

THAI AIRASIA COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2017



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Thai AirAsia Company Limited

I have reviewed the interim financial information of Thai AirAsia Company Limited, which comprises the statement of financial position as at 30 September 2017, the statements of comprehensive income for the three-month and nine-month periods then ended, and the related 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 financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review 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 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

Thai AirAsia Company Limited
Statement of Financial Position
As at 30 September 2017

		Unaudited	Audited
		30 September	31 December
		2017	2016
	Notes	Baht	Baht
Assets			
Current assets			
Cash and cash equivalents		5,474,105,005	4,549,226,048
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	523,866,560	445,133,586
Amounts due from related parties	13.4	891,065,704	804,788,351
Inventories		120,202,277	118,176,358
Prepaid expenses		309,308,028	322,162,559
Other current assets		223,379,232	332,709,413
Total current assets		9,051,791,171	8,643,596,428
Non-current assets			
Long-term investment		10,424,900	10,389,500
Aircraft maintenance reserves	13.5	3,418,467,191	2,665,543,653
Aircraft, leasehold improvements and equipment, net	7	22,681,350,107	20,363,103,399
Intangible assets, net	7	33,519,147	15,463,357
Other non-current assets	13.6	980,397,810	1,040,698,183
Total non-current assets		27,124,159,155	24,095,198,092
Total assets		36,175,950,326	32,738,794,520

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

Thai AirAsia Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2017

		Unaudited	Audited
		30 September	31 December
		2017	2016
	Notes	Baht	Baht
Liabilities and equity			
Current liabilities			
Trade accounts payable		252,169,405	488,960,425
Other accounts payable		400,872,620	340,263,493
Amounts due to related parties	13.7	384,154,762	437,468,985
Deferred revenues		4,704,893,955	4,238,145,612
Accrued expenses		1,841,879,087	1,888,034,299
Current portion of long-term borrowings			
from financial institutions	8	266,877,252	559,746,132
Current portion of finance lease liabilities	10	1,315,964,652	1,231,760,940
Other current liabilities		50,233,180	38,961,588
Total current liabilities		9,217,044,913	9,223,341,474
Non-current liabilities			
Long-term borrowings from financial institutions	8	631,993,735	1,273,007,321
Debentures	9	1,597,853,785	-
Finance lease liabilities	10	13,044,303,576	12,390,703,979
Deferred tax liabilities, net		280,206,438	307,430,571
Employee benefit obligations		297,173,785	254,950,594
Total non-current liabilities		15,851,531,319	14,226,092,465
Total liabilities		25,068,576,232	23,449,433,939

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

Thai AirAsia Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2017

	Unaudited	Audited
	30 September	31 December
	2017	2016
	Baht	Baht
	<u> </u>	<u> </u>
Liabilities and equity (Cont'd)		
Equity		
Share capital		
Authorised share capital		
Ordinary shares, 43,555,560 shares of par Baht 10 each	435,555,600	435,555,600
Issued and paid-up share capital		
Ordinary shares, 43,555,560 shares of paid-up Baht 10 each	435,555,600	435,555,600
Premium on share capital	2,628,786,469	2,628,786,469
Retained earnings		
Appropriated - legal reserve	43,555,560	43,555,560
Unappropriated	7,999,476,465	6,181,462,952
Total equity	<u>11,107,374,094</u>	<u>9,289,360,581</u>
Total liabilities and equity	<u>36,175,950,326</u>	<u>32,738,794,520</u>

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

Thai AirAsia Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 September 2017

	Notes	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenues from sales and services		8,734,499,785	8,145,482,621
Cost of sales of goods and services		<u>(7,737,506,204)</u>	<u>(6,940,025,736)</u>
Gross profit		996,993,581	1,205,456,885
Other income		258,596,677	162,628,070
Selling expenses		(362,076,787)	(396,169,766)
Administrative expenses		(353,345,362)	(258,891,360)
Net gain on exchange rates		<u>72,338,406</u>	<u>39,279,717</u>
Profit before finance costs and income taxes		612,506,515	752,303,546
Finance costs		<u>(148,711,827)</u>	<u>(160,197,724)</u>
Profit before income taxes		463,794,688	592,105,822
Income taxes	11	<u>8,309,412</u>	<u>137,137,130</u>
Net profit for the period		<u>472,104,100</u>	<u>729,242,952</u>
Total comprehensive income for the period		<u><u>472,104,100</u></u>	<u><u>729,242,952</u></u>
Earnings per share			
Basic earnings per share	12	<u><u>10.84</u></u>	<u><u>16.74</u></u>

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

Thai AirAsia Company Limited
Statement of Comprehensive Income (Cont'd)
For the nine-month period ended 30 September 2017

	Notes	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenues from sales and services		26,220,373,160	24,853,828,062
Cost of sales of goods and services		<u>(22,767,245,106)</u>	<u>(19,955,061,352)</u>
Gross profit		3,453,128,054	4,898,766,710
Other income		732,994,548	576,987,477
Selling expenses		(1,117,227,355)	(1,133,122,669)
Administrative expenses		(1,045,218,192)	(801,040,651)
Net gain on exchange rates		<u>246,066,557</u>	<u>65,155,540</u>
Profit before finance costs and income taxes		2,269,743,612	3,606,746,407
Finance costs		<u>(478,954,232)</u>	<u>(396,181,888)</u>
Profit before income taxes		1,790,789,380	3,210,564,519
Income taxes	11	<u>27,224,133</u>	<u>118,069,536</u>
Net profit for the period		<u>1,818,013,513</u>	<u>3,328,634,055</u>
Total comprehensive income for the period		<u><u>1,818,013,513</u></u>	<u><u>3,328,634,055</u></u>
Earnings per share			
Basic earnings per share	12	<u><u>41.74</u></u>	<u><u>76.42</u></u>

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

Thai AirAsia Company Limited
Statement of Changes in Equity
For the nine-month period ended 30 September 2017

	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total Equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2016 (Audited)	435,555,600	2,628,786,469	43,555,560	4,149,219,827	7,257,117,456
Total comprehensive income for the period	-	-	-	3,328,634,055	3,328,634,055
Closing balance at 30 September 2016 (Unaudited)	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>43,555,560</u>	<u>7,477,853,882</u>	<u>10,585,751,511</u>
Opening balance at 1 January 2017 (Audited)	435,555,600	2,628,786,469	43,555,560	6,181,462,952	9,289,360,581
Total comprehensive income for the period	-	-	-	1,818,013,513	1,818,013,513
Closing balance at 30 September 2017 (Unaudited)	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>43,555,560</u>	<u>7,999,476,465</u>	<u>11,107,374,094</u>

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

Thai AirAsia Company Limited

Statement of Cash Flows

For the nine-month period ended 30 September 2017

	Note	Unaudited 2017 Baht	Unaudited 2016 Baht
Cash flows from operating activities			
Profit before income taxes		1,790,789,380	3,210,564,519
Adjustments for:			
Bad debt		346,144	216,569
Depreciation	7	1,053,671,509	851,633,634
Amortisation	7	7,174,402	3,253,949
Amortisation of prepaid expenses		79,456,353	88,560,993
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)	(46,298,605)
		3,098,946,926	4,338,430,318
Changes in operating assets and liabilities:			
- Trade and other receivables		(82,511,740)	(12,847,113)
- Amounts due from related parties		(85,217,206)	(260,601,007)
- Inventories		(2,025,919)	(36,054,034)
- Prepaid expenses		(66,601,822)	(6,718,148)
- Other current assets		115,556,228	(251,137,071)
- Other non-current assets		60,300,373	(58,230,326)
- Trade accounts payable		(236,791,020)	69,986,807
- Other accounts payable		60,609,127	27,205,471
- Amounts due to related parties		(53,314,223)	(551,254,678)
- Deferred revenues		466,748,343	82,097,821
- Accrued expenses		(46,422,920)	45,666,362
- Other current liabilities		11,271,592	1,272,154
- Employee benefit		(6,425,000)	(1,600,000)
		3,234,122,739	3,386,216,556
Cash generated from operating activities		3,234,122,739	3,386,216,556
Income taxes paid		(6,226,047)	(16,625,657)
Interest received		15,546,682	29,549,225
		3,243,443,374	3,399,140,124
Net cash generated from operating activities		3,243,443,374	3,399,140,124

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

Thai AirAsia Company Limited

Statement of Cash Flows (Cont'd)

For the nine-month period ended 30 September 2017

	Notes	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	7	(25,230,194)	(4,860,090)
Interest received		21,302,369	19,125,063
Net cash used in investing activities		<u>(919,935,826)</u>	<u>(1,968,152,953)</u>
Cash flows from financing activities			
Proceeds from long-term borrowings from financial institutions	8	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	8	(1,294,482,466)	-
Proceeds from debentures	9	1,600,000,000	-
Payments for front end fee of debentures	9	(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		<u>(1,355,427,717)</u>	<u>(1,224,816,968)</u>
Net increase in cash and cash equivalents		968,079,831	206,170,203
Cash and cash equivalents at the beginning of the period		4,549,226,048	6,071,376,910
Exchange loss on cash and cash equivalents		(43,200,874)	(45,526,240)
Cash and cash equivalents at the end of the period		<u><u>5,474,105,005</u></u>	<u><u>6,232,020,873</u></u>

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

Thai AirAsia Company Limited ("the Company") is a limited 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 principal business operation of the Company is to provide low-fare airline services.

This interim financial information was authorised for issue by the Board of Directors on 9 November 2017.

This interim 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 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 Company 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2016.

4 Segment information

Financial information by business segments

	For the three-month period ended 30 September 2017 (Unaudited)		
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues from sales and services	8,312,183,241	422,316,544	8,734,499,785
Profit from operation	197,617,616	83,953,816	281,571,432
Other income			258,596,677
Net gain on exchange rates			72,338,406
Finance costs			(148,711,827)
Profit before income taxes			463,794,688
Income taxes			8,309,412
Net profit for the period			472,104,100
Total assets			36,175,950,326
	For the three-month period ended 30 September 2016 (Unaudited)		
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues from sales and services	7,503,447,343	642,035,278	8,145,482,621
Profit from operation	366,308,884	184,086,875	550,395,759
Other income			162,628,070
Net gain on exchange rates			39,279,717
Finance costs			(160,197,724)
Profit before income taxes			592,105,822
Income taxes			137,137,130
Net profit for the period			729,242,952
Total assets			30,820,504,403

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

	For the nine-month period ended 30 September 2017 (Unaudited)		
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues from sales and services	25,024,127,273	1,196,245,887	26,220,373,160
Profit from operation	1,020,665,393	270,017,114	1,290,682,507
Other income			732,994,548
Net gain on exchange rates			246,066,557
Finance costs			(478,954,232)
Profit before income taxes			1,790,789,380
Income taxes			27,224,133
Net profit for the period			1,818,013,513
Total assets			36,175,950,326

	For the nine-month period ended 30 September 2016 (Unaudited)		
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues from sales and services	23,139,571,527	1,714,256,535	24,853,828,062
Profit from operation	2,478,457,811	486,145,579	2,964,603,390
Other income			576,987,477
Net gain on exchange rates			65,155,540
Finance costs			(396,181,888)
Profit before income taxes			3,210,564,519
Income taxes			118,069,536
Net profit for the period			3,328,634,055
Total assets			30,820,504,403

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 Company's reporting segments are described as follows:

- Scheduled flight operations: The Company provides passenger air transportation services to routine destinations based on scheduled flights. The Company sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Charter flight operations: The Company 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 Company 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 Company'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

	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

	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	14,895,623	49,823,994
Other receivables	40,571,780	20,719,911
Total trade and other receivables, net	<u>523,866,560</u>	<u>445,133,586</u>

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

	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	<u>430,665,561</u>	<u>339,573,128</u>

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

	Aircraft, leasehold improvements and equipment Baht	Intangible assets Baht
For the nine-month period ended 30 September 2017		
Opening net book amount (Audited)	20,363,103,399	15,463,357
Additions	3,468,343,573	25,230,194
Disposals/write-offs, net	(96,425,356)	(2)
Depreciation/amortisation	(1,053,671,509)	(7,174,402)
Closing net book amount (Unaudited)	<u>22,681,350,107</u>	<u>33,519,147</u>

8 Long-term borrowings from financial institutions

	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	(800,000)	(800,000)
Total current portion of long-term borrowings from financial institutions	<u>266,877,252</u>	<u>559,746,132</u>
Non-current		
Long-term borrowings from financial institutions	632,773,735	1,274,387,321
<u>Less</u> Front end fees	(780,000)	(1,380,000)
Total non-current portion of long-term borrowings from financial institutions	<u>631,993,735</u>	<u>1,273,007,321</u>
Total long-term borrowings from financial institutions	<u>898,870,987</u>	<u>1,832,753,453</u>

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

	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><u>898,870,987</u></u>

Credit facility

The Company has the following undrawn committed borrowing facilities:

	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>	-

9 Debentures

	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>	-

9 Debentures (Cont'd)

Movements in debentures are analysed as follows:

	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>

On 19 May 2017, the Company 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 Company intended to use the proceeds from these issuances for general purpose and/or for loan repayment and/or for working capital.

10 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	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	<u>(2,771,725,604)</u>	<u>(2,477,507,690)</u>
	<u>14,360,268,228</u>	<u>13,622,464,919</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>

The present value of finance lease liabilities is as follows:

	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>

11 Income taxes

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

12 Earnings per share

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

	For the three-month period ended 30 September (Unaudited)	
	2017	2016
Profit for the period (Baht)	472,104,100	729,242,952
Weighted average number of paid-up ordinary shares outstanding (Shares)	43,555,560	43,555,560
Basic earnings per share (Baht per share)	10.84	16.74
	For the nine-month period ended 30 September (Unaudited)	
	2017	2016
Profit for the period (Baht)	1,818,013,513	3,328,634,055
Weighted average number of paid-up ordinary shares outstanding (Shares)	43,555,560	43,555,560
Basic earnings per share (Baht per share)	41.74	76.42

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

13 Related party transactions

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

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

On 30 September 2017, the Company was controlled by Asia Aviation Public Company Limited which owned 55% of the Company's shares (as at 31 December 2016: 55%).

For reporting purpose, AirAsia Berhad who held 45% of the Company's shares 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

	For the three-month period ended 30 September (Unaudited)	
	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	-
	For the nine-month period ended 30 September (Unaudited)	
	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	-

13.2 Purchases of goods, services and expenses

	For the three-month period ended 30 September (Unaudited)	
	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	-
Parent company		
Management fee expenses	6,250,000	6,250,000

13 Related party transactions (Cont'd)

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

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

	For the nine-month period ended 30 September (Unaudited)	
	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	-
Parent company		
Management fee expenses	18,750,000	18,750,000

13.3 Management remunerations

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

	For the three-month period ended 30 September (Unaudited)	
	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	26,490,378	23,260,955
Retirement benefits	1,405,711	2,362,357
Total	27,896,089	25,623,312
	For the nine-month period ended 30 September (Unaudited)	
	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	104,411,019	88,951,519
Retirement benefits	4,217,137	7,087,083
Total	108,628,156	96,038,602

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:

13.4 Amounts due from related parties

	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Other related parties	891,065,704	804,788,351

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 Company. Under this agreement, the Company 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 Company 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).

13.6 Other non-current assets

	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	708,579,762	759,175,852

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).

13.7 Amounts due to related parties

	Unaudited 30 September 2017 Baht	Audited 31 December 2016 Baht
Other related parties	378,451,262	430,781,485
Parent company	5,703,500	6,687,500
Total	384,154,762	437,468,985

14 Fair value of derivatives 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 Company's financial assets and liabilities that were measured at fair value at 30 September 2017.

	Level 2 US Dollars	Level 2 Baht
Assets		
Derivatives used for hedging		
Fuel price swap agreements	9,400,703	-
Total assets	9,400,703	-
	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 Company's financial assets and liabilities that were measured at fair value at 31 December 2016.

	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
	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 and no 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 Company 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 statement of financial position.

15 Commitments

For the nine-month period ended 30 September 2017, the Company 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 Company 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, and insurance agreement of aircraft and aircraft engines as follows:

	Unaudited 30 September 2017		Audited 31 December 2016	
	Rental US Dollars	Insurance agreement US Dollars	Rental US Dollars	Insurance agreement 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	<u>772,838,216</u>	<u>1,864,929</u>	<u>831,456,443</u>	<u>1,668,900</u>

16 Guarantees

As at 30 September 2017, there was a commitment related to guarantees issued by bank in respect of pilot trainees' loan in accordance with its professional pilot course amounting to Baht 148.77 (as at 31 December 2016: Baht 215.66 million). The period of guarantees is 18 months since effective of loan agreements. The Company can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Company.

17 Letter of guarantee

The Company 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:

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

	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

18 Promotional privileges

On 13 March 2013, the Company 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 Company started earning income from the promotional activities (commencing from 26 April 2013). To be entitled to the privileges, the Company must comply with the conditions and restrictions provided in the promotional certificates. The conditions are that the Company’s authorised and paid-up share capital is not less than Baht 435.50 million. As at 30 September 2017, the Company 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, the Company 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 Company started earning income from the promotional activities (commencing from 30 March 2017). To be entitled to the privileges, the Company must comply with the conditions and restrictions provided in the promotional certificates. The conditions are that the Company’s authorised and paid-up share capital is not less than Baht 435.50 million. As at 30 September 2017, the Company had received all two aircraft under such certificate of promotional privileges from the BOI.

19 Events occurring after the reporting date

On 9 November 2017, the Company accepted the delivery of one additional Airbus A320-216 aircraft. The expansion of the Company’s fleet is to support the launch of new routes and increase the frequency of flights on the Company’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 30.50 per share, totalling of Baht 1,328.44 million.