

## Executive Summary

The international Monetary Fund (IMF) estimated global economy growth for 2016 at 3.1% in January 2017. The U.S. economy expanded gradually, supported by the growth of domestic consumption. Similar to the Eurozone economy was driven by the domestic consumption, however, it was confronted with several risks including the possibility of a Greece's default risk, non-performing loans in European banking system, and the fallout from the Brexit referendum. The Chinese economy slowed down due to the reform of its economic structure and the government's measures to promote economic and financial stability. However, the volatility of the world economy is the risk of Thailand's economic growth and may affect the company's operation.

The Office of the National Economics and Social Development Board (NESDB) revealed the Thailand economic growth was at 3.2% in 2016, rose from 2015 in a rate 2.9%. The Thai economy gradually recovered, supported by the increase of private consumption, the exports sector, and the acceleration in government spending. In addition, tourism continued be a key factor in the recovery of the Thai economy, while the measures to curb tour operators during the fourth quarter of 2016 (Q4/2016) and the mourning period in Thailand had a negative impact on tourist arrivals. Nevertheless, domestic spending on goods and services improved towards the end of 2016, aided by the government measures to enhance travelling during the holiday and stimulate tourism spending.

The number of international tourists to Thailand in 2016 rose 9% over the same period last year to 32.6 million. The number of East Asia visitors, particularly Chinese, rose 10% compared to previous year while those from ASEAN and European rose by 9% and 10%, respectively. Similarly, visitations from other regions continued to grow compared to the same period last year. The number of passengers carried of Thai AirAsia (TAA) in 2016 was 17.2 million, an increase of 16% Year-on-Year (YoY) which was even greater than the 12% increase in capacity YoY. During the quarter, the number of international tourists to Thailand in Q4/2016 declined by 1% over the same period last year to 7.8 million, resulting from 21% decrease in Chinese tourists due to the government's measures of tour operators as the aforementioned, while visitations from other regions continued to grow compared to the same period last year. Therefore, TAA carried 4.4 million passengers in Q4/2016, rose by 8% YoY, near to the capacity growth of 10% YoY. In Q4/2016, TAA started operating 2 international routes comprising Phuket – Siem Reap(Cambodia) and Bangkok(Don Mueang) - Kolkata(India). In addition, new flights were added to Bangkok – Surat Thani, Bangkok – Udon Thani, Bangkok – Phuket, Bangkok – Hanoi(Vietnam) and Pattaya(Utapao) – Hat Yai. TAA ended the year with a fleet size of 51 aircraft.

For the full financial ended 2016 (FY2016), Asia Aviation Plc had a net income of Baht 1,869.5 million, up by Baht 791.0 million from the full financial ended 2015 (FY2015) which had a net income of Baht 1,078.5 million. This stronger performance resulted from the robust growth in passengers and lower fuel cost as the average crude oil price in 2016 declined through the year on oversupply and the fragile global recovery.

## Financial Performance Summary

Asia Aviation Public Company Limited (“AAV”) is a major shareholder of Thai AirAsia Company Limited who is an airline operator of Thai AirAsia, in which the Company currently holds 55%.

Asia Aviation Public Company Limited’s financial performance for the three-month and year ended 31 December 2015 and 2016 has been summarised below:

### Statement of Comprehensive Income

Asia Aviation Public Company Limited Unit: Baht million	Consolidated		Change	Consolidated		Change
	For the three-month period ended 31 December			For year ended 31 December		
	2016	2015		2016	2015	
Revenues	7,546.7	7,634.0	(-1%)	32,400.6	29,507.3	+10%
Gross profit	825.9	870.3	(-5%)	5,712.8	4,192.2	+36%
Profit (loss) before finance costs and income taxes	133.2	624.9	(-79%)	3,727.0	2,566.4	+45%
Net profit (loss) for the period	75.4	497.9	(-85%)	3,397.6	1,958.3	+74%
Owners of the parent	41.3	274.5	(-85%)	1,869.5	1,078.5	+73%
Non-controlling interests	34.1	223.4	(-85%)	1,528.1	879.8	+74%
Other comprehensive income (expense):						
Remeasurement of employee benefit obligations	(43.1)	29.2	>-100%	(43.1)	29.2	>-100%
Income taxes relating to components of other comprehensive income (expense)	8.6	(5.8)	>100%	8.6	(5.8)	>100%
Total Comprehensive income (expense) for the period	40.9	521.2	(-92%)	3,363.1	1,981.6	+70%
Owners of the parent	22.3	287.3	(-92%)	1,850.5	1,091.3	+70%
Non-controlling interests	18.6	233.9	(-92%)	1,512.6	890.3	+70%
Earnings (loss) per share (Baht)	0.0000	0.0566	(-85%)	0.3855	0.2224	+73%

For the fourth quarter of 2016 (Q4/2016), Asia Aviation Plc had revenues of Baht 7,546.7 million, decreased by Baht 87.3 million or 1% compared to the same period last year. Additionally, profit before finance costs and income taxes amounted to Baht 133.2 million, decreased by Baht 491.7 million or 79% compared to the same period last year. Thus, Net profit attributable to owners of the parent in Q4/2016 amounted to Baht 41.3 million, decreased by Baht 233.2 million from Baht 274.5 million in the fourth quarter of 2015(Q4/2015), having a net profit margin of 1% and basic earnings was at Baht 0.0000 per share.

For the year ended 2016, Asia Aviation Plc had revenues of Baht 32,400.6 million, increased by Baht 2,893.3 million or 10% compared to the same period last year. Moreover, profit before finance costs and income taxes amounted to Baht 3,727.0 million, increased by Baht 1,160.6 million or 45% compared to the same period last year. Thus, Net profit attributable to owners of the parent for the year ended 2016 amounted to Baht 1,869.5 million, having a net profit margin of 6% and basic earnings was at Baht 0.3855 per share.

Total comprehensive income attributable to owners of the parent amounted to Baht 1,850.5 million for the year ended 2016, resulting from remeasurement of employee benefit obligations amounted to Baht 43.1 million and income taxes relating to components of other comprehensive income amounted to Baht 8.6 million.

#### Statement of Financial Position

Asia Aviation Public Company Limited Unit: Baht million	Consolidated		Change
	As at 31 December 2016	As at 31 December 2015	
Total assets	56,599.4	52,826.5	+7%
Total liabilities	26,479.2	24,743.3	+7%
Equity attributable to owners of the parent	21,270.5	20,142.4	+6%
Non-controlling interests	8,849.7	7,940.8	+11%
Total equity	30,120.2	28,083.2	+7%

#### Assets

As at 31 December 2016, total assets amounted to Baht 56,599.4 million, increased by Baht 3,772.9 million or 7% compared to the year ended 31 December 2015 and the return on assets (ROA) was 3.4%, due to;

- (1) Current assets decreased by Baht 69.6 million, mainly from the decrease in cash and cash equivalents by Baht 1,461.5 million as the delivery of 2 aircraft under finance lease agreements in order to support the growth of the company in the future. On the other hand, the short-term investments increased by Baht 960.5 million as the increase in fixed deposits while the amounts due from related parties increased by Baht 478.6 million.
- (2) Non-current assets increased by Baht 3,842.5 million due to an increase in aircraft, leasehold improvements and equipment-net amounted to Baht 2,209.3 million as the company delivered 2 aircraft under finance lease agreements. The aircraft maintenance reserves also increased by Baht 1,599.2 million, in relation to the increase in flight hours.

#### Liabilities

As at 31 December 2016, total liabilities amounted to Baht 26,479.2 million, increased by Baht 1,735.9 million or 7% compared to the year ended 31 December 2015, due to;

- (1) Current liabilities increased by Baht 973.7 million, mainly from the current portion of long-term borrowings which increased by Baht 559.7 million resulted from entering into unsecured loan agreements with local financial institutions for early termination of 2 aircraft and 2 aircraft engines under finance lease agreements (refinancing). Additionally, accrued expenses as the purchasing of rotatable spare parts and deferred revenues from the ticket selling in advance increased by Baht 373.7 million and Baht 207.9 million, respectively. Whilst the amounts due to related parties decreased by Baht 487.1 million.
- (2) Non-current liabilities increased by Baht 762.2 million, mainly from long-term borrowings which increased by Baht 1,273.0 million, whilst finance lease liabilities decreased by Baht 384.7 million due to the refinance of 2 aircraft and 2 aircraft engines under finance lease agreements. Despite, the company took the delivery of 2 additional aircraft under finance lease agreements in this period.

### Equity

As at 31 December 2016, total equity amounted to Baht 30,120.2 million, increased by Baht 2,037.0 million, or 7% compared to the year ended 31 December 2015, resulting from the operating results during the period. Nevertheless, Asia Aviation Plc announced the interim dividend payment in respect of the operating result for the year 2016 at the rate Baht 0.15 per share, totalling Baht 722.4 million and paid to the shareholders on December 7, 2016. In addition, the company recorded an additional legal reserve in an amount of Baht 22.0 million. Hence, an equity attributable to owners of the parent and non-controlling interests ended this year amounted to Baht 21,270.5 million and Baht 8,849.7 million, respectively, with the return on equity (ROE) was 9.0%.

### Statement of Cash Flows

Asia Aviation Public Company Limited Unit: Baht million	Consolidated	
	For year ended 31 December	
	2016	2015
Net cash generated from (used in) operating activities	4,381.6	4,073.7
Net cash generated from (used in) investing activities	(2,785.6)	(183.6)
Net cash generated from (used in) financing activities	<u>(3,098.1)</u>	<u>(2,529.1)</u>
Net increase (decrease) in cash and cash equivalents	(1,502.1)	1,361.0
Exchange gain (loss) on cash and cash equivalents	40.7	(27.3)
Cash and cash equivalents at the beginning of the period	<u>6,122.8</u>	<u>4,789.1</u>
Cash and cash equivalents at the end of the period	<u>4,661.4</u>	<u>6,122.8</u>

For the year ended 31 December 2016, Asia Aviation Plc had net cash generated from operating activities amounted of Baht 4,381.6 million mainly due to operating profit in this period. In contrast, net cash used in investing

activities was Baht 2,785.6 million mainly from payment for aircraft maintenance reserves, payment for aircraft, leasehold improvements and equipment, as well as, an increase in the investments of short-term fixed deposits. Net cash used in financing activities was Baht 3,098.1 million from payments for early termination of finance leases, repayments of finance leases, dividends paid and interest paid, whilst there was the proceeds from long-term borrowings due to the refinance of aircraft and aircraft engine under finance lease agreements amounted to Baht 2,000.0 million. As a result, Asia Aviation Plc had net decrease in cash and cash equivalents of Baht 1,502.1 million, while the cash and cash equivalents at the end of the period amounted to Baht 4,661.4 million.

Thai AirAsia's financial performance for the three-month and year ended 31 December 2015 and 2016 has been summarised below:

Statement of Comprehensive Income

Thai AirAsia Company Limited Unit: Baht million	For the three-month period ended 31 December		Change	For year ended 31 December		Change
	2016	2015		2016	2015	
	Revenues	7,546.7		7,634.0	(-1%)	
Gross profit	829.9	874.4	(-5%)	5,728.6	4,208.5	+36%
Profit (loss) before finance costs and income taxes	138.4	647.7	(-79%)	3,745.2	2,602.4	+44%
Net Profit (loss) for the period	79.6	519.6	(-85%)	3,408.2	1,991.0	+71%
Total Comprehensive income (expense) for the period	45.1	543.0	(-92%)	3,373.8	2,014.4	+67%
Earnings (loss) per share (Baht)	1.83	11.93	(-85%)	78.25	45.71	+71%

In Q4/2016, revenues of Thai AirAsia amounted to Baht 7,546.7 million, decreased by Baht 87.3 million or 1% from Baht 7,634.0 million in Q4/2015, resulted from the decrease in number of charter flights to Chinese market which have a revenue of Baht 249.1 million, dropped by Baht 224.5 million or 47% over the same period last year. To reduce the impact of strict government's measures of tour operators and the national mourning period, therefore, Thai AirAsia offered the promotional campaign for scheduled flights to enhance travelling, especially Chinese tourists' Free Independent Travellers (FITs), led to the decline in the average fares by 10% to Baht 1,415 per pax in Q4/2016 from Baht 1,579 per pax in Q4/2015. Although the government announced the stimulus measures of tourism at the end of the year by exempting visa fees and reducing Visa on Arrival fees, as well as, and offering the tax measurement to enhance domestic tourism sector. Hence, the number of passengers carried in Q4/2016 was at 4.4 million, rose by 8%, with the maintained load factor of 82% compare to the same period last year.

The ancillary revenues in Q4/2016 increased to Baht 1,402.1 million, or up by 7%, from Baht 1,309.6 million in Q4/2015, in relation to the number of passengers' growth. The revenues were mainly from checked baggage fees, seat selection fees, as well as, In-flight meals and beverages. Thai AirAsia's on-time performance remained punctually with 87% of our flights in this quarter. Nevertheless, the aircraft utilisation in Q4/2016 was at 11.5 hours per day, lower than Q4/2016 which had the aircraft utilisation at 11.8 hours per day, owing to the flood situation in southern part of Thailand and the decline in number of charter flights.

The cost per available seat kilometres (CASK) in Q4/2016 was at Baht 1.42, decreased by 8% compared to the same period last year. The fuel cost per ASK decreased from Baht 0.51 in Q4/2015 to Baht 0.40 in Q4/2016

or declined by 21% due to the advantage of fuel hedging. However, aircraft rental, staff costs, repair and maintenance costs, as well as ramp and airport operations costs increased owing to larger fleet size. As a results, Gross profit in Q4/2016 amounted to Baht 829.9 million, decreased by 5% compared to the same period last year, with a gross profit margin of 11%.

Profit before finance costs and income taxes in Q4/2016 amounted to Baht 138.4 million, decreased by 79% compared to the same period last year, having an operating profit margin of 2%. The proportion of selling and administrative expenses over the total revenues was flat when compared to Q4/2015.

Net profit in Q4/2016 amounted to Baht 79.6 million, decreased by Baht 440.0 million from the same period last year which was at Baht 519.6 million, having a net profit margin of 1%. During the quarter, Thai AirAsia recorded net loss on exchange rates amounted to Baht 144.7 million due to baht's depreciation against dollars. However, Thai AirAsia has a profit exempted from corporate income taxes due to promotional privilege from BOI, resulting in the decrease in income taxes.

For the year ended 2016, revenues of Thai AirAsia's amounted to Baht 32,400.6 million, increased by 10% from Baht 29,507.3 million in 2015, primarily due to the increase in the number of passengers carried to 17.2 million or 16% compared to the same period last year, higher than 12% increase in capacity compared to the same period last year with the load factor at 84%, up by 3 percentage points (ppts) compared to the same period last year. In 2016, Thai AirAsia delivered 6 aircraft to support the launch of new routes and increase the frequency of flights on well-performed routes. Thus, the available seat kilometres (ASK) increased by 14% compared to the same period last year. However, the average fares in 2016 amounted to Baht 1,565 per pax, decreased by 6% compared to the same period last year as a result of the competition among the airlines, the effect of strict government's measures on a tourist business standard and the mourning period.

Net profit for the year ended amounted to Baht 3,408.2 million, or increased by 71% compared to the same period last year. Thai AirAsia was benefit from a decrease in global oil prices as 28% of its total expenses was fuel cost. In addition, the company recognised deferred tax liabilities adjustment due refinancing of aircraft and aircraft engine under finance lease agreements as the aforementioned, resulting in the decrease in income taxes during the period.

Total comprehensive income for the year ended 2016 amounted to Baht 3,373.8 million, resulting from remeasurement of employee benefit obligations amounted to Baht 43.1 million and income taxes relating to components of other comprehensive income amounted to Baht 8.6 million.

Thai AirAsia Company Limited	Q4/2016	Q4/2015	Change	2016	2015	Change
Passenger carried (Million)	4.37	4.02	8%	17.22	14.85	16%
Capacity (Million seats)	5.35	4.89	10%	20.48	18.22	12%
Load factor	82%	82%	0 ppt	84%	81%	+3 ppts

Thai AirAsia Company Limited	Q4/2016	Q4/2015	Change	2016	2015	Change
Revenue passenger kilometres (Million seats-km)	4,203	3,953	6%	17,285	14,872	16%
Available seat kilometres (ASK) (Million seats-km)	5,208	4,826	8%	20,629	18,116	14%
Average fares (Baht)	1,415	1,579	-10%	1,565	1,667	-6%
Revenue per available seat kilometres(Baht)	1.45	1.58	-8%	1.57	1.63	-4%
Cost per ASK (Baht)	1.42	1.54	-8%	1.42	1.53	-7%
Cost per ASK (ex-fuel)(Baht)	1.02	1.03	-1%	1.02	0.98	4%

#### Statement of Financial Position

Thai AirAsia Company Limited Unit: Baht million	As at 31 December 2016	As at 31 December 2015	Change
Total assets	32,738.8	29,007.6	+13%
Total liabilities	23,449.4	21,750.5	+8%
Total equity	9,289.4	7,257.1	+28%

#### Assets

As at 31 December 2016, total assets amounted to Baht 32,738.8 million, increased by Baht 3,731.2 million or 13% compared to the year ended 31 December 2015, due to;

- (1) Current assets decreased by Baht 130.2 million, mainly from the decrease in cash and cash equivalents by Baht 1,522.2 million as the delivery of 2 additional aircraft under finance lease agreements in order to support the growth of the company in the future. On the other hand, the short-term investments increased by Baht 960.5 million as the increase in fixed deposits while the amounts due from related parties increased by Baht 478.6 million.
- (2) Non-current assets increased by Baht 3,861.4 million due to an increase in aircraft, leasehold improvements and equipment-net amounted to Baht 2,228.0 million as the company delivered 2 aircraft under finance lease agreements. The aircraft maintenance reserves also increased by Baht 1,599.2 million, in relation to the increase in flight hours.

#### Liabilities

As at 31 December 2016, total liabilities amounted to Baht 23,449.4 million, increased by Baht 1,698.9 million or 8% compared to the year ended 31 December 2015, primarily due to;

- (1) Current liabilities increased by Baht 929.1 million, mainly from the current portion of long-term borrowings which increased by Baht 559.7 million due to refinancing 2 aircraft and 2 aircraft engines under finance lease agreements. Additionally, accrued expenses as the purchasing of rotatable parts

- and deferred revenues from the ticket selling in advance increased by Baht 373.0 million and Baht 207.9 million, respectively. Whilst the amounts due to related parties decreased by Baht 480.4 million.
- (2) Non-current liabilities increased by Baht 769.8 million, mainly from long-term borrowings which increased by Baht 1,273.0 million whilst finance lease liabilities decreased by Baht 384.7 million due to the refinance of 2 aircraft and 2 aircraft engines under finance lease agreements. Despite, the company took the delivery of 2 additional aircraft under finance lease agreements in this period.

### Equity

As at 31 December 2016, total equity amounted to Baht 9,289.4 million, increased by Baht 2,032.3 million or 28% compared to the year ended 31 December 2015, resulted from the operating results during the period. Nevertheless, Thai AirAsia announced the interim dividend payment at the rate Baht 30.80 per share, totalling Baht 1,341.51 million and paid to the shareholders on November 11, 2016

Thai AirAsia's Debt-to-Equity ratio (Interest Bearing Debt) and Net Gearing ratio as at 31 December 2016 were 1.66x and 0.95x, respectively. Thai AirAsia has a policy to manage its Debt-to-Equity ratio less than 2x in order to maintain a strong capital structure in the competitive market.

### Statement of Cash Flows

Thai AirAsia Company Limited Unit: Baht million	For year ended 31 December	
	2016	2015
Net cash generated from (used in) operating activities	4,336.3	4,071.7
Net cash generated from (used in) investing activities	(2,785.6)	(183.6)
Net cash generated from (used in) financing activities	<u>(3,113.6)</u>	<u>(2,572.9)</u>
Net increase (decrease) in cash and cash equivalents	(1,562.9)	1,315.2
Exchange gain (loss) on cash and cash equivalents	40.7	(27.2)
Cash and cash equivalents at the beginning of the period	<u>6,071.4</u>	4,783.4
Cash and cash equivalents at the end of the period	<u>4,549.2</u>	<u>6,071.4</u>

For the year ended 31 December 2016, Thai AirAsia had net cash generated from operating activities amounted of Baht 4,336.3 million mainly due to operating profit in this period. In contrast, net cash used in investing activities was Baht 2,785.6 million mainly from payment for aircraft maintenance reserves, payment for aircraft, leasehold improvements and equipment, as well as, an increase in the investments of short-term fixed deposits. Net cash used in financing activities was Baht 3,113.6 million from payments for early termination of finance leases, repayments of finance leases, dividends paid and interest paid whilst there was the proceeds from long-term borrowings due to the refinance of aircraft and aircraft engine under finance lease agreements amounted to Baht 2,000.0 million. As a result, Asia Aviation Plc had net decrease in cash and cash equivalents of Baht 1,562.9 million, while the cash and cash equivalents at the end of the period amounted to Baht 4,549.2 million.

## Business Outlook

The IMF forecasts the global economy growth will rise to a rate of 3.4% in 2017, from a 2016 rate of 3.1%. Economic activity is projected to pick up pace in 2017 with uncertainties present in the periods ahead. In order to respond to the risk that may arise to affect the company's operation, the company analyses possible factors that may prevent the company in achieving its goals and mitigate its risks as follows;

- (1) Interest rate fluctuation: the U.S. economy is likely to expand from the prior year amid rising political uncertainty. Hence, Federal Reserve (Fed) expects to hike its policy interest rate 1-2 times this year after Fed raised its interest rate by 0.25% in December 2016. The company may incur significant amount of debt in the future in order to finance for new aircraft or for business expansion. The increasing interest rate is likely to affect the borrowing costs of the company. Thus, the company has set a measure to alleviate interest rate risk by fixing interest rate during the negotiation for financial lease contracts and by considering using financial instruments at appropriate time.
- (2) Currency fluctuation: the company has revenues and expenses in various different currencies. The Company has adopted the practice of Natural Hedging to reduce the exposure of foreign exchange rates fluctuation by matching cash expenses and revenues in the same currency as practically possible. Moreover, the structure the foreign currency loans are made in accordance with the highest currency net operating cash flow. The Company also used financial instruments for Currency risk management whenever it is suitable to do so.
- (3) Fuel costs fluctuation: Crude oil price is expected to increase in 2017 after the Organisation of the Petroleum Exporting (OPEC) members and Non-OPEC made an agreement to reduce their productions starting from January 2017. However, the upward trend of oil prices will possibly enhance the Shale oil producers to resume its operation and suppress the global oil prices. In an attempt to insure against the constant fluctuation in fuel costs, the Company has the fuel hedging policy as a tool to mitigate its exposure to volatile. As of February 17, 2017, Thai AirAsia has combined the forward fuel hedging with AirAsia Group, accounted for an average proportion of 74% of total fuel consumption in 2017 with the average effective jet fuel cost at USD 62 per barrel.

The Office of the National Economics and Social Development Board (NESDB) forecasts Thailand economic growth for 2017 in the range of 3.0%-4.0% driven by the growth of government expenditure to invest in massive infrastructure projects and household domestic spending. Furthermore, the Thai economy will benefit from the continued government's efforts to use stimulus measures. However, the volatility of the world's political is the key risk of Thailand's economic growth. On the other hand, the tourism sector is expected to recover as sentiment improved and the government also announced measures by exempting visa fees (single entry) and reducing Visa on Arrival fees during December 1, 2016 – August 31, 2017. The Tourism and Sports Ministry projects tourism receipts from foreign tourists will reach Baht 1.8 trillion, or increased by 8.5% from 2016, with the expected number

of international tourists to Thailand to reach 35.0 million in 2017, up from 32.6 million in 2016. Additionally, tourism in the first quarter will be supported by the high season of Thailand tourism including New Year and Chinese New Year, we expected the tourists would be robust which will support the aviation industry and the tourism sector.

In 2017, the company aim to reach a target of 19.5 million passengers, with a strong load factor at 84%, and plans to acquire 6 more aircraft during the year to bring its fleet to 57 aircraft. Furthermore, Thai AirAsia is planning to add more route to the Indian and the ASEAN markets while maintaining its position in Chinese market. Therefore, this diversified strategy tend to minimise the risk of dependence on major customers base and to enhance the company's revenue sustainable growth in the future.

## Glossary

**Load factor** = Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

**Available seat kilometres (ASK)** = which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown

**Revenue passenger kilometres (RPK)** = Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres those seats were flown

**Average fares** = Calculated as Thai AirAsia's total passenger revenues and fuel surcharge divided by total number of passengers carried

**Revenue per ASK (RASK)** = Calculated as Thai AirAsia's revenues divided by ASK

**Cost per ASK (CASK)** = Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding finance costs) divided by ASK

**Cost per ASK (CASK ex-fuel)** = Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding finance costs) less fuel costs divided by ASK

**Average stage length (kilometres)** = Represents the average number of kilometres flown per flight

**Aircraft utilisation** = Represents the average block hours per day per aircraft during the relevant period. Block hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its destination.

**Debt to Equity ratio (D/E)** = Calculated as Thai AirAsia's total interest bearing debt divided by total equity

**Net Gearing ratio** = Calculated as Thai AirAsia's total interest bearing debt less cash divided by total equity