752,923,538)	(1,445,642,757)	-	-
Proceeds from disposals of leasehold improvements and equipment		96,605,196	76,929,202	-	-
Payments for aircraft, leasehold improvements and equipment		(747,633,367)	(211,460,999)	-	-
Payments for intangible assets	8	(25,230,194)	(4,860,090)	-	-
Interest received		21,302,369	19,125,063	-	-
Net cash used in investing activities		(919,935,826)	(1,968,152,953)	-	-
Cash flows from financing activities					
Proceeds from long-term borrowings from financial institutions	9	360,000,000	2,000,000,000	-	-
Payment for front end fee of long-term borrowings from financial institutions		-	(2,400,000)	-	-
Repayments of long-term borrowings from financial institutions	9	(1,294,482,466)	-	-	-
Proceeds from debentures	10	1,600,000,000	-	-	-
Payments for front end fee of debentures	10	(2,369,874)	-	-	-
Payments for early termination of finance leases		(724,306,457)	(1,931,831,266)	-	-
Repayments of finance leases		(851,080,747)	(895,589,988)	-	-
Interest paid		(443,188,173)	(394,995,714)	-	-
Net cash used in financing activities		(1,355,427,717)	(1,224,816,968)	-	-
Net increase (decrease) in cash and cash equivalents					
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		(43,200,874)	(45,526,240)	-	-
Cash and cash equivalents at the end of the period		5,540,082,865	6,285,176,972	65,977,860	53,156,099

Non-cash transactions

Significant non-cash transactions during the nine-month periods ended 30 September 2017 and 2016 are as follows:

Purchases of aircraft spare parts which have not been paid	31,062,325	6,745,676	-	-
Purchases of aircraft under finance lease agreements	2,745,319,305	-	-	-

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 9 November 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 30 September 2017 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	8,312,183,241	422,316,544	6,250,000	(6,250,000)	8,734,499,785
Profit from operation	197,617,616	83,953,816	1,598,020	-	283,169,452
Unallocated costs					-
Other income					258,596,677
Net gain on exchange rates					72,338,406
Finance costs					(148,711,827)
Profit before income taxes					465,392,708
Income taxes					7,978,989
Net profit for the period					473,371,697
Consolidated total assets					59,985,063,574

	Consolidated financial information				
	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)
Other income					162,628,117
Net gain on exchange rates					39,279,717
Finance costs					(160,197,724)
Profit before income taxes					584,415,735
Income taxes					138,675,147
Net profit for the period					723,090,882
Consolidated total assets					54,625,530,822

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

	Consolidated financial information				
	For the nine-month period ended 30 September 2017 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	25,024,127,273	1,196,245,887	18,750,000	(18,750,000)	26,220,373,160
Profit from operation	1,020,665,393	270,017,114	5,160,422	-	1,295,842,929
Unallocated costs					(6,148,075)
Other income					733,717,283
Net gain on exchange rates					246,066,557
Finance costs					(478,954,232)
Profit before income taxes					1,790,524,462
Income taxes					27,266,298
Net profit for the period					1,817,790,760
Consolidated total assets					59,985,063,574

	Consolidated financial information				
	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)
Other income					576,513,545
Net gain on exchange rates					65,155,540
Finance costs					(396,181,888)
Profit before income taxes					3,197,623,981
Income taxes					124,618,798
Net profit for the period					3,322,242,779
Consolidated total assets					54,625,530,822

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 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.

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5 Short-term investments

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Fixed deposits	1,509,864,365	2,069,763,643	-	-

As at 30 September 2017, short-term investments comprised fixed deposits of US Dollars 30.30 million and Baht 503.74 million (2016: US Dollars 30 million and Baht 1,000 million). Fixed deposits have the period of 11-month and 12-month and bear interests at the rates of 1.20% to 1.70% per annum (2016: 1.00% to 1.65% per annum).

6 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Trade accounts receivable	430,665,561	339,573,128	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable, net	430,665,561	339,573,128	-	-
Accrued airport fee and incentive income	37,733,596	35,016,553	-	-
Accrued income	15,175,980	50,693,994	280,357	870,000
Other receivables	40,571,780	20,719,911	-	-
Total trade and other receivables, net	524,146,917	446,003,586	280,357	870,000

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

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Up to 3 months	403,959,973	311,441,205	-	-
3 - 6 months	16,045,571	14,996,214	-	-
6 - 12 months	643,534	8,894,433	-	-
Over 12 months	10,016,483	4,241,276	-	-
Total trade accounts receivable	430,665,561	339,573,128	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable, net	430,665,561	339,573,128	-	-

7 Investment in 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	
			30 September 2017	31 December 2016	Cost method	
			Percent	Percent	30 September 2017 Baht	31 December 2016 Baht
Thai AirAsia Company Limited	Thailand	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	
	Aircraft, leasehold improvements and equipment Baht	Intangible assets			Leasehold improvements and equipment Baht	Computer software Baht
Computer software and computer software under installation Baht		Landing rights Baht	Total Baht			
For the nine-month period ended 30 September 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	3,468,343,573	25,230,194	-	25,230,194	-	-
Disposals/write-offs, net	(96,425,356)	(2)	-	(2)	-	-
Depreciation/amortisation	(1,059,748,694)	(7,248,508)	-	(7,248,508)	(3,216)	-
Closing net book amount (Unaudited)	22,737,526,100	33,518,303	14,856,000,000	14,889,518,303	9,885	1

9 Long-term borrowings from financial institutions

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Current				
Current portion of long-term borrowings from financial institutions	267,677,252	560,546,132	-	-
<u>Less</u> Front end fees	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>	<u>-</u>
Total current portion of long-term borrowings from financial institutions	<u>266,877,252</u>	<u>559,746,132</u>	<u>-</u>	<u>-</u>
Non-current				
Long-term borrowings from financial institutions	632,773,735	1,274,387,321	-	-
<u>Less</u> Front end fees	<u>(780,000)</u>	<u>(1,380,000)</u>	<u>-</u>	<u>-</u>
Total non-current portion of long-term borrowings from financial institutions	<u>631,993,735</u>	<u>1,273,007,321</u>	<u>-</u>	<u>-</u>
Total long-term borrowings from financial institutions	<u>898,870,987</u>	<u>1,832,753,453</u>	<u>-</u>	<u>-</u>

Movements in long-term borrowings from financial institutions are analysed as follows:

	Consolidated financial information	Separate financial information
	Baht	Baht
For the nine-month period ended 30 September 2017		
Opening book amount (Audited)	1,832,753,453	-
Proceed from long-term borrowings from financial institutions	360,000,000	-
Payments for long-term borrowings from financial institutions	(1,294,482,466)	-
Amortisation of front end fees	600,000	-
Closing book amount (Unaudited)	<u>898,870,987</u>	<u>-</u>

Credit facility

The Group has the following undrawn committed borrowing facilities:

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Fixed rate				
- expiring within one year	400,000,000	-	-	-
- expiring beyond one year	240,000,000	-	-	-
	<u>640,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

10 Debentures

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Non-current				
Debentures	1,600,000,000	-	-	-
<u>Less</u> Front end fees	(2,146,215)	-	-	-
Total debentures	<u>1,597,853,785</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movements in debentures are analysed as follows:

	Consolidated financial information	Separate financial information
	Baht	Baht
For the nine-month period ended 30 September 2017		
Opening book amount (Audited)	-	-
Proceeds from debentures	1,600,000,000	-
Payments for front end fees of debentures	(2,369,874)	-
Amortisation of front end fees of debentures	223,659	-
Closing book amount (Unaudited)	<u>1,597,853,785</u>	<u>-</u>

On 19 May 2017, Thai AirAsia Company Limited, its subsidiary, had issued two tranches of Thai Baht debentures no.1/2017, which are named-registered, unsubordinated, unsecured and no representative holders. Details are as follows:

- The first tranche of the debentures is valued at Baht 1,000 million. Debentures bear a fixed interest rate at 2.65% per annum in which interest is payable every six-month. Term of debentures is three years from the issuance date.
- The second tranche of the debentures is valued at Baht 600 million. Debentures bear a fixed interest rate at 3.28% per annum in which interest is payable every six-month. Term of debentures is five years from the issuance date.

The subsidiary intended to use the proceeds from these issuances for general purpose and/or for loan repayment and/or for working capital.

11 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,819,606,539	1,679,361,046	-	-
Later than 1 year but not later than 5 years	7,278,426,159	6,717,444,182	-	-
Later than 5 years	8,033,961,134	7,703,167,381	-	-
<u>Less</u> Future finance charges on finance leases	(2,771,725,604)	(2,477,507,690)	-	-
	<u>14,360,268,228</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>
Finance lease liabilities:				
- Current portion	1,315,964,652	1,231,760,940	-	-
- Non-current portion	13,044,303,576	12,390,703,979	-	-
	<u>14,360,268,228</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>

The present value of finance lease liabilities is as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,782,632,665	1,646,864,776	-	-
Later than 1 year but not later than 5 years	6,521,822,696	6,054,315,289	-	-
Later than 5 years	6,055,812,867	5,921,284,854	-	-
	<u>14,360,268,228</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>

12 Income taxes

Income tax expense presented in the consolidated and separate statements of comprehensive income is calculated from the taxable net profit at 20% (2016: 20%).

13 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) 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 30 September (Unaudited)			
	2017	2016	2017	2016
Profit (loss) attributable to ordinary shareholders of the parent (Baht)	260,924,852	396,633,813	1,267,597	(2,369,268)
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)	0.0538	0.0818	0.0003	(0.0005)

	Consolidated financial information		Separate financial information	
	For the nine-month periods ended 30 September (Unaudited)			
	2017	2016	2017	2016
Profit attributable to ordinary shareholders of the parent (Baht)	1,001,897,986	1,828,217,001	4,695,707	2,185,494
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)	0.2066	0.3770	0.0010	0.0005

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

14 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, which is the subsidiary of the Company, and AirAsia Berhad's related parties are referred to as other related parties.

The following significant transactions were carried out with related parties:

14.1 Income

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Interest income	2,389,548	3,559,898	-	-
Other administrative fees	8,289,060	8,667,387	-	-
Commission from sales of duty free goods	3,991,791	1,854,543	-	-
Passenger service revenues	1,640,297	-	-	-
Advertising income	12,792,427	-	-	-
Subsidiary				
Management fee	-	-	6,250,000	6,250,000

	Consolidated financial information		Separate financial information	
	For the nine-month periods ended 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Interest income	5,344,100	11,108,054	-	-
Other administrative fees	21,112,060	31,399,254	-	-
Commission from sales of duty free goods	12,419,858	2,219,514	-	-
Passenger service revenues	11,517,041	-	-	-
Advertising income	36,862,077	-	-	-
Subsidiary				
Management fee	-	-	18,750,000	18,750,000

14 Related party transactions (Cont'd)

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

14.2 Purchases of goods, services and expenses

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Share of (gain) loss from				
fuel price swap agreements	(87,503,301)	54,011,023	-	-
Share of staff costs for				
accounting and other services	16,810,600	5,575,738	-	-
Aircraft rental	1,073,993,808	1,117,629,764	-	-
Aircraft repair and maintenance	525,921,957	531,008,279	-	-
Purchases of merchandises and equipment	8,518,883	16,965,030	-	-
Management fee expenses	4,072,804	4,188,996	-	-
Booking fee expenses	43,085,651	39,673,960	-	-
Pilot training expenses	57,050,489	46,947,488	-	-
Brand license fee expenses	134,594,426	82,685,730	-	-
Ground handling service	9,425,119	-	-	-
Security service	1,660,346	-	-	-
Sponsorship fee paid to				
Leicester City Football Club	-	2,500,000	-	-
Sponsorship fee paid to				
Thailand Polo Association	625,000	-	-	-

	Consolidated financial information		Separate financial information	
	For the nine-month periods ended 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Share of (gain) loss from				
fuel price swap agreements	(299,849,326)	372,264,123	-	-
Share of staff costs for				
accounting and other services	55,440,363	24,300,109	-	-
Aircraft rental	3,298,836,224	3,373,388,888	-	-
Aircraft repair and maintenance	1,580,716,446	1,536,139,129	-	-
Purchases of merchandises and equipment	17,786,037	84,559,301	-	-
Management fee expenses	12,402,436	12,732,612	-	-
Booking fee expenses	131,763,750	121,105,467	-	-
Pilot training expenses	106,437,127	95,087,867	-	-
Brand license fee expenses	399,414,607	252,221,516	-	-
Ground handling service	15,694,038	-	-	-
Security service	9,526,190	-	-	-
Sponsorship fee paid to				
Leicester City Football Club	49,858,330	6,542,460	-	-
Donation paid to				
King Power Foundation	5,000,000	-	-	-
Sponsorship fee paid to				
Thailand Polo Association	1,875,000	-	-	-

14 Related party transactions (Cont'd)

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

14.3 Management remunerations

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 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	28,670,378	25,300,955	2,180,000	2,040,000
Retirement benefits	1,405,711	2,362,357	-	-
Total	30,076,089	27,663,312	2,180,000	2,040,000

	Consolidated financial information		Separate financial information	
	For the nine-month periods ended 30 September (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	110,251,019	94,911,519	5,840,000	5,960,000
Retirement benefits	4,217,137	7,087,083	-	-
Total	114,468,156	101,998,602	5,840,000	5,960,000

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:

14.4 Amounts due from related parties

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
	Other related parties	891,185,262	804,788,351	119,558
Subsidiary	-	-	5,703,500	6,687,500
Total	891,185,262	804,788,351	5,823,058	6,687,500

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

14 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)

14.5 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 major maintenance/overhaul deemed necessary to be performed in the future once the aircraft reaches certain engine hours/hours flown.

The Group had commitment from an Aircraft maintenance services agreement for major maintenance/overhaul which has not been paid amounting to US Dollars 2,209,372 (as at 31 December 2016: US Dollars 4,742,878).

14.6 Other non-current assets

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Other related parties				
Aircraft rental deposits	691,977,612	741,346,452	-	-
Fuel price swap deposit	16,602,150	17,829,400	-	-
Total	<u>708,579,762</u>	<u>759,175,852</u>	<u>-</u>	<u>-</u>

As at 30 September 2017, other non-current assets comprised aircraft rental deposits and fuel price swap deposit of US Dollars 20.84 million and US Dollars 0.50 million, respectively (2016: US Dollars 20.79 million and US Dollars 0.50 million).

14.7 Amounts due to related parties

	Consolidated financial information		Separate financial information	
	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Other related parties	<u>378,451,262</u>	<u>430,781,485</u>	<u>-</u>	<u>-</u>

15 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 as at 30 September 2017.

	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Assets		
Derivatives used for hedging		
Fuel price swap agreements	9,400,703	-
Total assets	9,400,703	-
	Consolidated financial information	
	Level 2 US Dollars	Level 2 Baht
Liabilities		
Derivatives used for hedging		
Interest rate swap agreements	-	9,969,013
Cross currency swap agreement	-	25,755,057
Foreign exchange forward contracts	-	147,212,099
Total liabilities	-	182,936,169

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

16 Commitments

For the nine-month period ended 30 September 2017, Thai AirAsia Company Limited, its subsidiary, accepted the delivery of one additional Airbus A320-200 aircraft and two CFM 56-5B6/3 aircraft engines. These aircraft and aircraft engines are acquired under operating lease agreements. There were significant changes in commitments or contingent liabilities from the year ended 31 December 2016.

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	
	30 September 2017		31 December 2016	
	Rental US Dollars	Insurance agreements US Dollars	Rental US Dollars	Insurance agreements US Dollars
Within 1 year	146,142,473	1,864,929	141,613,445	1,668,900
Later than 1 year but not later than 5 years	471,613,729	-	500,694,439	-
Later than 5 years	155,082,014	-	189,148,559	-
Total	772,838,216	1,864,929	831,456,443	1,668,900

17 Guarantees

As at 30 September 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 148.77 million (as at 31 December 2016: Baht 215.66 million). The period of guarantees is 18 months since effective of loan agreements. The Group can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Group.

18 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 30 September 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	0.93	1.00	1.81	83.36	7.90	0.09	1.00	1.81	57.42
Guarantees relating to maintenance reserve fund	-	40.91	-	-	-	-	38.78	-	-	-
Total	7.90	41.84	1.00	1.81	83.36	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 30 September 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

19 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 promotional activities for a period of eight years starting from the date on which the Group started earning income from the promotional 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 30 September 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 two 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 promotional activities for a period of five years starting from the date on which the Group started earning income from the promotional 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 30 September 2017, the subsidiary had received all two aircraft under such certificate of promotional privileges from the BOI.

20 Events occurring after the reporting date

On 9 November 2017, Thai AirAsia Company Limited, its subsidiary accepted the delivery of one additional Airbus A320-216 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 operating lease agreement for period of 12 years.

At the Board of Directors' meeting of the Company on 9 November 2017, the Board of Directors passed a resolution to propose the interim dividend at Baht 0.15 per share, totalling of Baht 727.50 million.

At the Board of Directors' meeting of Thai AirAsia Co., Ltd., a subsidiary on 9 November 2017, the Board of Directors passed a resolution to propose the interim dividend at Baht 30.50 per share, totalling of Baht 1,328.44 million.