

ASIA AVIATION PUBLIC COMPANY LIMITED

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

30 JUNE 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 subsidiaries, 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 June 2017, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-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', written over a horizontal line.

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

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

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
		Assets			
Current assets					
Cash and cash equivalents		5,208,703,525	4,661,352,232	71,558,952	112,126,184
Cash at financial institutions pledged as security		-	1,636,470	-	-
Short-term investments	5	1,514,434,662	2,069,763,643	-	-
Trade and other receivables, net	6	396,001,305	446,003,586	601,357	870,000
Amounts due from related parties	14.4	711,469,554	804,788,351	119,558	6,687,500
Inventories		104,462,864	118,176,358	-	-
Prepaid expenses		353,102,348	323,080,945	115,417	918,386
Other current assets		209,146,090	334,814,912	2,827,730	2,105,499
Total current assets		8,497,320,348	8,759,616,497	75,223,014	122,707,569
Non-current assets					
Long-term investment		11,848,500	11,848,500	-	-
Investment in subsidiary	7	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	14.5	3,201,945,615	2,665,543,653	-	-
Aircraft, leasehold improvements and equipment, net	8	23,068,452,799	20,425,356,577	10,969	13,101
Intangible assets, net	8	14,890,829,739	14,871,536,619	1	1
Goodwill		8,824,825,803	8,824,825,803	-	-
Deferred tax assets, net		-	-	109,920	966,947
Other non-current assets	14.6	993,037,113	1,040,698,183	-	-
Total non-current assets		50,990,939,569	47,839,809,335	3,067,235,260	3,068,094,419
Total assets		59,488,259,917	56,599,425,832	3,142,458,274	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 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable		285,459,649	488,960,425	-	-
Other accounts payable		388,660,387	340,856,616	-	593,123
Amounts due to related parties	14.7	309,872,856	430,781,485	492,000	-
Deferred revenues		4,302,981,399	4,238,145,612	-	-
Accrued expenses		1,717,588,591	1,890,245,179	490,786	2,210,880
Current portion of long-term borrowings from financial institutions	9	264,825,583	559,746,132	-	-
Current portion of finance lease liabilities	11	1,313,518,773	1,231,760,940	-	-
Other current liabilities		38,020,791	89,604,216	692,021	50,642,628
Total current liabilities		8,620,928,029	9,270,100,605	1,674,807	53,446,631
Non-current liabilities					
Long-term borrowings from financial institutions	9	771,489,450	1,273,007,321	-	-
Debentures	10	1,597,701,958	-	-	-
Finance lease liabilities	11	13,481,387,666	12,390,703,979	-	-
Deferred tax liabilities, net		3,271,130,783	3,290,418,091	-	-
Employee benefit obligations		280,957,726	254,950,594	-	-
Total non-current liabilities		19,402,667,583	17,209,079,985	-	-
Total liabilities		28,023,595,612	26,479,180,590	1,674,807	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 June 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares,				
4,850,000,000 shares				
of par Baht 0.1 each	<u>485,000,000</u>	<u>485,000,000</u>	<u>485,000,000</u>	<u>485,000,000</u>
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	<u>18,878,184,319</u>	<u>18,137,211,185</u>	<u>7,475,193</u>	<u>4,047,083</u>
Equity attributable to owners				
of the parent	22,011,492,593	21,270,519,459	3,140,783,467	3,137,355,357
Non-controlling interests	<u>9,453,171,712</u>	<u>8,849,725,783</u>	<u>-</u>	<u>-</u>
Total equity	<u>31,464,664,305</u>	<u>30,120,245,242</u>	<u>3,140,783,467</u>	<u>3,137,355,357</u>
Total liabilities and equity	<u>59,488,259,917</u>	<u>56,599,425,832</u>	<u>3,142,458,274</u>	<u>3,190,801,988</u>

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 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Revenues from sales and services		8,335,641,014	7,755,851,092	6,250,000	6,250,000
Cost of sales of goods and services		(7,465,703,530)	(6,555,856,528)	-	-
Gross profit		869,937,484	1,199,994,564	6,250,000	6,250,000
Other income		223,319,041	183,378,967	156,886	962,953
Selling expenses		(375,585,257)	(346,882,880)	-	-
Administrative expenses		(321,684,056)	(265,624,561)	(5,430,792)	(4,184,268)
Net gain on exchange rates		30,145,486	28,316,405	-	-
Profit before finance costs and income taxes		426,132,698	799,182,495	976,094	3,028,685
Finance costs		(171,771,938)	(109,207,379)	-	-
Profit before income taxes		254,360,760	689,975,116	976,094	3,028,685
Income taxes	12	55,274,978	76,230,657	(195,218)	(605,737)
Net profit for the period		309,635,738	766,205,773	780,876	2,422,948
Total comprehensive income for the period		309,635,738	766,205,773	780,876	2,422,948
Net profit attributable to:					
Owners of the parent		170,651,050	422,503,502	780,876	2,422,948
Non-controlling interests		138,984,688	343,702,271	-	-
		309,635,738	766,205,773	780,876	2,422,948
Earnings per share					
Basic earnings per share	13	0.0352	0.0871	0.0002	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 six-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Revenues from sales and services		17,485,873,375	16,708,345,441	12,500,000	12,500,000
Cost of sales of goods and services		(15,034,914,655)	(13,022,915,392)	-	-
Gross profit		2,450,958,720	3,685,430,049	12,500,000	12,500,000
Other income		475,120,606	413,885,428	722,735	962,953
Selling expenses		(755,150,568)	(736,952,903)	-	-
Administrative expenses		(689,282,750)	(539,045,987)	(8,937,598)	(7,769,501)
Net gain on exchange rates		173,728,151	25,875,823	-	-
Profit before finance costs and income taxes		1,655,374,159	2,849,192,410	4,285,137	5,693,452
Finance costs		(330,242,405)	(235,984,164)	-	-
Profit before income taxes		1,325,131,754	2,613,208,246	4,285,137	5,693,452
Income taxes	12	19,287,309	(14,056,349)	(857,027)	(1,138,690)
Net profit for the period		1,344,419,063	2,599,151,897	3,428,110	4,554,762
Total comprehensive income for the period		1,344,419,063	2,599,151,897	3,428,110	4,554,762
Net profit attributable to:					
Owners of the parent		740,973,134	1,431,583,188	3,428,110	4,554,762
Non-controlling interests		603,445,929	1,167,568,709	-	-
		1,344,419,063	2,599,151,897	3,428,110	4,554,762
Earnings per share					
Basic earnings per share	13	0.1528	0.2952	0.0007	0.0009

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

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

	Consolidated financial information						
	Attributable to owners of the parent				Total owners of the parent	Non- controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings				
			- legal reserve	Unappropriated	Baht	Baht	
Baht	Baht	Baht	Baht	Baht	Baht	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	-	-	-	1,431,583,188	1,431,583,188	1,167,568,709	2,599,151,897
Legal reserve	-	-	227,739	(227,739)	-	-	-
Closing balance at 30 June 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,738,125</u>	<u>18,462,422,281</u>	<u>21,573,968,680</u>	<u>9,108,343,773</u>	<u>30,682,312,453</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	-	-	-	740,973,134	740,973,134	603,445,929	1,344,419,063
Closing balance at 30 June 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>18,878,184,319</u>	<u>22,011,492,593</u>	<u>9,453,171,712</u>	<u>31,464,664,305</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 six-month period ended 30 June 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	-	-	-	4,554,762	4,554,762
Legal reserve	-	-	227,739	(227,739)	-
Closing balance at 30 June 2016 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,738,125</u>	<u>13,169,864</u>	<u>3,124,716,263</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	-	-	-	3,428,110	3,428,110
Closing balance at 30 June 2017 (Unaudited)	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>7,475,193</u>	<u>3,140,783,467</u>

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

Asia Aviation Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2017

	Note	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income taxes		1,325,131,754	2,613,208,246	4,285,137	5,693,452
Adjustments for:					
Bad debt		346,144	-	-	-
Depreciation	8	685,087,702	571,587,815	2,132	2,138
Amortisation	8	4,737,512	2,198,715	-	-
Amortisation of prepaid expenses		58,622,237	69,427,646	1,011,519	1,117,113
Gain on disposals and write-offs of leasehold improvements, equipment and intangible asset		(115,659)	(1,567,467)	-	-
Employee benefit expenses		32,432,132	22,265,304	-	-
Net gain on exchange rates		(256,455,384)	(146,396,131)	-	-
Finance costs		330,242,405	235,984,164	-	-
Interest income		(29,221,698)	(37,008,335)	-	-
		2,150,807,145	3,329,699,957	5,298,788	6,812,703
Changes in operating assets and liabilities:					
- Trade and other receivables		54,824,275	44,036,778	268,643	(160,500)
- Amounts due from related parties		93,282,604	(481,569,051)	6,567,942	-
- Inventories		13,713,494	(40,693,860)	-	-
- Prepaid expenses		(88,643,640)	(61,672,799)	(208,550)	(394,050)
- Other current assets		131,072,932	(11,989,940)	(141,802)	(80,047)
- Other non-current assets		47,661,070	(59,742,120)	-	-
- Trade accounts payable		(203,500,776)	(31,596,951)	-	-
- Other accounts payable		47,803,771	73,499,459	(593,123)	-
- Amounts due to related parties		(120,908,629)	(158,122,632)	492,000	-
- Deferred revenues		64,835,787	41,814,318	-	-
- Accrued expenses		(192,729,407)	(95,159,840)	(1,720,094)	(1,076,364)
- Other current liabilities		(51,583,425)	14,152,116	(49,950,607)	(55,569)
- Employee benefit		(6,425,000)	(1,600,000)	-	-
Cash generated from (used in) operating activities		1,940,210,201	2,561,055,435	(39,986,803)	5,046,173
Income taxes paid		(5,404,110)	(15,384,213)	(580,429)	(390,600)
Interest received		13,591,621	28,056,533	-	-
Net cash generated from (used in) operating activities		1,948,397,712	2,573,727,755	(40,567,232)	4,655,573

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 six-month period ended 30 June 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 in short-term investments		500,000,000	250,000,000	-	-
Payment for aircraft maintenance reserves		(536,401,962)	(1,041,548,217)	-	-
Proceeds from disposals of leasehold improvements and equipment		85,640,755	63,408,425	-	-
Payments for aircraft, leasehold improvements and equipment		(629,964,875)	(137,510,965)	-	-
Payments for intangible assets	8	(24,030,634)	(3,406,600)	-	-
Interest received		7,507,387	16,819,583	-	-
Net cash used in investing activities		(595,613,189)	(812,046,293)	-	-
Cash flows from financing activities					
Repayments of long-term borrowings from financial institutions	9	(796,838,420)	-	-	-
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 lease		(724,306,457)	-	-	-
Repayments of finance leases		(580,688,675)	(595,012,588)	-	-
Interest paid		(281,776,907)	(302,079,441)	-	-
Net cash used in financing activities		(785,980,333)	(897,092,029)	-	-
Net increase (decrease) in cash and cash equivalents		566,804,190	864,589,433	(40,567,232)	4,655,573
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		(19,452,897)	(11,729,629)	-	-
Cash and cash equivalents at the end of the period		5,208,703,525	6,975,674,448	71,558,952	56,093,307

Non-cash transactions

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

Purchases of aircraft spare parts which have not been paid	48,920,652	7,594,009	-	-
Purchases of aircraft under finance lease agreements	2,790,224,535	-	-	-

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 August 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 June 2017 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	7,956,234,114	379,406,900	6,250,000	(6,250,000)	8,335,641,014
Profit from operation	94,570,585	78,814,766	819,208	-	174,204,559
Unallocated costs					(1,536,388)
Other income					223,319,041
Net gain on exchange rates					30,145,486
Finance costs					(171,771,938)
Profit before income taxes					254,360,760
Income taxes					55,274,978
Net profit for the period					<u>309,635,738</u>
Total assets					59,488,259,917

	Consolidated financial information				
	For the three-month period ended 30 June 2016 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	7,203,298,632	552,552,460	6,250,000	(6,250,000)	7,755,851,092
Profit from operation	433,913,889	156,235,776	2,065,732	-	592,215,397
Unallocated costs					(4,728,274)
Other income					183,378,967
Net gain on exchange rates					28,316,405
Finance costs					(109,207,379)
Profit before income taxes					689,975,116
Income taxes					76,230,657
Net profit for the period					<u>766,205,773</u>
Total assets					54,465,057,179

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

Consolidated financial information					
For the six-month period ended 30 June 2017 (Unaudited)					
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	16,711,944,032	773,929,343	12,500,000	(12,500,000)	17,485,873,375
Profit from operation	823,047,777	186,063,298	3,562,402	-	1,012,673,477
Unallocated costs					(6,148,075)
Other income					475,120,606
Net gain on exchange rates					173,728,151
Finance costs					(330,242,405)
Profit before income taxes					1,325,131,754
Income taxes					19,287,309
Net profit for the period					<u>1,344,419,063</u>
Total assets					59,488,259,917

Consolidated financial information					
For the six-month period ended 30 June 2016 (Unaudited)					
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues from sales and services	15,636,124,184	1,072,221,257	12,500,000	(12,500,000)	16,708,345,441
Profit from operation	2,112,148,722	302,058,909	4,730,499	-	2,418,938,130
Unallocated costs					(9,506,971)
Other income					413,885,428
Net gain on exchange rates					25,875,823
Finance costs					(235,984,164)
Profit before income taxes					2,613,208,246
Income taxes					(14,056,349)
Net profit for the period					<u>2,599,151,897</u>
Total assets					54,465,057,179

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.

5 Short-term investments

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Fixed deposits	1,514,434,662	2,069,763,643	-	-

As at 30 June 2017, short-term investments comprised fixed deposits of US Dollars 30 million and Baht 500 million (2016: US Dollars 30 million and Baht 1,000 million). Fixed deposits have the period of 11-month to 12-month and bear interests at the rates of 1.00% 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 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Trade accounts receivable	288,728,085	339,573,128	-	-
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade accounts receivable, net	288,728,085	339,573,128	-	-
Accrued airport fee and incentive income	39,594,615	35,016,553	-	-
Accrued income	23,709,091	50,693,994	119,857	870,000
Other receivables	43,969,514	20,719,911	481,500	-
Total trade and other receivables, net	396,001,305	446,003,586	601,357	870,000

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

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Up to 3 months	275,652,705	311,441,205	-	-
3 - 6 months	1,173,898	14,996,214	-	-
6 - 12 months	4,006,118	8,894,433	-	-
Over 12 months	7,895,364	4,241,276	-	-
Total trade accounts receivable	288,728,085	339,573,128	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable, net	288,728,085	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 June 2017	31 December 2016	Cost method	
			Percent	Percent	30 June 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 six-month period ended 30 June 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	3,413,709,018	24,030,634	-	24,030,634	-	-
Disposals/write-offs, net	(85,525,094)	(2)	-	(2)	-	-
Depreciation/amortisation	(685,087,702)	(4,737,512)	-	(4,737,512)	(2,132)	-
Closing net book amount (Unaudited)	23,068,452,799	34,829,739	14,856,000,000	14,890,829,739	10,969	1

9 Long-term borrowings from financial institutions

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Current				
Current portion of long-term borrowings from financial institutions	265,625,583	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>264,825,583</u>	<u>559,746,132</u>	<u>-</u>	<u>-</u>
Non-current				
Long-term borrowings from financial institutions	772,469,450	1,274,387,321	-	-
<u>Less</u> Front end fees	<u>(980,000)</u>	<u>(1,380,000)</u>	<u>-</u>	<u>-</u>
Total non-current portion of long-term borrowings from financial institutions	<u>771,489,450</u>	<u>1,273,007,321</u>	<u>-</u>	<u>-</u>
Total borrowings from financial institutions	<u>1,036,315,033</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 Baht	Separate financial information Baht
For the six-month period ended 30 June 2017		
Opening book amount (Audited)	1,832,753,453	-
Payments for long-term borrowings from financial institutions	(796,838,420)	-
Amortisation of front end fees	<u>400,000</u>	<u>-</u>
Closing book amount (Unaudited)	<u>1,036,315,033</u>	<u>-</u>

Collateral and credit facility

As at 30 June 2017, the Group had no collateral and non-available credit facility.

10 Debentures

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Non-current				
Debentures	1,600,000,000	-	-	-
Less Front end fees	(2,298,042)	-	-	-
Total debentures	1,597,701,958	-	-	-

Movements in debentures are analysed as follows:

	Consolidated financial information	Separate financial information
	Baht	Baht
For the six-month period ended 30 June 2017		
Opening book amount (Audited)	-	-
Proceed from debentures	1,600,000,000	-
Payments for front end fees of debentures	(2,369,874)	-
Amortisation of front end fees of debentures	71,832	-
Closing book amount (Unaudited)	1,597,701,958	-

On 19 May 2017 Thai AirAsia Company Limited, its subsidiary, had issued two tranches of 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 issue 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 issue 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 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,832,048,657	1,679,361,046	-	-
Later than 1 year but not later than 5 years	7,328,194,628	6,717,444,182	-	-
Later than 5 years	8,558,748,561	7,703,167,381	-	-
<u>Less</u> Future finance charges on finance leases	(2,924,085,407)	(2,477,507,690)	-	-
	<u>14,794,906,439</u>	<u>13,622,464,919</u>	<u>-</u>	<u>-</u>
Finance lease liabilities:				
- Current portion	1,313,518,773	1,231,760,940	-	-
- Non-current portion	13,481,387,666	12,390,703,979	-	-
	<u>14,794,906,439</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 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Within 1 year	1,794,835,409	1,646,864,776	-	-
Later than 1 year but not later than 5 years	6,566,775,488	6,054,315,289	-	-
Later than 5 years	6,433,295,542	5,921,284,854	-	-
	<u>14,794,906,439</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 per share

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

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 30 June (Unaudited)			
	2017	2016	2017	2016
Profit attributable to ordinary shareholders of the parent (Baht)	170,651,050	422,503,502	780,876	2,422,948
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)	0.0352	0.0871	0.0002	0.0005
	Consolidated financial information		Separate financial information	
	For the six-month periods ended 30 June (Unaudited)			
	2017	2016	2017	2016
Profit attributable to ordinary shareholders of the parent (Baht)	740,973,134	1,431,583,188	3,428,110	4,554,762
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)	0.1528	0.2952	0.0007	0.0009

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, its subsidiary, 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 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Interest income	1,462,997	4,538,010	-	-
Other administrative fees	4,231,589	7,545,884	-	-
Commission from sales of duty free goods	4,101,283	364,971	-	-
Passenger service revenues	904,659	-	-	-
Advertising income	12,957,700	-	-	-
Subsidiary				
Management fee	-	-	6,250,000	6,250,000
	Consolidated financial information		Separate financial information	
	For the six-month periods ended 30 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Interest income	2,954,552	7,548,156	-	-
Other administrative fees	12,823,000	22,731,867	-	-
Commission from sales of duty free goods	8,428,067	364,971	-	-
Passenger service revenues	9,876,744	-	-	-
Advertising income	24,069,650	-	-	-
Subsidiary				
Management fee	-	-	12,500,000	12,500,000

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 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Share of (gain) loss from				
fuel price swap agreements	(32,061,949)	19,806,151	-	-
Share of staff costs for				
accounting and other services	26,138,078	10,014,184	-	-
Aircraft rental	1,102,399,269	1,125,232,824	-	-
Aircraft repair and maintenance	520,968,676	513,164,708	-	-
Purchases of merchandises and equipment	6,120,149	29,158,914	-	-
Management fee expenses	4,128,060	4,253,832	-	-
Booking fee expenses	44,096,858	39,589,339	-	-
Pilot training expenses	16,904,999	12,795,419	-	-
Brand license fee expenses	126,911,133	78,855,919	-	-
Ground Handling service	6,268,919	-	-	-
Security service	7,865,844	-	-	-
Sponsorship fee paid to				
Leicester City Football Club	24,929,165	4,042,460	-	-
Sponsorship fee paid to				
Thailand Polo Association	1,250,000	-	-	-

	Consolidated financial information		Separate financial information	
	For the six-month periods ended 30 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other related parties				
Share of (gain) loss from				
fuel price swap agreements	(212,346,025)	318,253,100	-	-
Share of staff costs for				
accounting and other services	38,629,763	18,724,371	-	-
Aircraft rental	2,224,842,416	2,255,759,124	-	-
Aircraft repair and maintenance	1,054,794,489	1,005,130,850	-	-
Purchases of merchandises and equipment	9,267,154	67,594,271	-	-
Management fee expenses	8,329,632	8,543,616	-	-
Booking fee expenses	88,678,099	81,431,507	-	-
Pilot training expenses	49,386,638	48,140,379	-	-
Brand license fee expenses	264,820,181	169,535,786	-	-
Ground Handling service	6,268,919	-	-	-
Security service	7,865,844	-	-	-
Sponsorship fee paid to				
Leicester City Football Club	49,858,330	4,042,460	-	-
Donation paid to				
King Power Foundation	5,000,000	-	-	-
Sponsorship fee paid to				
Thailand Polo Association	1,250,000	-	-	-

14 Related party transactions (Cont'd)

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

14.3 Management remuneration

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

	Consolidated financial information		Separate financial information	
	For the three-month periods ended 30 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	27,267,492	27,734,377	1,720,000	2,057,500
Retirement benefits	1,405,714	2,362,363	-	-
	<u>28,673,206</u>	<u>30,096,740</u>	<u>1,720,000</u>	<u>2,057,500</u>
	Consolidated financial information		Separate financial information	
	For the six-month periods ended 30 June (Unaudited)			
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Salaries and other short-term employee benefits	81,580,641	75,752,258	3,660,000	3,920,000
Retirement benefits	2,811,426	4,724,726	-	-
	<u>84,392,067</u>	<u>80,476,984</u>	<u>3,660,000</u>	<u>3,920,000</u>

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

14.4 Amounts due from related parties

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
	Other related parties	711,469,554	804,788,351	119,558
Subsidiary	-	-	-	6,687,500
	<u>711,469,554</u>	<u>804,788,351</u>	<u>119,558</u>	<u>6,687,500</u>

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

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

As at 30 June 2017, the Group had commitment from an Aircraft maintenance services agreement amounting to US Dollars 5,270,148 (as at 31 December 2016: US Dollars 4,742,878).

14.6 Other non-current assets

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Other related parties				
Aircraft rental deposits	704,694,180	741,346,452	-	-
Fuel price swap deposit	16,907,250	17,829,400	-	-
	<u>721,601,430</u>	<u>759,175,852</u>	<u>-</u>	<u>-</u>

As at 30 June 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 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Other related parties	309,872,856	430,781,485	-	-
Subsidiary	-	-	492,000	-
	<u>309,872,856</u>	<u>430,781,485</u>	<u>492,000</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 June 2017.

		Consolidated financial information	
		Level 2 US Dollars	Level 2 Baht
Assets			
Derivatives used for hedging			
Interest rate swap agreements		-	3,524,502
Total assets		-	3,524,502
		Consolidated financial information	
		Level 2 US Dollars	Level 2 Baht
Liabilities			
Derivatives used for hedging			
Fuel price swap agreements		2,139,003	-
Cross currency swap agreement		-	13,165,103
Foreign exchange forward contracts		-	43,171,212
Total liabilities		2,139,003	56,336,315

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 six-month period ended 30 June 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 30 June 2017		Audited 31 December 2016	
	Rental US Dollars	Insurance agreements US Dollars	Rental US Dollars	Insurance agreements US Dollars
Within 1 year	146,226,309	3,396,542	141,613,445	1,668,900
Later than 1 year but not later than 5 years	490,631,592	-	500,694,439	-
Later than 5 years	172,888,556	-	189,148,559	-
Total	809,746,457	3,396,542	831,456,443	1,668,900

17 Guarantees

As at 30 June 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 267.04 million (as at 31 December 2016: Baht 215.66 million). Normally, a guarantee is terminated when the pilot trainee earns a commercial pilot's license and is assigned as a co-pilot or when the pilot trainee settles all outstanding debts with the bank. However, the Group can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Group.

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 June 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	0.42	1.00	1.81	53.52	7.90	0.09	1.00	1.81	57.42
Guarantees relating to maintenance reserve fund	-	40.91	-	-	-	-	38.78	-	-	-
Total	7.90	41.33	1.00	1.81	53.52	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 June 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 June 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 June 2017, the subsidiary had received all two aircraft under such certificate of promotional privileges from the BOI.