

ANNUAL REPORT 2016

รายงานประจำปี 2559



WORLD'S BEST LOW-COST AIRLINE

8 TIMES IN A ROW

— AND CONTINUING TO GIVE YOU —

The Time Of Your *Life*



AirAsiaThailand

AirAsia .com

WORLD'S BEST
LOW COST AIRLINE FOR

**8 YEARS
STRAIGHT**



PASSENGERS
CARRIED

**94 MILLION
OVER 13 YEARS**

NO.1

LOW-FARES
AIRLINE OF
THAILAND



**ROUTE
NETWORK**



**AirAsia Thailand Domestic Route
& Transfer Service**



**THAI AIRASIA HUB
IN THAILAND**



- Don Mueang Int. Airport, Bangkok
- Phuket Int. Airport
- Chiang Mai Int. Airport
- Krabi Int. Airport
- U-Tapao Int. Airport
- Hat Yai Int. Airport
- International Route
- Domestic Route
- ⋯ City transfer
- ⋯ Island transfer

SUMMARY

2016



FINANCIAL HIGHLIGHTS

TOTAL REVENUES

Unit : Million Baht

FY 2016	32,401
FY 2015	29,507
FY 2014	25,356

NET PROFIT

Unit : Million Baht

FY 2016	1,869
FY 2015	1,078
FY 2014	183

OPERATIONAL HIGHLIGHTS

PASSENGERS CARRIED

Unit : Million Passengers

Legend: Domestic (Grey), International (Red)

FY 2016	10.8	6.4	17.2	+ 16% YOY
FY 2015	9.2	5.6	14.8	
FY 2014	7.4	4.8	12.2	

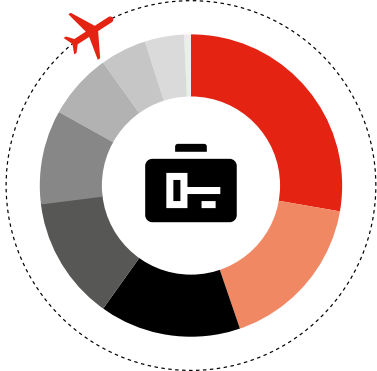
LOAD FACTOR

+ 3 PPTS YOY

FY 2016	84%
FY 2015	81%
FY 2014	80%

Remark
Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

2016 COST BREAKDOWN



- 28% Fuel
- 17% Aircraft Rental
- 15% Staff
- 13% Ramp & Airport Operations
- 10% Repair & Maintenance
- 7% SG&A
- 5% Guest Service & Distribution
- 4% Dep. & Amort.
- 1% Others

FINANCIAL HIGHLIGHTS

Unit: Million Baht

	2014	2015	2016
STATEMENT OF COMPREHENSIVE INCOME			
Revenues from sales and services	25,356	29,507	32,401
Net profit	331	1,958	3,398
Net profit attributable to owners of the parent	183	1,078	1,869
STATEMENT OF FINANCIAL POSITION			
Total assets	49,502	52,826	56,599
Total liabilities	22,486	24,743	26,479
Equity attributable to owners of the parent	19,534	20,142	21,270
Total equity	27,016	28,083	30,120
STATEMENT OF CASH FLOWS			
Net cash generated from (used in) operating activities	1,849	4,074	4,382
Net cash generated from (used in) investing activities	2,025	(184)	(2,786)
Net cash generated from (used in) financing activities	(1,031)	(2,529)	(3,098)
Net increase (decrease) in cash and cash equivalents	2,844	1,361	(1,502)
KEY FINANCIAL RATIOS			
Net profit margin (%) ⁽¹⁾	0.7	3.7	5.8
Return on assets (%) ⁽²⁾	0.4	2.1	3.4
Return on equity (%) ⁽³⁾	0.9	5.4	9.0
Basic earnings per share (Baht)	0.04	0.22	0.39


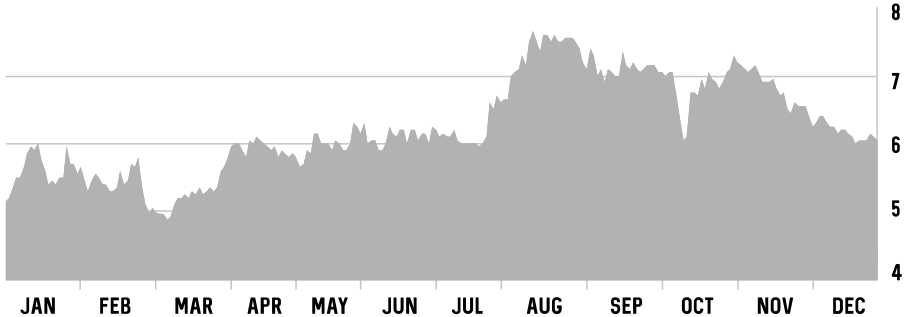
Remark
 (1) Net profit margin = Net profit attributable to owners of the parent / Revenues
 (2) Return on assets = Net profit attributable to owners of the parent / Total assets
 (3) Return on equity = Net profit attributable to owners of the parent / Equity attributable to owners of the parent

STOCK INFORMATION

ASIA AVIATION PUBLIC COMPANY LIMITED

6.05
AS OF DECEMBER 30, 2016

4.88-7.65
52 WEEKS' RANGE

Remark
Listed in the Stock Exchange of Thailand (SET)

TOTAL ASSETS

Unit : Million Baht

56,599

TOTAL LIABILITIES

Unit : Million Baht

26,479

TOTAL EQUITY

Unit : Million Baht

30,120

OPERATING DATA

Unit: Million Baht

FOR THE YEAR ENDED 31 DECEMBER	2014	2015	2016
Capacity (million seats)	15.3	18.2	20.5
Passengers carried (million)	12.2	14.8	17.2
Load factor (%) ⁽¹⁾	80	81	84
ASK (million) ⁽²⁾	15,419	18,116	20,629
RPK (million) ⁽³⁾	12,420	14,872	17,285
Average fares (Baht) ⁽⁴⁾	1,726	1,667	1,565
Revenue per ASK (Baht) ⁽⁵⁾	1.64	1.63	1.57
Cost per ASK (Baht) ⁽⁶⁾	1.66	1.53	1.42
Cost per ASK (non-fuel) (Baht) ⁽⁷⁾	0.93	0.98	1.02
Number of aircraft at period end	40	45	51
Number of stages flown	85,074	101,231	113,776
International	33,883	38,753	43,782
Domestic	51,191	62,478	69,994
Average stage length (kilometre) ⁽⁸⁾	1,008	995	1,007
Aircraft utilisation (block hours per day) ⁽⁹⁾	10.9	11.5	11.7
Ancillary revenue (Baht million)	4,385	4,852	5,556
Ancillary revenue per passenger (Baht)	359	327	323
Fuel consumption (million barrel)	2.72	3.31	3.86
Company's average market jet fuel price (USD per barrel) ⁽¹⁰⁾	116.5	67.5	51.5
On time performance (%) ⁽¹¹⁾	91	87	85

Remark

- (1) Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers
- (2) Available seat kilometres, which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown
- (3) Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres those seats were flown
- (4) Calculated as Thai AirAsia's total passenger revenues and fuel surcharge divided by total number of passengers carried
- (5) Calculated as Thai AirAsia's revenues divided by ASK
- (6) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding finance costs) divided by ASK
- (7) 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
- (8) Represents the average number of kilometres flown per flight
- (9) 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.
- (10) Calculated as average fuel price of Jet kerosene for the period (MOPS price)
- (11) A flight is deemed "on time" if the actual departure time is no more than 15 minutes of the scheduled departure time.



**WELCOME
ON BOARD**



TEAMWORK AND
WELL-EXECUTED IDEAS

EFFICIENT MANAGEMENT



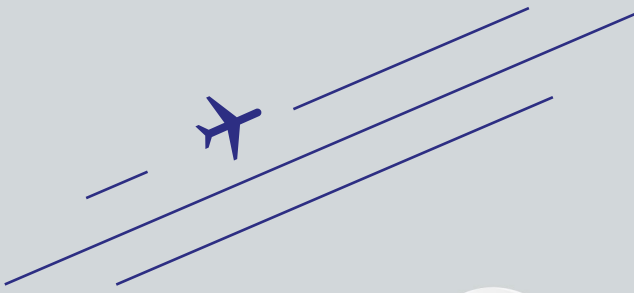
TURNAROUND TIME
WITHIN 25 MINUTES

FLY ON-TIME

With our professional team and excellent management system, guaranteed by the world's "Best Low-Cost Carrier", Thai Air Asia's on-time flight service and good standard in-flight service facilitate our customers in every mission and engagement.



ADHERENCE TO
INTERNATIONAL STANDARDS



EVERY LITTLE DETAIL MATTERS



CONSTANT TRAINING

**SAFETY
ASSURED**

Not only striving to offer satisfactory services, our ultimate goal is to ensure the safety for our customers.



COVER 20 DOMESTIC DESTINATIONS
AND 28 INTERNATIONAL DESTINATIONS

6 DOMESTIC HUBS

WIDEST NETWORK

Fly with us and explore your new and
unique experiences in over 48 domestic
and international destinations.

1,144 FLIGHTS WEEKLY



AWARD WINNING PRODUCT



SKYTRAX
WORLD'S BEST LOW-COST AIRLINE AWARD
FOR 8 YEARS RUNNING

WORLD CLASS BRAND WITH TRULY LOW FARES, TRUSTED QUALITY



World's Leading Inflight Service

WORLD TRAVEL AWARDS 2016

WORLD'S LEADING LOW-COST AIRLINE (4th CONSECUTIVE YEARS)

WORLD'S LEADING INFLIGHT SERVICE



NOW TRAVEL ASIA AWARDS

ASIA'S TOP BUDGET AIRLINE



VILLAGE TO THE WORLD

AN AIRLINE SUPPORTING THE COMMUNITY-BASED TOURISM DEVELOPMENT UNDER THE PROJECT "VILLAGE TO THE WORLD"



TTG TRAVEL AWARDS 2016

BEST ASIAN LOW-COST CARRIER



FRIENDLY-DESIGN CERTIFICATE

PRIVATE TRANSPORTATION SERVICE PROVIDER

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MESSAGE FROM CHAIRMAN

**THAI AIRASIA ACHIEVED
ITS BEST PERFORMANCE
AFTER 13 YEARS
SINCE ITS INCEPTION.
THE HEART OF OUR
OPERATIONS HAS BEEN
A STRONG FOUNDATION
OF QUALITY SERVICE
AND A CONSTANT DRIVE
TOWARD BETTERMENT.**

**WE ARE VERY PROUD OF 2016,
AS WE REITERATE OUR KEY MOTTO
“EVERYONE CAN FLY” AND
UNDERLINE THE WORLD-CLASS
STANDARD IN ALL DIMENSIONS.**



MR. ARAK CHONLATANON
Chairman of the Board

In 2016, Thai AirAsia achieved its best performance after 13 years since its inception. The heart of our operations has been a strong foundation of quality service and a constant drive toward betterment. We have taken on every challenge and created our own opportunities, and have proven that no matter the obstacle or challenge, we continue to be the region's leading budget airline.

During the first three quarters of 2016, with political stability, positive economic development and a lowered global fuel price, Thai AirAsia achieved its best ever operation statistics. In the period, we were able to expand our flight network, especially in the CLMV market where we introduced our first connections between Thailand and Lao PDR, adding flights to Luang Prabang and Vientiane that were quickly and positively received. While in the fourth quarter we saw some short term impacts from the government's policy against the "Zero Baht Tours", we were able to adapt by promoting independent travels and offering various promotional campaigns to stimulate travels, which created a positive shift that allowed us to hit our passenger target of 2016.

Another key strategy continued to be our adoption of innovations and promotion of digital technology. Our acquisition of Airbus A320 neo aircraft allowed us to lower our fuel consumption up to 15

percent annually per the new aircraft and reduce our footprint on the environment while also increasing passenger capacity from 180 seats on the original Airbus A320 to 186 seats. On top of that, we were able to introduce self-baggage checking, expanding on our self check-in service to further cut capital costs and to prepare us for future developments.

Among our accolades in 2016, AirAsia was recognised as the World's Best Low Cost Airline for the 8th year in a row (2009-2016) by Skytrax, as the World's Leading Low Cost Airline by World Travel Awards 2016 and received certification for its "Friendly Design" support, affirming our readiness to serve passengers of every age, gender and physical condition. We are very proud of 2016, as we reiterate our key motto "Everyone Can Fly" and underline the world-class standard in all dimensions.

In conclusion, I would like to thank our shareholders, customers, and public and private partners for their support and encouragement as well as our executive team and all of those we consider "Allstars" for serving as the driving force behind Thai AirAsia. Thank you for your work and dedication, which led us to the successes we strived for this past year.

THAI AIRASIA ADDED 12 NEW ROUTES IN 2016, CREATING NEW OPPORTUNITIES AND REAFFIRMING OUR LEADERSHIP BEYOND OUR COMPETITORS.

TODAY, THAI AIRASIA CONTINUES TO BE THE AIRLINE THAT OFFERS “TRULY LOW FARES, TRUSTED QUALITY”. WE POSITION OURSELVES BEYOND BEING A BUDGET AIRLINE BECAUSE WE PAY CLOSE ATTENTION TO OUR SERVICE QUALITY, TO BEING ON-TIME, TO SAFETY, AND TO OFFERING THE MOST EXPANSIVE NETWORK.



MR. TASSAPON BIJLEVELD
Chief Executive Officer

The year 2016 was an exciting, yet challenging year for Thai AirAsia. We started by expanding our ASEAN network, covering destinations throughout CLMV with our first Thailand-Lao PDR flights to Luang Prabang and Vientiane, then recontinued our penetration of the Indian market while opening our sixth airport hub in Hat Yai where we offer both domestic and international flights, while introducing even more interregional flights. Altogether, Thai AirAsia added 12 new routes in 2016, creating new opportunities and reaffirming our leadership beyond our competitors. While all of this may have taken an immense amount of work, I am determined that the claim of having the “Most Expansive Network” will prove to have been a worthwhile investment for our brand’s long term growth and will prepare us for any prospective occurrence.

Our airline also added 6 brand new aircraft to its fleet, ending 2016 with 51 aircraft as planned. A highlight of the additions were 2 Airbus A320 neo aircraft, which we plan to receive more in the coming years as they will allow for increasingly efficient management of our capital. Throughout 2016, Thai AirAsia carried 17.2 million passengers while maintaining an above target Load Factor Average of 84 percent.

In terms of our social responsibility in 2016, we were able to leverage our connectivity to do good deeds with programs such as the “English On Air” language education for local communities, “AirAsia Cultural Youth Ambassador” activity for young representatives who have cultural talent, “AirAsia Friendly Design” which supported human rights and equality, and “Taking to the Sky” special trips for children who live in remote communities. We also engaged in programs at the regional level, supporting environmental conservation with “GREEN24”.

In 2017, we plan to have our social activities focusing on encouraging sustainable community-based tourism and for our staff to be able to participate throughout the year.

Today, Thai AirAsia continues to be the airline that offers “**Truly Low Fares, Trusted Quality**”. We position ourselves beyond being a budget airline because we pay close attention to our service quality, to being on-time, to safety, and to offering the most expansive network. We have built a strong, stable and unique image that should embolden all involved to be confident in our continued growth and success.

Finally, on behalf of the executive team, I would like to thank all of our personnel for sharing the AirAsia’s vision and for their dedication. In 2017, we will strive to create a learning society among our staff, to enable creative invention of homegrown innovations for our company and I am certain that everyone’s attention to detail will drive Thai AirAsia toward the goals that we have set for ourselves. Thank you to all of our shareholders and investors for trusting in us and joining us on this fantastic journey.

MESSAGE FROM CHIEF EXECUTIVE OFFICER



MR. ARAK CHONLATANON
CHAIRMAN OF THE BOARD /
INDEPENDENT DIRECTOR /
CHAIRMAN OF THE AUDIT COMMITTEE

01



MR. NUTTAWUT PHOWBOROM
DIRECTOR /
INDEPENDENT DIRECTOR /
AUDIT COMMITTEE

02



MR. TASSAPON BIJLEVELD
DIRECTOR

04



MR. KASEMSIT PATHOMSAK
DIRECTOR /
INDEPENDENT DIRECTOR /
AUDIT COMMITTEE

03



MR. AIYAWATT SRIVADDHANAPRABHA
DIRECTOR

05



MR. APICHET SRIVADDHANAPRABHA
DIRECTOR

06



M.L. BOVORNOVADEP DEVAKULA
DIRECTOR

08



MR. SOMBAT DECHAPANICHKUL
DIRECTOR

07



MR. SANTISUK KLONGCHAIYA
DIRECTOR

09



BOARD OF DIRECTORS

ASIA AVIATION PUBLIC COMPANY LIMITED

MANAGEMENT TEAM

ASIA AVIATION PUBLIC COMPANY LIMITED

01



02



03



04



05



- 01. MR. TASSAPON BIJLEVELD**
CHIEF EXECUTIVE OFFICER
- 02. MR. SANTHAT SANGUANDIKUL**
CHIEF FINANCIAL OFFICER
- 03. MR. PREECHAYA RASAMETANIN**
DIRECTOR OF ENGINEERING
- 04. M.L. BOVORNOVADEP DEVAKULA**
DIRECTOR OF BUSINESS DEVELOPMENT
- 05. MR. SANTISUK KLONGCHAIYA**
DIRECTOR OF COMMERCIAL

BOARD OF DIRECTORS

THAI AIRASIA COMPANY LIMITED

01

MR. ARAK CHONLATANON
CHAIRMAN OF THE BOARD /
INDEPENDENT DIRECTOR /
CHAIRMAN OF THE AUDIT COMMITTEE



MR. TASSAPON BIJLEVELD
DIRECTOR

03



MR. AIYAWATT SRIVADDHANAPRABHA
DIRECTOR

04



MR. SOMBAT DECHAPANICHKUL
DIRECTOR

05



02

MR. NUTTAWUT PHOWBOROM
DIRECTOR /
INDEPENDENT DIRECTOR /
AUDIT COMMITTEE



TAN SRI DR. ANTHONY FRANCIS FERNANDES
DIRECTOR

06



08

DATO MOHAMED KHADAR BIN MERICAN
DIRECTOR



07

DATO KAMARUDIN BIN MERANUN
DIRECTOR



09

MR. STUART L DEAN
DIRECTOR



MANAGEMENT TEAM

THAI AIRASIA COMPANY LIMITED

01



02



03



04



05



06



07



09



11



08



10



12



01. MR. TASSAPON BIJLEVELD
CHIEF EXECUTIVE OFFICER

02. MR. PREECHAYA RASAMETANIN
EXECUTIVE VICE PRESIDENT

03. MR. SANTHAT SANGUANDIKUL
CHIEF FINANCIAL OFFICER

04. M.L. BOVORNOVADEP DEVAKULA
HEAD OF BUSINESS DEVELOPMENT

05. MR. SANTISUK KLONGCHAIYA
HEAD OF COMMERCIAL AND ANCILLARY

06. CAPTAIN SURAPUN PATOOMWAT
HEAD OF FLIGHT OPERATIONS

07. MR. BANYAT HANSAKUL
HEAD OF ENGINEERING

10. MISS WITCHUNEE KUNTAPENG
HEAD OF GUEST SERVICE

08. MRS. THILADEE PANTUMCHINDA
HEAD OF PEOPLE DEPARTMENT

11. MR. PIPAT KHUNPRAKAN
HEAD OF INNOVATION COMMERCIAL AND
TECHNOLOGY

09. MR. SUWIT SRISARAKAM
HEAD OF RAMP AND GROUND SERVICE EQUIPMENT

12. MR. THATRI KWANSANG
HEAD OF SAFETY

2016

PUBLIC RELATIONS

ACTIVITIES



ACQUISITION OF THAILAND'S FIRST AIRBUS A320 NEO

Thai AirAsia holds reception ceremony for Thailand's first ever Airbus A320 neo that comes with an upgraded CFM International LEAP-1A engines that allow energy consumption reduction of up to 15% and carbon emissions to be decreased by over 5,000 tons per aircraft per year.

THAI TALENT TRIUMPHS AIRASIA RUNWAY READY DESIGNER SEARCH 2016



Thai AirAsia ushers talented Thai designers who showcase their fashionable creations and take home the first prize at KL Fashion Week 2016 as part of the Asean-wide 'Airasia Runway Ready Designer Search 2016'.

PUBLIC-PRIVATE SEMINAR TO TURN KHON KAEN INTO THE NORTHEAST'S TOURISM AND ECONOMIC CENTRE

Thai AirAsia organises the seminar "Khon Kaen MICE CITY: Integrating the Power of Transport to Create Economic and Travel Centre of the Northeast," promoting Khon Kaen as a centre for economy, investment, and tourism in the Northeastern region, advancing the province's growth potential and ability to serve as a gateway for regional connections. In 2016, Thai AirAsia also introduced daily direct flights between Khon Kaen and Chiang Mai and Khon Kaen and Hat Yai to continue the success of its regional connections, linking the north, northeast and south and providing even more travel and investment opportunities.

HAT YAI ELEVATED TO NEW FLIGHT HUB

Thai AirAsia upgrades 'Hat Yai' - trade, investment and travel centre of the Southern region - into its latest flight hub with connections from Hat Yai yo to Kuala Lumpur and domestic routes including to Bangkok, Chiang Mai, Chiang Rai, Khon Kaen and U-Tapao.

2 DAYS 2 CITIES FUN RUN TO PROMOTE TOURISM TO THE EAST

Thai AirAsia collaborates with U-Tapao Airport and TAT to organise 'AirAsia Active Fly Fun Run', inviting participants to run a mini marathon by the sight of U-Tapao Airport and then along Laem Mae Pim of Rayong province to promote travel to Thailand's east.



SRIVADDHANAPRABHA PURCHASES AAV STOCK

Srivaddhanaprabha family takes 39-percent stake in Asia Aviation Plc (AAV) by purchasing 7.945 billion THB worth of shares in the company from Mr. Tassapon Bijleveld and his family in a move to unify the two top players in the travel and tourism industries while retaining the company's growth target.

2016

PUBLIC RELATIONS

ACTIVITIES



AIRASIA WON WORLD'S BEST LOW COST AIRLINE AWARD FOR 8 YEARS RUNNING

AirAsia is named by Skytrax as the World's Best Low Cost Airline for the 8th year in a row (2009-2016) at the 2016 Skytrax World Airline Awards, affirming its quality and excellence based on the votes of over 19 million travelers from 104 countries.

JOINING WITH TAT FOR "PAINT THE SKY WITH AMAZING THAILAND" AIRPLANE LIVERY DESIGN CONTEST

Thai AirAsia joins hand with TAT for an airplane livery design contest that finds winning entries "Yak-Cute" by Cherdasak Moeikanmak and "Thai Culture: Let's Make A Journey" by Narathip Paspirom, both of which go on to adorn planes seen by both Thai and foreign travelers.

ASEAN HERO AWARD BESTOWED ON 2016 OLYMPIC MEDALISTS

AirAsia awards complimentary flights of both AirAsia and AirAsia X destinations to all Asean medalists in the 2016 Olympic Games in Brazil. The privilege is available for a lifetime for gold medalists, 5 years for silver medalists and 3 years for bronze medalists. In addition, all medalists are given eligibility to own AirAsia BIG Loyalty Program membership cards.



THAI AIRASIA CONNECTS THAILAND AND LAO PDR FOR THE FIRST TIME, COMPLETING ITS CLMV COVERAGE

Thai AirAsia expands its network to Lao PDR for the first time with its Bangkok-Luang Prabang flight, completing its connectivity across CLMV. Success from the initial route leads to the addition of daily direct flights from Bangkok-Vientiane.



ENVIRONMENTAL CARE WITH GREEN24

AirAsia joins with Pattaya City for Green24 campaign in Pattaya, inviting public and private officials as well as members of the public to collect trash along the city's beach and to go on a clean-up dive off Pattaya's Koh Sak, generating environmental awareness and promoting Thailand's natural tourism sites.

2016

INVESTOR RELATIONS ACTIVITIES

JAN 26
2016

THAI CORPORATE DAY IN
BANGKOK WITH BLS
At InterContinental Hotel, Bangkok

FEB 25
2016

2015 RESULTS ANNOUNCEMENT

MAR 30
2016

OPPORTUNITY DAY Q4/2015
At The Stock Exchange of
Thailand

APR 25
2016

ANNUAL GENERAL MEETING
OF SHAREHOLDERS
At Amari Don Mueang Airport,
Bangkok



MAY 13
2016

**RESULTS
BRIEFING Q1/2016**

At Renaissance Bangkok
Ratchaprasong Hotel

JUN 1
2016

CITI: ASEAN C-SUITE FORUM
2016 IN SINGAPORE
At The Ritz-Carlton, Singapore

JUN 21
2016

AAV-OPEN HOUSE
At Renaissance Bangkok
Ratchaprasong Hotel

MAY 12
2016

THE Q1/2016 RESULTS
ANNOUNCEMENT



JAN 28
2016

**J.P. MORGAN
CONFERENCE
2016**

At Anantara Siam Bangkok Hotel

FEB 26
2016

**RESULTS
BRIEFING FY2015**

At Grand Hyatt Erawan Hotel,
Bangkok

MAR 7
2016

CLSA PRE-TOUR ASEAN FORUM
At U-Tapao International Airport

FEB 1-2
2016

NON-DEAL ROADSHOW WITH
CLSA IN SINGAPORE
At Singapore

2016

INVESTOR RELATIONS ACTIVITIES

JUL 25
2016

THAILAND CORPORATE DAY
IN HONG KONG
At Mandarin Oriental Hotel,
Hong Kong

AUG 15
2016

THE Q2/2016 RESULTS
ANNOUNCEMENT



AUG 17
2016

**RESULTS
BRIEFING Q2/2016**

At Grand Hyatt Erawan Hotel,
Bangkok

AUG 19
2016

GS & SCBS THAI CORPORATE
DAY IN SINGAPORE
At Goldman Sachs, Singapore

SEP 2
2016

THAILAND FOCUS 2016
At Grand Hyatt Erawan Hotel,
Bangkok

SEP 21-22
2016

**CLSA
INVESTORS'
FORUM 2016**

At Grand Hyatt, Hong Kong

OCT 5
2016

**SCBS LOCAL
NON-DEAL
ROADSHOW**

At Bangkok

OCT 21
2016

TOURISM DAY WITH KRUNGSRI
SECURITIES
At Renaissance Bangkok
Ratchaprasong Hotel



NOV 11
2016

THE Q3/2016 RESULTS
ANNOUNCEMENT



NOV 14
2016

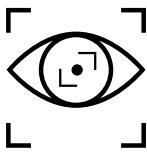
**RESULTS
BRIEFING Q3/2016**

At Renaissance Bangkok
Ratchaprasong Hotel

NOV 16
2016

MORGAN STANLEY FIFTEENTH
ANNUAL ASIA PACIFIC SUMMIT
At Mandarin Oriental, Singapore

COMPANY POLICY AND BUSINESS OVERVIEW



VISION

Thai AirAsia to become leading low-fares airline in the region. Providing to guest low fares, quality service, safety and reliability



MISSION

We are Thailand first true low-fares airline which operate at the lowest cost in the industry to revolutionise air travel and open up opportunity that **“Now Everyone Can Fly”**. We are a group of young, dynamic and energetic team, open and candid, fast and first to all opportunities.

BUSINESS OVERVIEW

As Asia Aviation Public Company Limited (“Asia Aviation” or “Company”) is a holding company who currently makes an investment only in Thai AirAsia, the business overview, thus, shall be deemed at the operating company Thai AirAsia.

Thai AirAsia is the leading Thai low-fares airline with the vision of being the leading low-fares airline in the region. Providing to guest lower fares, quality service, safety and reliability we serve without compromising our level of service. Beside, we have mission to operate cost efficiency in order to revolutionise air travel and open up opportunity that **“Now Everyone Can Fly”**. Thai AirAsia focuses on providing high-frequency service on short-haul, point-to-point international and domestic routes within the four-hour flight time from our hubs in Bangkok (Don Mueang International Airport), Phuket, Chiang Mai, Krabi, Pattaya (U-Tapao International Airport) and Hat Yai. This gives us access to population in Southeast Asia, India, and southern part of China. Thai AirAsia provides service to passengers who are leisure air travel passengers and also the business travellers by primarily considering of airfares and on-time performance.

Our business model is based on that of AirAsia Berhad (AAB), who operates a low-fares airline under the “AirAsia” brand in Malaysia. The Company believes our simple single-class; single type fleet configuration, point-to-point operations, high aircraft utilisation, scale, distribution channels and extensive route network provide us with a cost advantage over other Thai airlines and one that compares favourably with others low-cost carrier (LCC) around the world. Our cost advantages, lower fares, strong branding and marketing, as well as, reliable service have enabled us to continuously expand our operations since our inception in 2004.

BACKGROUND

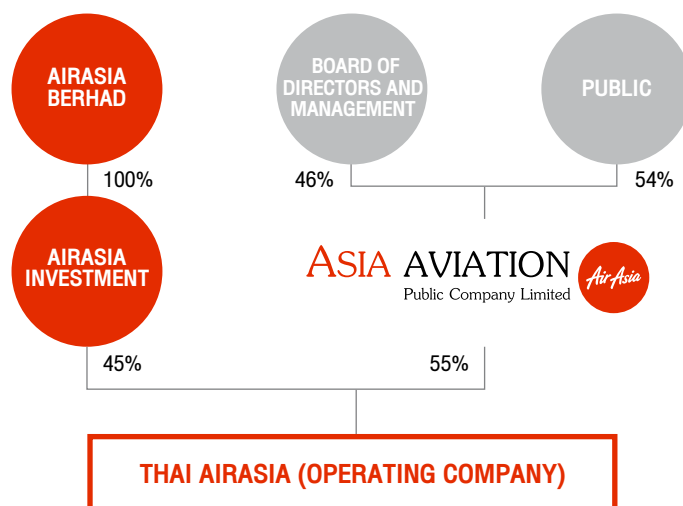
Asia Aviation was incorporated on February 14, 2006 as a company limited with a registered capital of Baht 410,000,000, being common shares of 41,000,000 shares at the par value of Baht 10 per share. The Company is a holding company, which makes an investment only in the low-fares carrier business under Thai AirAsia Company Limited ("Thai AirAsia"), held 50% during that period.

On June 21, 2007, management team, consisting of Chief Executive Officer and high-level management personnel, did a buyout on Asia Aviation from the shareholders at that time as the management team has foreseen the potential growth of Thai AirAsia. In November 2011, Asia Aviation acquired an additional 1% shareholding from Mr. Tassapon Bijleveld and held 51% in Thai AirAsia. Asia Aviation then became the public company on December 26, 2011 with a registered capital of Baht 485,000,000 and a paid-up capital of Baht 410,000,000, being common shares of 4,100,000,000 shares at the par value of Baht 0.10 per share. Asia Aviation was listed in the Stock Exchange of Thailand on May 31, 2012 under ticker name "AAV" with the fully paid-up capital. The Company used the proceeds from the Initial Public Offering (IPO) to subscribe the newly issued shares of Thai AirAsia, which increased its shareholding to a current of 55% in Thai AirAsia.

Thai AirAsia, a joint venture between Asia Aviation, who held 51% shareholding in Thai AirAsia (Pre-IPO), and AirAsia Investment (AAI), who held 49%, is incorporated on September 19, 2003 to operate a low-fares airline business with a registered capital of Baht 400,000,000. AAI is a holding company wholly owned by AAB. AAB is a listed company in Bursa Malaysia who operates a low-fares carrier AirAsia in Malaysia. On May 29, 2012 Thai AirAsia has increased its registered capital to Baht 435,555,600, being the common shares of 43,555,560 shares at the par value of Baht 10 per share. Asia Aviation has subscribed the newly issued shares, raising its shareholding to 55% while AAI was diluted to 45%

INVESTMENT STRUCTURE

Investment structure as of December 31, 2016 are as following;



BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH AIRASIA BERHAD

Thai AirAsia has benefited from the support from AAB in many areas. The Company's business relies on the brand license agreement that Thai AirAsia signed with AAB dated January 1, 2017 ("AirAsia" Brand License Agreement) that AAB permits Thai AirAsia to be a sole operator in Thailand to use "AirAsia" as trade name for business operation, access to market knowledge, and customer services. Presently, Thai AirAsia is leasing its aircrafts from AirAsia Mauritius (AAM), an AAB's subsidiary. The Company also relies on the information technology used within the AirAsia Group. The Company's main software was centred in Kuala Lumpur, Malaysia.

The Company also has an access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports in Malaysia, Indonesia and India, and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, ticket reservation software and AirAsia BIG Loyalty Programme. Decisions to engage in the transactions are made by Thai AirAsia which have to pass the resolution from the Board of Directors and the Audit committee.

At present, AirAsia Berhad is holding 45% shares in Thai AirAsia and has nominated four of the directors of Thai AirAsia from the nine members in the board of directors as specified in the Shareholders' Agreement.

KEY MILESTONES

ASIA AVIATION AND THAI AIRASIA

2004 Thai AirAsia began operating domestic air services under the Thai AirAsia brand from Don Mueang International Airport and also began operating our first international flight to Singapore with two Boeing 737 aircraft.

2006

- Asia Aviation was incorporated
- Asia Aviation was acquired 50% of shares in Thai AirAsia.

2009 Thai AirAsia launched our second hub in Phuket.

2010 Thai AirAsia's fleet comprised a single aircraft type, the Airbus A320.

2007 Thai AirAsia moved our hub from Don Mueang International Airport to Suvarnabhumi International Airport.

- Thai AirAsia received our first Airbus A320 aircraft.

2012

- Asia Aviation was listed in the Stock Exchange of Thailand (SET) and has 55% shareholding in Thai AirAsia.
- Thai AirAsia received our first aircraft under finance lease term.
- Thai AirAsia moved our hub from Suvarnabhumi International Airport to Don Mueang International Airport.
- Thai AirAsia had 27 aircraft with 604 flights per week to 30 destinations.

2013

- Thai AirAsia reopened our third hub in Chiang Mai.
- Thai AirAsia had 35 aircraft with 803 flights per week to 36 destinations.

2014

- Thai AirAsia rewarded "The World Best LCC's OTP" in 2013 from Flightstats.
- Thai AirAsia launched our fourth hub in Krabi.
- Thai AirAsia had 40 aircraft with 912 flights per week to 36 destinations.

2015

- Thai AirAsia rewarded "The Best of Airline" from The Best of Thailand Awards Voted by Chinese Tourists.
- Thai AirAsia launched our fifth hub in Pattaya (U-Tapao International Airport).
- Thai AirAsia had 45 aircraft with 1,019 flights per week to 44 destinations.

2016



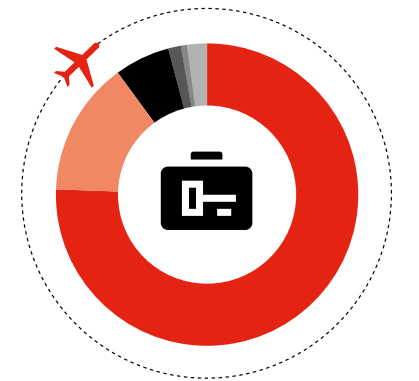
- THAI AIRASIA LAUNCHED OUR SIXTH HUB IN HAT YAI.
- THAI AIRASIA RECEIVED OUR FIRST AIRBUS A320 NEO, THE FIRST OF ITS KIND IN THAILAND.
- THAI AIRASIA HAD 51 AIRCRAFT WITH 1,144 FLIGHTS PER WEEK TO 48 DESTINATIONS.

NATURE OF BUSINESS

As Asia Aviation is a holding company who currently makes an investment only in Thai AirAsia and has no revenue generating from others business, the revenue breakdown, thus, shall be considered at the operating company level Thai AirAsia.

Revenue breakdown of Thai AirAsia according to the financial statements ended December 31, 2014-2016 is shown with details below.

	FOR THE YEAR ENDED 31 DECEMBER					
	2014		2015		2016	
	MIL. BAHT	%	MIL. BAHT	%	MIL. BAHT	%
REVENUES FROM SALES AND SERVICES						
Passenger service revenues	18,154.7	69.1	22,091.9	72.5	24,993.6	75.5
Baggage handling and other service fees	5,561.6	21.2	4,811.4	15.8	4,828.8	14.6
Charter flight revenues	1,175.9	4.5	2,081.1	6.8	1,963.3	5.9
In-flight revenues	260.9	1.0	322.9	1.1	403.1	1.2
Freight revenues	202.4	0.8	200.0	0.7	211.8	0.6
REVENUES	25,355.5	96.5	29,507.3	96.9	32,400.6	97.8
OTHER REVENUES						
Net gain on exchange rates	126.0	0.5	-	-	-	-
Other income	793.2	3.0	955.3	3.1	729.0	2.2
TOTAL OTHER REVENUES	919.2	3.5	955.3	3.1	729.0	2.2
TOTAL REVENUES	26,274.7	100.0	30,462.6	100.0	33,129.6	100.0



- 75.5% Passenger service revenues
- 14.6% Baggage handling and other service fees
- 5.9% Charter flight revenues
- 1.2% In-flight revenues
- 0.6% Freight revenues
- 2.2% Other income

ASIA AVIATION AND THAI AIRASIA'S BUSINESS

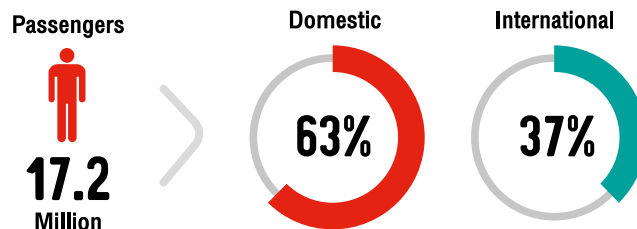
Asia Aviation operates as a holding company, which currently only holds investment in Thai AirAsia. Thai AirAsia operates a low-fares airline business with a single fleet type of Airbus A320s, generating revenue from scheduled passenger services and ancillary services.



1. SCHEDULED PASSENGER SERVICES

Thai AirAsia provides scheduled passenger air travel services at the fares lower than the one offered by full service airlines. However, such fare does not include services such as baggage fee, seat selection fee, on-board food and beverages and other services. Hence, passengers could pay for those services (frills), in which the revenue will be recorded under the ancillary services. Thai AirAsia continuously monitors our on-time performance and our punctuality remains the outstanding in the industry with 85% of our flights in 2016 (which measures the proportion of flights departing within 15 minutes of the scheduled departure time).

The number of passengers carried of Thai AirAsia in 2016 was at 17.2 million passengers, 63% of which were passengers on the domestic routes, and 37% of which were passengers on the international routes.

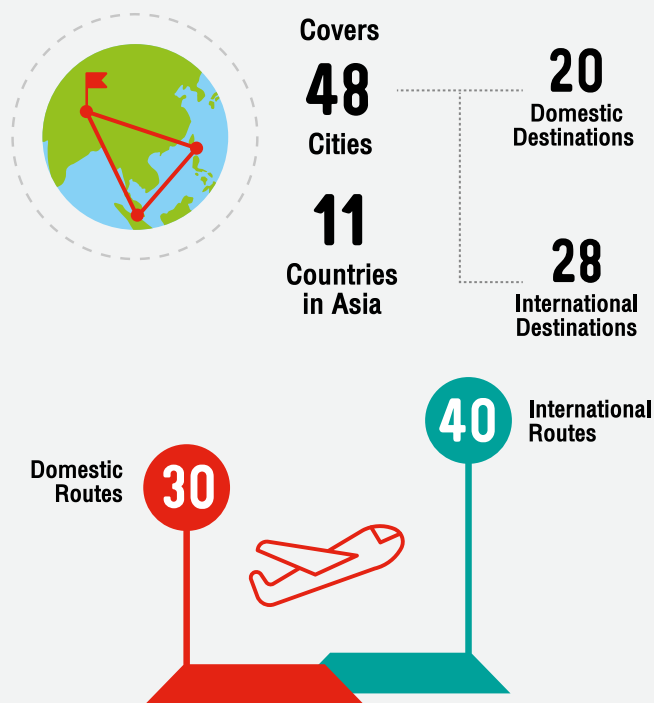


1.1 OUR NETWORK AND SCHEDULES

Thai AirAsia focuses on short-haul routes to airports in and around major population centres and travel destinations, typically operating within radius of up to 3,500 kilometres and flight duration of up to four hours from the Hub. Thai AirAsia route network offers frequent point-to-point services, without connections, and not scheduled in parking our aircraft at airports overnight (other than our hub airports in Bangkok (Don Mueang), Phuket, Chiang Mai, Krabi, Pattaya (U-Tapao) and Hat Yai).

Our route network covers a total of 48 cities across 11 countries in Asia. As of December 31, 2016, it was covering 28 international destinations and 20 domestic destinations with 40 international routes and 30 domestic routes.

Our customers have access to the combined route network under AirAsia Group in countries such as Malaysia, Indonesia, Philippines and India with more than 120 destinations.



1.2 NETWORK EXPANSION

When considering adding a new route to our network, Thai AirAsia takes into account factors such as potential load factors, the population density and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of new routes opening typically takes three months and those new routes are to be approved by Thai AirAsia's Board of Directors as part of their approval of Thai

AirAsia's budget. If a new route is not profitable after a trial period of between six to eight months, we either lower the frequency of the route or suspend/cancel the route.

In 2016, Thai AirAsia launched 12 new domestic and international routes including

BANGKOK (DON MUEANG)	HAT YAI
Bangkok - Luang Prabang (Laos)	Hat Yai - Khon Kaen
Bangkok - Vientiane (Laos)	Hat Yai - Chiang Rai
Bangkok - Kochi (India)	Hat Yai - Kuala Lumpur (Malaysia)
Bangkok - Kolkata (India)	
Bangkok - Shantou (China)	

CHIANG MAI	PHUKET
Chiang Mai - Khon Kaen	Phuket - Wuhan (China)
Chiang Mai - Changsha (China)	Phuket - Siem Reap (Cambodia)

Additionally, Thai AirAsia also increases frequencies in dominant destinations in the domestic and Indochina region, comprised of

BANGKOK (DON MUEANG)	HAT YAI
Bangkok - Udon Thani	Hat Yai - Chiang Mai
Bangkok - Surat Thani	Hat Yai - Pattaya (U-Tapao)
Bangkok - Phuket	
Bangkok - Hanoi (Vietnam)	

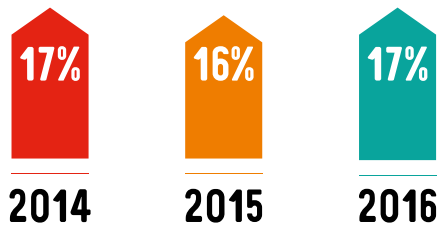
Thai AirAsia also operated Hat Yai - Johor Bahru (Malaysia) route, however, this route has been cancelled during the year. Thai AirAsia's objective is firmly establish itself as a Thailand's leading carriers in main travel destinations to maximise the returns, especially in the domestic market and also support the passenger growth for connecting people travelling among the countries within this region. Moreover, Thai AirAsia plans to penetrate India and ASEAN market while keeping the market share in China market. Hence, 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.

2. ANCILLARY SERVICES

Thai AirAsia provides various ancillary services to the passengers, starting from the services before boarding, inflight services, and other services in relation to our air passenger services. These services generate another stream of revenue in addition to Thai AirAsia's core revenue from schedule passenger service. Ancillary revenue is accounting for 17%, 16% and 17% of our revenues in 2014, 2015 and 2016 respectively, which are grouped into categories as below.

Ancillary Revenue

(of revenues from sales and services)



2.1 SERVICES BEFORE BOARDING AND FEES

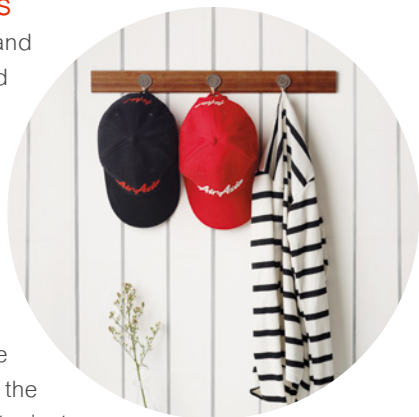
Thai AirAsia offers a range of products and services to passengers on AirAsia website, call centre and sales counter as follows:

- **Checked Baggage:** Baggage charges are based on the weight of the baggage passengers wish to check in and also upon the timing of purchase. Pre-booking the checked baggage at the time of reservation will bring about lower fees. Additional fees will be charged for baggage with excess weight.
- **Seat Selection:** Seat selection is available with fees, passengers can choose any preferred seats on the flight including Hot Seats (special seats on the first five rows of the aircraft and emergency exit rows on row 12 and 14) and Standard Seats.
- **Checked Sports Equipment:** Passengers can check-in sports equipment including Golf Equipment, Diving Equipment, Surf Board and Bicycle. Checked Sports Equipment charges are based on the weight of the Sports Equipment passengers wish to check in and also upon the timing of purchase. Pre-booking the checked Sports Equipment at the time of reservation will bring about lower fees. Additional fees will be charged for Sport Equipment with excess weight.
- **Bookings and Amendments:** Passengers can make a booking via call centre and sale counters, booking fee will be applied. Booking amendments are possible 48-hour prior to flight time with amendment fees to be applied (Name and Route changed are not permitted).
- **Payment Processing Fees:** Credit card, direct debit and counter service payment for online purchase are available with processing fees.

- **Travel Insurance (Tune Protect):** Passengers can purchase Tune Protect Travel Insurance by AirAsia which is underwritten by Tune Insurance PLC. Coverages include accidental death and dismemberment, personal accident and medical expense, trip cancellation, flight delay, damage to luggage and personal effects, etc. Thai AirAsia will receive service fee from using the AirAsia website in selling such insurance.
- **Connecting Flight (Fly-Thru):** Fly-Thru service is available for passengers who wish to conveniently connect flights (Domestic and International Flight) from one to another with no bag collecting hassle in between flights at the transit hub. All checked baggage will be safely delivered to the final destination of the passengers' flight. However, a Fly-Thru fee will be applied to the service.

2.2 IN-FLIGHT SERVICES

The sales of beverages and food to passengers onboard are one of our in-flight services. Passengers who pre-booked the meals online during reservation will have wider range of menus for selection as well as a discount from the price selling onboard, in which the food will also be served first prior to

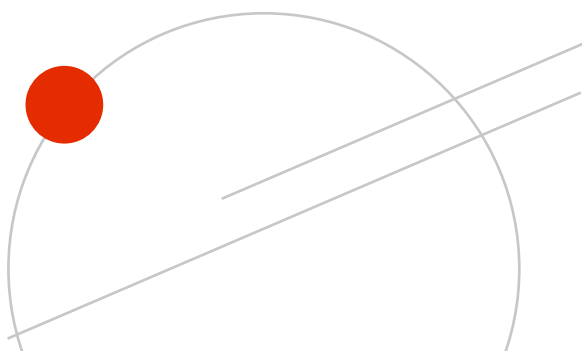


the sale of in-flight beverages and food. Passengers can pre-book on such service no less than 24-hour prior to the departure time.

Additionally, Thai AirAsia offers merchandises onboard including souvenirs (such as airplane model and graphic T-shirt), travel gadgets (such as phone chargers and earphones) seasonal or festive items and travel essentials (such as luggage locks and pillow & comforter kits). Through King Power Marketing and Management Co., Ltd, Thai AirAsia also offers duty free products which can be purchased on our international flights, the payment can be made using either cash or credit cards.

2.3 OTHER SERVICES

- **Bangkok Bank AirAsia Platinum MasterCard Credit Card:** Thai AirAsia and Bangkok Bank launched a co-brand credit card offering special privileges to the customers, including earn 1 AirAsia BIG Point for every THB 20 spent and earn 3x AirAsia BIG Points for any purchase made on AirAsia. Thai AirAsia will receive shared revenue from spending on this co-brand credit card.
- **Advertising Space:** Thai AirAsia generates an additional revenue by providing advertising space on our aircraft such as the overhead compartments, meal trays, Travel 3Sixty Magazine (Regional and Local) as well as Banner on AirAsia Website.
- **AirAsia Car Rental:** Thai AirAsia and CarTrawler, a world-class car rental search engine, launched a car rental service both domestically and internationally. Customers can easily search for cheap rental cars and compare prices and car models from various car rental companies in one website, providing the ultimate convenience to those who book the air ticket along with searching for cheap cars at the destination. Additionally, Thai AirAsia will receive shared revenue from each rental transaction made via AirAsia Car Rental page.
- **Freight (AirAsia Cargo):** Thai AirAsia generates additional revenue from airfreight service on the scheduled flight, comprised of cargo and mails when space and weight are available.
- **Island and City Transfer:** Passengers can plan their trip conveniently due to the easy access to the nearby islands and cities. Thai AirAsia cooperates with the local van and ferry operators to offer City Transfer and Island service to deliver passengers either from the airport to the cities such as Pai, Khaolak, Sukhothai and Khanom, or from the land to the islands such as Lanta, Lipe, Phangan, Phi Phi, and Samui.



3. PRICING AND REVENUE MANAGEMENT

Thai AirAsia uses multiple fare structures and dynamic pricing to yield the ticket revenue, in which factors such as market demand, competition, historical performance and forecasts will be considered in determining how many seats to allocate to each fare level for each flight and each departure date in order to maximise our revenue. Generally, our policy is not to lower our fares once they have been published, and as there are a limited number of seats in the lower fare level, the earlier a passenger books a seat, the more likely it is that the passenger will be able to purchase seat at the lowest published fare. All of our fares are priced based on one-way travel. Seats must be purchased at the time of reservation and are non-refundable

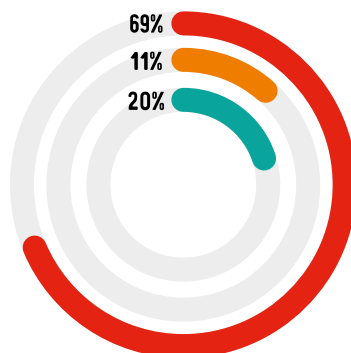
except for the portion relating to any applicable airport tax. However, the time of travel (other than in the case of promotional fares) can be changed up to 48 hours prior to departure subject to the processing fee and the payment of the fare difference.

While Thai AirAsia seeks to maximise our revenue, our competitive-cost structure enables us to offer the average fare lower than our competitors in the same routes. Moreover, Thai AirAsia occasionally offers promotional fares to promote less favourable routes.

4. DISTRIBUTION AND SALES

Thai AirAsia has three principal distribution channels, the Internet, direct sales through our sales offices and call centres, and indirect sales. All travel with us such as confirmation itinerary is through electronic tickets, thereby reducing costs associated with printing, mailing and modifying tickets, as well as, re-issuing lost or stolen tickets. As at December 31, 2016, Thai AirAsia has proportion of our total bookings sold through the Internet 69%, direct sales 11% and indirect sales 20%.

Proportion of Total Bookings



4.1 INTERNET SALES

Thai AirAsia sells our ticket online via www.airasia.com which is the AirAsia Group website, and AirAsia Mobile App on smartphone covered both iOS and Android, which are paid by credit card or direct debit or counter services for online booking. To encourage Internet reservations, our lowest fares (which include our promotional fares) are available only through the AirAsia Group website and AirAsia Application on smartphone. Thai AirAsia expects internet sales to continue in the future. As online bookings lower our costs by reducing operating costs, the Internet is our lowest-cost distribution channel.

4.2 DIRECT SALES

Direct sales are made at sales office and airports sales counter in which payments can be paid by cash, credit card or debit card. Additionally, booking via call centre could be paid by credit card, cash at any branch of Siam Commercial bank, Kasikorn bank, or counter services of 7-Eleven stores throughout Thailand. For group bookings are made and paid by credit card or money transfer.

4.3 INDIRECT SALES

Indirect sales through agents are consisting of online (OTA - Online Travel Agents) and offline (travel agents in other formats).

- **Third Party Travel Agents:** Thai AirAsia has two types of travel agents network, being “sky agents” who are travel agents registered with Thai AirAsia and maintained a prepaid account which bookings made by their guests are debited and being “BSP agents” who are members of, and have credit limits with International Air Transport Association (IATA).
- **AirAsia Go and Expedia:** AirAsia Go and Expedia are an online travel portal under AirAsia Group offering flights, hotels, tour packages, transportation options and events. Thai AirAsia obtains revenue from AirAsia Go and Expedia for the flights that Thai AirAsia provides as part of the travel package or flight booking only.
- **GoCorporate Bookings:** Thai AirAsia offers our GoCorporate package to business travellers who maintain corporate accounts with us.
- **GoGovernment Booking:** Thai AirAsia offers special GoGovernment fare for governors to book at airport counters or authorised travel agents.

- **Book and Pay:** Thai AirAsia joins with Counter Services, offering book and pay AirAsia tickets at Counter Service channels, such as convenient store, department store and supermarket, to across the

nation to expand its customer base. Ticket booking and payment can be made 24 hours prior to the flight for all of our domestic and international routes, both single and return.

5. ADVERTISING AND PROMOTIONS

Thai AirAsia licenses commercial use of the name “AirAsia” from AirAsia Berhad under an agreement that also sees Thai AirAsia receiving marketing guidance from AirAsia Berhad for a fee.

Thai AirAsia drafts budgets as deemed appropriate for its communication and marketing activities and chooses its advertising media based on exposure to its targeted demographics and each medium’s effectiveness. Thai AirAsia most commonly utilises television advertisements, billboards, LED screens, print media and

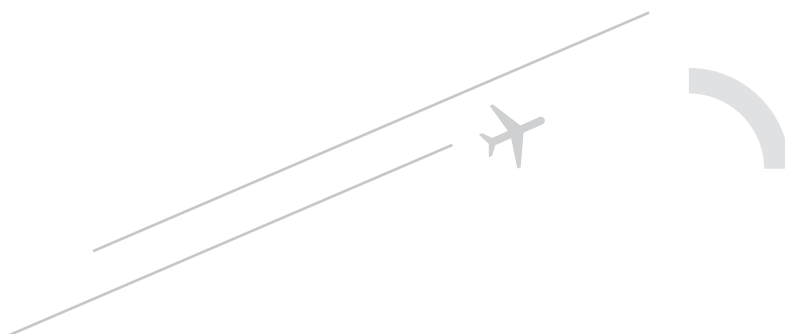
radio advertisements to reach a wide range of consumers while also using online advertisements to reach more modern consumers.

Thai AirAsia exercises marketing plans throughout the year and regularly presents promotional fares, usually organising 3-4 major promotions each year with discounts to its already low fares taking ticket prices down to as low as 0 THB per trip to spur pre-booking allocates budget.

6. CUSTOMER SERVICE

Thai AirAsia is committed to providing high quality customer service by providing our guests with a safe, lower fares, valuable, reliable and friendly service. Thai AirAsia is delighted to listen to all comments, feedbacks and the complaints from our customers. For any assistance, they can contact us directly at AskAsia <http://www.airasia.com/ask/> via the main page of website www.airasia.com. Our ground support service has a system in place to inform guests of delayed or cancelled flights through customer enrolled channel.

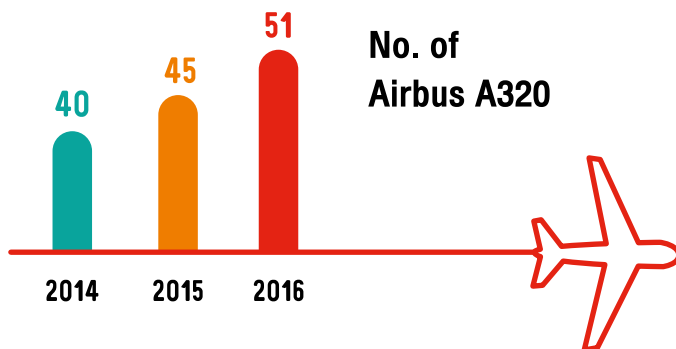
To provide the highest quality customer service, Thai AirAsia strives to employ staff who speak English and who are outgoing, friendly and professional. Staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. The airline specifically budgets for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.



PRODUCTS OR SERVICES PROCUREMENT

1. THAI AIRASIA'S FLEET

As at December 31, 2016, Thai AirAsia has Airbus A320 family fleet of 51 aircraft, being 49 operational aircraft and 2 spare aircraft. Thai AirAsia has entered into the operating aircraft lease agreements, 31 of the aircraft made with AirAsia Mauritius (AAM), an AAB's subsidiary, and 4 of the aircraft made with the third-party lessors, as well as, 14 of the aircraft were under the financial lease agreement with financial institutions and 2 of the aircraft were owned by Thai AirAsia. Thai AirAsia expects to receive 6 more Airbus A320 deliveries in 2017.



An Airbus A320 family aircraft has a proven track record of reliability in short-haul, high frequency operations. In October 2016, Thai AirAsia received its first Airbus A320 neo (New Engine Option), an environmentally friendly new model that reduces fuel consumption up to 15% which has 186-seat configuration. As at 31 December 2016, Thai AirAsia has an average fleet age of 4.9 years with the aircraft utilisation rate of 11.7 hours per day.

Thai AirAsia analyses our aircraft procurement needs independently from the other members of the AirAsia Group. However, AirAsia Berhad consolidates the respective requirements of each member of the AirAsia Group and places a consolidated order for the required number of aircraft from Airbus - the aircraft manufacturer. This enables us to benefit from bulk discounts off the official list price of such aircraft and priority of delivery dates over some non-AirAsia Group airlines.

Thai AirAsia has received taxes incentive granted by the Board of Investment for nine projects, comprised 32 aircraft, of which 31 aircraft been delivered, with the privileges including (a) exemption from payment of import duty on machinery approved by the Board of Investment, (b) exemption from payment of income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to be first derived from such operations, subject to a maximum exempt on a range of Baht 415.0 Million to Baht 447.3 Million Baht, as the case may be for the first eight project and amounting to Baht 13,360.1 Million for the ninth project



(c) a five-year carry forward period for losses for tax purposes from promoted operations from the expiry of the eight-year period and (d) exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. Thai AirAsia shall comply with various terms and conditions set by the Board of Investment in order have such privileges. For the upcoming new aircraft to be added into the fleet, Thai AirAsia is in the process of planning for application to the Board of Investment upon further approval in granting similar privileges.

2. FUEL



Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2014, 2015 and 2016 were Baht 11,272.3 million, 9,830.4 million and 8,257.5 million, accounting for 44%, 36% and 28% of Thai AirAsia's total operating costs and expenses, respectively.

Thai AirAsia purchases a substantial majority of our fuel from PTT and Shell Thailand with the benchmark of fuel prices against Mean of Platts Singapore (MOPS). Jet kerosene prices, and therefore fuel prices, are extremely volatile and are subject to many global economic and geopolitical factors. Thus, Thai AirAsia implements various fuel management strategies to manage the risk of rising fuel prices, including hedging. Thai AirAsia has combined the hedging contracts with AirAsia Berhad to manage the risk of any price movements of fuel in the world market.

In addition to hedging fuel prices, Thai AirAsia has implemented the following fuel management strategies in order to reduce costs and minimise inherent risks:

- **Fuel policy:** Thai AirAsia controls our fuel supply by uplifting as much fuel as possible within optimal limits and regulatory requirements, in destinations where fuel is least expensive, to facilitate the use of the least expensive fuel stock.
- **Payment upfront:** Upfront payment for all purchases gives Thai AirAsia a negotiating power to obtain better pricing.
- **Fuel consumption policy:** Thai AirAsia attempts to minimise fuel consumption by establishing clear guidelines covering all areas of flight operations so that aircraft fuel burn rates can be maintained at a functional minimum.
- **Fuel surcharge:** In the situation of the fuel price fluctuation, Thai AirAsia re-introduced fuel surcharges for all of our international routes, in which the fees based on the flying hours of each route. The Civil Aviation Authority of Thailand (CAAT) prohibits the imposition of fuel surcharges that are separate from air fares for domestic routes. However, Thai AirAsia cancelled the fuel surcharge in the beginning of the year 2015 due to the global oil prices dropped significantly.

3. MAJOR CUSTOMERS



No customer contributed more than 30% of our total revenue in 2014, 2015 and 2016. Customers mainly consist of individuals traveling by air.

4. MAJOR SUPPLIERS



No suppliers accounted for 30% or more of our total operating costs and expenses in 2014, 2015 and 2016.

5. MAINTENANCE AND SPARE PARTS



5.1 MAINTENANCE

Thai AirAsia provides line maintenance and light maintenance, which is maintenance below a “C” level check (conducted at 6,000-hour intervals) for all of our aircraft. Any maintenance above a “C” level check or any structural repairs is outsourced to other certified maintenance, repair and overhaul (“MRO”) service providers such as Thai Airways International and Thai Aviation Industries in Thailand, ST Aerospace in Singapore or Sepang Aircraft Engineering in Malaysia. Through the AirAsia Aircraft Lease Agreements, Thai AirAsia is able to rely on manufacturer’s warranties and product support granted to AirAsia Berhad.

5.2 SPARE PARTS

Thai AirAsia maintains an inventory of rotatable spare parts in our hubs, with the majority of inventory found in Bangkok. As at December 31, 2016, Thai AirAsia keeps Baht 586.2 million of aircraft spares parts (net book value).

OTHER OPERATIONS



1. SAFETY AND SECURITY

Thai AirAsia is fully committed on all levels of operation to the safety and security of our passengers and employees. This commitment is reflected in our system of maintenance of our aircraft, extensive training given to our pilots, cabin crew and employees and the strict policies and procedures in compliance with local regulations, international standards and best practices regarding all areas of our business that are involved with the operation of our aircraft.

1.1 SAFETY

At Thai AirAsia, safety is our top priority. We place safety at the heart of our corporate culture and are fully committed to and pride ourselves on developing, implementing and maintaining our safety standards which comply with the highest level of air transport industry regulations, including both nationally and international level. As a

result, safety procedures are reinforced on a day-to-day basis from all staff across the organisation: in flight, with the pilots, cabin crews, on the ground and licensed aircraft engineers, and also the back office, including the management, starting from the Chief Executive Officer - all of this, while delivering our customers affordable, reliable and convenient flight services.

Our commitments:

- Developing business initiatives which are in line with our safety policy;
- Promoting and ensuring that safety remains at the heart of our corporate culture through skilled and trained staff;
- Maintaining and continually improving our safety standards;
- Clearly define the accountabilities and responsibilities of all staff in order to ensure effectiveness of the organisation's safety policy;
- Providing hazard identification and risk management processes, including a non- punitive hazard reporting system and providing feedback to the staff;
- Creating safety communication and awareness throughout the organisation;
- Ensuring that no action will be taken against any employee who discloses a safety concern;
- Ensuring third party service providers are aware of our safety reporting program;
- Organising the meeting regularly to review, analyse and strive to improve our safety objectives;
- Establishing and measuring our safety performance against realistic safety performance indicators and safety performance targets.

1.2 SECURITY

While the relevant airport operators are responsible for security screening of passengers and baggage at our domestic and international destinations, Thai AirAsia trains our staff to remain vigilant in identifying potential security breaches, as well as to handle unruly passengers. All potential employees undergo thorough screening of their background prior to being hired.

Thai AirAsia provides extensive training to ensure that our staffs have appropriate skills to carry out their relevant duties as stipulated in our employee manuals. All crew and ground handling staff are required to undergo dangerous goods awareness training to be able to identify potentially dangerous goods and items that threaten the safety of the flight (these include flammable liquids and containers that are likely to explode under pressure).

Thai AirAsia are in compliance with all of CAAT's and the ICAO's regulations. In addition, cockpits in all of our aircraft have reinforced, bulletproof doors.

2. INFORMATION TECHNOLOGY



Thai AirAsia shares various information technologies with the wider AirAsia Group. AirAsia Berhad invests in information technology where its use directly lowers the AirAsia Group's costs, enables scalable operations and improves efficiency and safety. Our key operating software systems (centralised in Kuala Lumpur, Malaysia) include (1) NewSkies 3.4 by Navitaire which was used for inventory and sales management/ reservations (2) Microsoft's Axapta Financial Management (Axapta) which was used for our financial operations (3) the AIMS software which was used for flight scheduling and crew rostering (4) Navtech software which was used for flight planning and (5) Swiss Aviation Software Ltd.'s AMOS operating system ("AMOS"), which was used for the management of aircraft maintenance engineering and logistics.

3. AIRPORT OPERATIONS



Thai AirAsia provides our own ground handling and ground support services at most of domestic airports, including ramp services. Thai AirAsia has assigned the established third parties to provide these services to us at international destinations. Thai AirAsia believes that providing our own ground handling and ground support services ensures that costs are kept low while productivity is high.

4. INSURANCE



Thai AirAsia has aviation and non-aviation insurance coverage in connection with our operations. The airline believes that our overall insurance coverage is consistent with industry practice and is maintained at adequate levels. Thai AirAsia carries passenger and third party liability insurance, as required by the terms of our lease agreements and per the standard market practice, under which the airline is insured for a Combined Single Limit (Bodily Injury/ Property Damage) of USD 750 million each loss, each aircraft, unlimited in all, but in the annual aggregate in respect of Products Legal Liability. Thai AirAsia also insured the aircrafts against loss and damages under the Hull All Risks up to the agreed sum value of the aircraft, but subject to a deductible of USD 750,000 any one occurrence in respect of all losses other than total loss/constructive total loss/arranged total loss. Nevertheless, Thai Air Asia has purchased a Hull Deductible policy to indemnify Thai AirAsia for the difference between USD 750,000 and USD 50,000 each and every claim subject to an aggregate limit of USD 10 million applicable to the AirAsia Group.

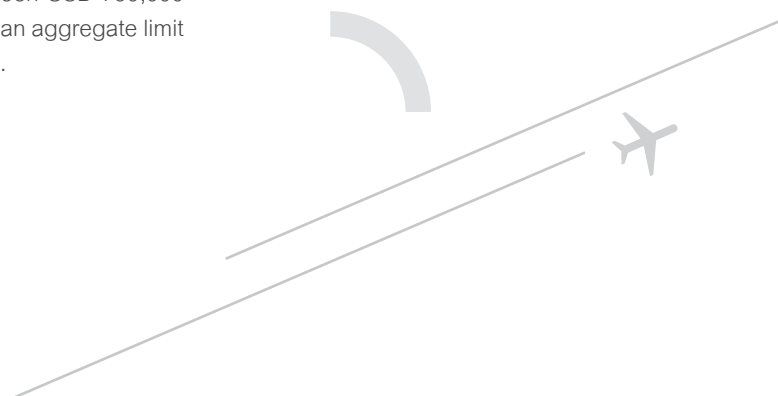
In addition to the above, Thai AirAsia has purchased a Hull War and Allied Perils against loss or damage excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) under the Hull All Risks insurance policy coverage up to the agreed value of the aircrafts. The coverage is provided by a combination of policies and is subject to an annual aggregate limit of USD 1,000 million any one occurrence.

Thai AirAsia has purchased the Excess War, Hi-Jacking and Other Perils Liability up to USD 750 million any one occurrence and in aggregate.

5. ENVIRONMENT



Presently, Thai AirAsia has our aircraft fleet of Airbus A320 family, which uses less fuel and has lower carbon emissions. In 2016, Thai AirAsia received the first Airbus A320 neo, which is expected to reduce fuel consumption up to 15% and has lower emission levels, compared to the current A320 aircraft.



INDUSTRY OUTLOOK AND COMPETITION



1. ECONOMIC AND INDUSTRY OUTLOOK

According to the International Monetary Fund (IMF), the world economic growth for 2017 is projected at 3.4%, up from last year's estimated at 3.1%. However, the risk to the global growth outlook is the uncertainty of the policy stimulus in the U.S. While crude oil price is expected to increase after the Organisation of the Petroleum Exporting (OPEC) members and Non-OPEC made an agreement to reduce their productions starting from January 2017. The company forecasts the jet fuel prices in 2017 in the average range of USD 65-70 per barrel, increased from the prior year. For the tourism industry, the World Tourism Organisation (UNWTO) estimates the tourism will expand by 3.8% due to an increase in demand of international tourists. However, the volatility of the world economy, terrorism and the upward trend of jet fuel price may affect the tourism growth.

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 an improvement of Thai economy since a rise in the world commodities prices would support the growth of manufacturing industrial and private investment. While the export of goods is expected to grow slowly and the agriculture sector tends to recover after the drought. The government continues to invest in massive infrastructure projects and Tourism is still well-performed. However, the volatility of the world's political is the key risk of Thailand's economic growth.

The Tourism and Sports Ministry projects tourism revenue in 2017 will reach Baht 2.71 trillion, increased by 8.2% from 2016, of which Baht 1.78 trillion will come from foreign tourists and Baht 0.93 trillion will stem from domestic tourists, or growing 8.5% and 7.5% from the prior year respectively. While, the number of international arrivals in 2017 is expected to rise approximately 35 million, mainly from the government scheme in order to attract international tourists during December 1, 2016 - August 31, 2017 by exempting a Tourist Visa fee (single entry) and reducing Visa on Arrival, including 21 countries. In 2017, Thai tourism is focusing more on contribute the revenues from the potential markets including CLMV market (Cambodia, Laos, Myanmar and Vietnam), as well as ASEAN and European countries. The government continues to stimulate tourism sustainability by focusing on the strategy including quality, value added, balancing economic social and environmental. Obtaining new prospective of local experiences such as promoting the tourism in domestic market by follows the proactive campaign "Thailand's 12 Hidden Gems" and "Thailand's 12 Hidden Gems...Plus" in order to distribute income from the tourism to the potential areas and the campaign "Discover 70 Ways of the King" which is the Royally-initiated Projects of His

Majesty King Bhumibol Adulyadej such as Chang Hua Man Royal Project, Phetchaburi and Doi Tung Development Project, Chiang Rai.

Hence, Thai AirAsia has prepared not only itself for the competitive environment domestically and internationally by expanding its fleets and hubs, but also has continual monitoring of its performance to ensure efficiently operation, as well as, has opened for new opportunity to optimise returns.

2. COMPETITION

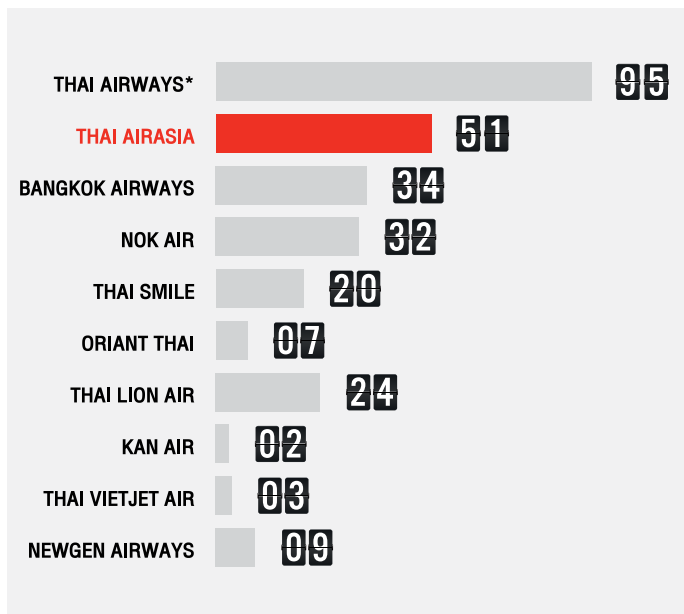
Thai AirAsia faces on the competition from the LCCs, full service carriers (FSCs) and charter flight service in our international and domestic market. The intensity of this competition varies from route to route and depends on the strengths of competing airlines as well as other transportation modes available, for example

- Thai Airways, the national airline which positioned itself as a full service, offers multiclass scheduled services, complimentary in-flight meals, a frequent flyer program and airport lounges and based its operation at Suvarnabhumi Airport. Thai Airways established Thai Smile to provide the connecting service in domestic and ASEAN countries. As of January 16, 2017, Thai Smile cancelled the flights from Don Mueang international Airport and operate only from Suvarnabhumi Airport. Additionally, Thai Airways holds 39.2% equity interest in Nok Air which is a low cost carrier. Nok Air focuses on the customers who are highly price-sensitive on airfare. Nok Air based its operation at Don Mueang international Airport.
- Bangkok Airways airline, a boutique full service carrier, focuses on the leisure travellers, especially the route to Samui Island. Moreover, Bangkok Airways is the owner and the operator of the airports including Samui, Trat and Sukhothai.
- Thai Lion Air, a low cost carrier of Indonesia part of Lion Group, based its operation mainly at Don Mueang international Airport. The airline strategy is to provide cheapest price than competitors with a slogan "We make people fly".
- Thai VietJet Air, a low cost carrier of Vietnam part of VietJet Airline. It based operation at Suvarnabhumi Airport and has flown domestic flights since September 2016.
- NewGen Airways, a charter flight service carrier, is flying mainly to several destinations in China. NewGen Airways based its operation at Don Mueang, Krabi, Surat Thani and Phuket international Airports.

Thai AirAsia's strategy is to offer the best low fares with flight frequency and quality of service in its peer group. Given our cost management effectiveness, the Company is in the better position to endure a decrease in airfares that might occur from the airline pricing environment in a period of increased competition from existing competitors or from new entrants.

In 2016, Thai AirAsia still confronted with the price competition, especially in the trunk routes which provided by low cost carriers and full service carriers. To avoid the intensity of competition and to maintain a leader in domestic market, Thai AirAsia offers services on the unique routes. Hence Thai AirAsia is able to price the airfare on those routes such as Phuket - Siem Reap (Cambodia) and Chiang Mai - Surat Thani and operates the new routes not only to the first tier city such as Pattaya (U-Tapao) - Nanchang (China) and Phuket - Wuhan (China). Furthermore, Thai AirAsia has benefit from the Fly-Thru service that connects more flights with Thai AirAsia X, a low fare long-haul airline in affiliate of AirAsia X in Malaysia, based its operation at Don Mueang international Airport.

As of December 31, 2016, the major airlines, that was granted the air operator certificate (AOC) from Civil Aviation Authority of Thailand (CAAT), provide services on both domestic and/or international routes have a number of the aircraft in service as shown below;



* Included Thai Smile
Source: Centre for Aviation (CAPA)

2.1 INTERNATIONAL

The main competitors of Thai AirAsia on our international routes include full service carriers are Thai Airways, Cathay Pacific Airways, Singapore Airlines, Vietnam Airlines, Air Macau, Myanmar National Airlines, Malaysian Airlines. While low-cost carriers are Tiger Airways, Jetstar Airways, Spring Airlines, Orient Thai Airlines, NokScoot, Thai Lion Air, Thai VietJet Air and charter flight carriers such as NewGen Airways.

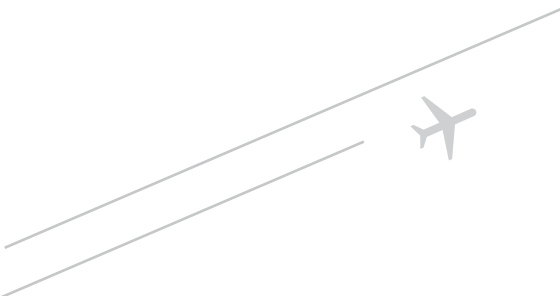
2.2 DOMESTIC

Key main players under the domestic market include (1) Thai Airways, (2) Thai Smile, (3) Bangkok Airways. For low-cost carriers are (1) Nok Air (an affiliate of Thai Airways), (2) Orient Thai Airlines, (3) Thai Lion Air, (4) Kan Air and (5) Thai VietJet Air and charter flight carriers such as R Airlines.

OUR BUSINESS STRATEGY

Our goal is to establish ourselves as a leading low-fares carrier in every market that we serve by offering passengers to fly with experiences which focusing on “**Safety Assured, Fly On Time and Widest Network**” at the lowest airfares. Apart from organic growth of its fleet, Thai AirAsia is striving to stimulate air travel by add new potential destinations especially in India and Indochina, where there is a few or no competition and add additional flights to strengthen our market share position. Our aim is to gain market dominance in every of our route, in both domestic and international market. Besides generating revenue from the fares, Thai AirAsia enhanced operating results through ancillary services via attractive campaigns to create more awareness on existing products to the market as well as more innovative products such as city transfer and island transfer service to serve our traveller’s needs and convenience on connectivity.

In summary, Thai AirAsia aims to offer lower fares while maintaining a continuous focus on cost-containment and operational efficiency. Thai AirAsia is also building up its network and structure that would enable the economies of scale, as well as, the efficiency and effectiveness in management for the readiness of upcoming competition.





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คุ้มครองความสูญเสีย หรือ
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**ความคุ้มครองขึ้นอยู่กับแผนที่คุณเลือก เชิญไปเยี่ยมชมข้อกำหนดของกรมธรรม์ โทร. 02 203 9798 อีเมล: enquiry.th@tuneprotect.com



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RISK FACTORS

Aviation business is one of the industries with several unique risk factors. In order to respond to the risk that may arise to affect the Company's operation, the Company has set up risk management procedures and the Risk Management Committee comprising executives from different departments that are involved in setting policies and assessing risks. The Committee identifies possible risks and analyses factors that may prevent the Company in achieving its goals, prioritises significance those identified risks as well as evaluates the plausible impacts in order to establish the measures in mitigating risks to the acceptable level. The Risk Management Committee has reported the risk assessment results to the Audit Committee, and the Company's Board of Directors for consideration once every quarter. The Company is following the standards set by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO as its operating guideline.

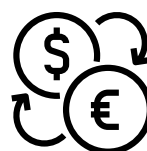
The Company has key risks as listed below. Nonetheless, besides the risk factors shown hereunder, there may be other risks that the Company is not presently aware of or is aware of but does not deem significant in the foreseeable future.



WEATHER



FUEL



CURRENCY



INTEREST RATE

RISKS RELATING TO THE AVIATION INDUSTRY

1. THE AVIATION INDUSTRY IS EXPOSED TO RISKS FROM EXTERNAL FACTORS SUCH AS TERRORISM, EPIDEMIC, AND UNFAVORABLE WEATHER CONDITIONS.

Today, there has been a great increase of competition in aviation industry. Passengers have more various alternative options to choose the airline that give them most confident travelling. Furthermore, news about aircraft accident may effects passenger's confidence. Primarily, the negative impacts include higher costs for security and insurance, lower passenger traffic and lower yield from the decreasing demands for air travel worldwide, and possibly higher costs for the industry, for example, fuel costs for aircrafts or insurance-related costs. The outbreak of the epidemic or various measures taken by governments of countries affected by the epidemic to mitigate the risk of outbreak may also obstruct the aviation industry.

During the monsoons or in the unfavourable weather conditions, flights may be cancelled or postponed. Thailand is one of the countries that have encountered many natural disasters during the past several years, including the tsunami and flood. In the cases that Thai AirAsia cancels or postpones the flight, income and profit of Thai AirAsia will be reduced.



As safety has become a core principle of Thai AirAsia, the company has launched Safety Management System to enhance and support organisation. Safety Management System (SMS) is a systematic, proactive and explicit process for managing safety that integrates operations and technical systems with financial and human resource management to achieve safe operations with as low as reasonably practicable risk. It is systematic in that safety management activities are carried out in accordance with a pre-determined plan, and applied in a consistent manner throughout the organisation. It is proactive by taking an approach that emphasises prevention, through hazards identification and risk control and mitigation measures, before events that affect safety occur.

Furthermore, the company has set up the Emergency Response Team to keep close watch and follow the situation instantly, with the aim to minimise the impact on the flight operation and passengers. The team covers areas such as flight operation planning, ground operation in term of customer service, corporate communication, and passenger responsibility.

2. THE BUSINESS, FINANCIAL CONDITION, OPERATING RESULTS, AND PROSPECT OF THAI AIRASIA MAY BE MATERIALLY AND ADVERSELY AFFECTED BY FUEL COSTS.

The fuel costs is one of the major operating costs of an airline business, accounted for approximately 28% of the operating costs of Thai AirAsia in 2016. Consequently, the operating results of Thai AirAsia are significantly affected from the high volatility of the jet fuel price. 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 and potentially rising fuel costs rather than as a means to speculate against fluctuation in fuel price movements. In terms of flight operation, the company has a policy to manage the fuel consumption rate.

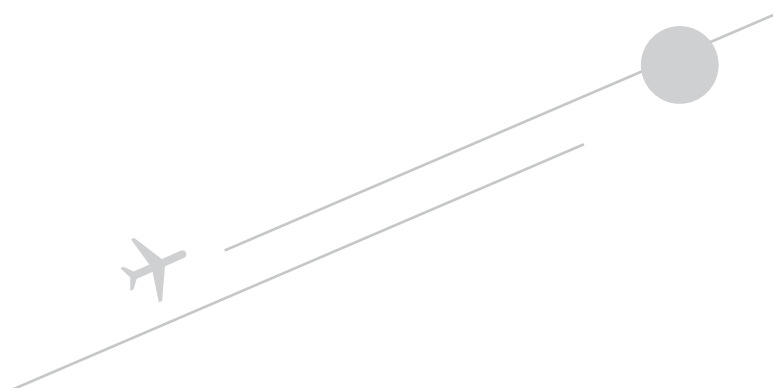
Thai AirAsia's forward fuel hedging in 2016 accounted for an average proportion of 67% of overall fuel consumption. Throughout 2016, the company made adjustments to the jet fuel hedging to reflect the changes in situations that can influence the volatility of global oil price.

3. CURRENCY FLUCTUATION CAN HAVE ADVERSE IMPACTS ON THE COMPANY'S BUSINESS, FINANCIAL CONDITION, AND OPERATING RESULTS.

Thai AirAsia 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. The net cash flow is then managed to better match its major expenses such as maintenance contracts, aircraft lease contracts and jet fuel supply contracts. Moreover, the structure the foreign currency loans are made in accordance with the highest currency net operating cash flow. To ensure that the company does not incur too much foreign currency debt, it also took on more Thai baht loans to alleviate the foreign currency gain/loss impact on the company's profit and loss statement. The company also used financial instruments for Currency risk management including Cross Currency Swaps (CCS), Spot and forward contracts whenever it is suitable to do so. Although the company engages in foreign currency hedging transactions, hedging activities cannot be expected to eliminate currency risks.

4. THAI AIRASIA MAY BE EXPOSED WITH INTEREST RATE FLUCTUATIONS.

Thai AirAsia may incur significant amount of debt in the future in order to finance for new aircraft or for business expansion. The certain amount of indebtedness of Thai AirAsia in the future might be of floating rate obligations, thus, the increasing interest rate is likely to affect the borrowing costs of Thai AirAsia. The company has set a measure to alleviate interest rate risk by fixing some interest rate during the negotiation for financial lease contracts and by considering using financial instruments at appropriate time. As of December 31, 2016, Thai AirAsia has ratio of long-term debts after swap between floating interest rates and fixed rates approximately 10 to 90.



RISKS RELATING TO ASIA AVIATION AND THAI AIRASIA

1. THERE ARE LIMITATIONS ON FOREIGN OWNERSHIP IN ASIA AVIATION AND THAI AIRASIA, WHICH IS THE COMPANY'S CORE ASSET. VIOLATION MAY RESULT IN THE REVOCATION OF AIR SERVICE OPERATOR LICENSE AND THE TRAFFIC RIGHTS OUR DESTINATIONS OF THAI AIRASIA.

Foreign ownership, as limited under our Articles of Association, shall not exceed 0.1% of total issued and outstanding Asia Aviation's shares. In addition, Thai AirAsia, as Asia Aviation's core asset, is also under the foreigners' shareholding limitations regulated by the Foreign Business Act B.E. 2542 (1999) and the Aviation Act B.E. 2497 (1954) as amended, and the Announcement of the National Executive Council No. 58. Not less than 51% of shares of an air service operators and aircraft registrants shall belong to persons listed hereunder, in any one or any combination of the following categories:

- (a) Natural persons who hold Thai nationality;
- (b) Ministries, sub-ministries, departments of the Thai government;
- (c) Limited companies or public limited companies, of which not less than fifty-one percent of the total capital belongs to ministries, sub-ministries, departments of Thai government or Thai natural persons.

In practice, it is hardly possible to determine whether the shares owned by shareholder, who is a Thai national, are sold to another Thai national or foreigner, or whether the person who converts the Non-Voting Depository Receipt (NVDR) into share is a Thai national or foreigner, until the said person submits an application for share transfer registration to the registration officer or until the closing date of the shareholders' registration book. Buyers or persons who convert the NVDRs into shares are not obliged to apply for share transfer registration after the purchase or trading. If the buyers or said persons have not applied for share transfer registration, there will not be the records of the said persons' names and nationalities on the shareholders' registration book until the last closing date of the shareholders' registration book, which will be some time after the trading. However, Thailand Securities Depository Co., Ltd. (TSD), Asia Aviation's registrar, may refuse to register the share transfer for the persons who are not Thai nationals and the said persons may need to sell their shares, if the transfer will make the foreign shareholding exceeds the limit currently imposed, which may result in the revocation of air service operator license and significant negative impacts on the business, financial condition, operating results, and business opportunities of Thai AirAsia. If the foreign shareholding meets the maximum limit, Thai shareholders may be restricted in transferring the shares to foreigners, which may negatively affect the liquidity and market prices of the shares. Additionally, under normal practice for international air transportation service operation, Thai AirAsia shall have significant number of shareholders with Thai nationality who are

also effectively controlling shareholders of Thai AirAsia. Even though governments of countries, that Thailand has signed the bilateral agreements with, are recognising the concept of the "beneficial ownership", there is a risk that the substantially owned and effectively controlled test may not be met, which may result in Thai AirAsia being terminated of the Thai-Designated Airline status and revoked of the international traffic rights.

As of December 31, 2016, Asia Aviation held 55% shareholding in Thai AirAsia, in which the investors and financial institutions held the proportion of 54% of Asia Aviation's total issued and outstanding shares, and the remaining 46% were held by board of directors and management of the Company who are all natural persons with Thai nationality, as regulated by applicable laws.

2. ASIA AVIATION IS OPERATING AS A HOLDING COMPANY, CONSEQUENTLY IT IS DEPENDENT ON THE DIVIDENDS RECEIVED FROM THAI AIRASIA FOR DIVIDEND PAYMENT TO ASIA AVIATION'S SHAREHOLDERS.

As Asia Aviation is a holding company, it is dependent on the dividends from Thai AirAsia, of which it has 55% shareholding, to pay the dividends for its own shareholders. Dividend payment of Thai AirAsia to its shareholders, including Asia Aviation, shall be subject to applicable law. In addition, Asia Aviation may pay dividends based on its net profit of the separate financial statement of the Company, but not from its consolidated financial statement, in which net profit of Thai AirAsia has derived the net profit under the consolidated financial statement. Therefore, the ability to pay dividends of Asia Aviation depends on the dividends received from Thai AirAsia as the said dividends constitute substantially of Asia Aviation's income.

The Company has assigned Thai AirAsia to prepare operating plans and annual budgets, which need to be considered and approved by the Company's Board of Directors. Executive management meet every month to closely monitor the operating results in order to respond in a timely manner, should there be changes from external factors that differ from what has been planned, and also to appropriate plan financially, both in terms of cash flow and financial ratios that have been approved by the Board of Directors.

3. BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH AIRASIA BERHAD.

Thai AirAsia has benefited from the support from AirAsia Berhad (AAB) in many areas. The Company's business relies on the brand license agreement that Thai AirAsia signed with AAB dated January 1, 2017 ("AirAsia" Brand License Agreement) that AAB permits Thai AirAsia to be a sole operator in Thailand to use "AirAsia" as trade name for business operation, access to market knowledge, and customer services. However, the increase in the license fee and other amendments of this agreement can have an effect on the operation of Thai AirAsia.

Presently Thai AirAsia is leasing its aircraft from an AAB's subsidiary, in which the lease agreements will expire during 2019 to 2027. The ability of Thai AirAsia to renew the lease with similar terms depends on the market condition at the time. Typically, if the lease agreement is made for a long duration, the agreement is likely to be more in favour of the lessee. The Company also relies on the information technology used within the AirAsia Group. The Company's main software (centred in Kuala Lumpur, Malaysia) include NewSkies 3.4, which was developed by Navitaire and used for inventory/sales management and reservation, Axapta Financial Management, which was developed by Microsoft and used for financial operation, the AIMS, which is used for flight scheduling and crew rostering, Navtech, which is used for flight planning, and Swiss Aviation Software Ltd.'s AMOS, which is used for the management of aircraft maintenance engineering and logistics.

The Company also has an access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports in Malaysia, Indonesia and India, and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, ticket reservation software, and AirAsia BIG Loyalty Programme. Decisions to engage in the transactions are made by Thai AirAsia.

4. THAI AIRASIA IS DEPENDENT ON AUTOMATED SYSTEM AND THE INTERNET IN BUSINESS OPERATION OF THAI AIRASIA

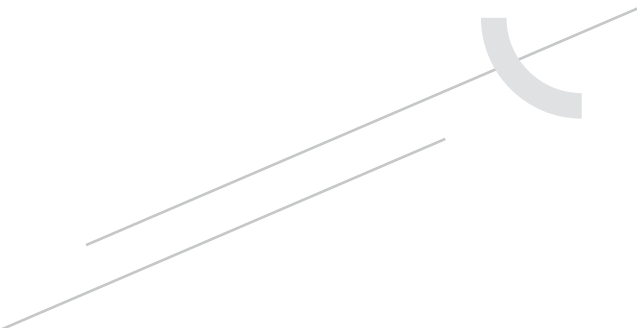
Thai AirAsia is reliant on the automated system in operating its business, including its website and online ticket reservation system, and its internal communication system. Thai AirAsia's website and online ticket reservation system must be able to accommodate a high volume of traffic and to show important flight information. Thai AirAsia has a backup plan and business continuity plan in place in order to prevent a sudden stop in these systems.

The flight reservation by passengers directly via the website of Thai AirAsia came up to 69% in 2016. Thai AirAsia is aware of the possible risks from Internet security for online transactions related to the data privacy that may create more restrictions in ticket purchase; therefore, the Company has put in place a privacy policy for customers and safety measures to prevent the illegitimate access to the private information. The Company also joins with leading domestic and international financial institutions and credit card providers such as VISA, MasterCard, American Express, and JCB to provide passengers with satisfaction in using their credit cards speedily and safely for the internet transaction.

5. THAI AIRASIA IS HAVING THE SINGLE FLEET TYPE OF AIRBUS A320 AIRCRAFT AND CFM56-5 ENGINES.

As of December 31, 2016, Thai AirAsia has a single aircraft type of 51 Airbus A320 aircraft with CFM56-5B6/3, -5B4/3 and LEAP-1A engines. The reliance on single model, Airbus A320, and single type of engine, CFM56-5B6/3, -5B4/3 and LEAP-1A makes Thai AirAsia vulnerable to any problem arises from the said model and engine. Thai AirAsia may experience an unfavourable impact if any shortcoming is found in the design or the mechanism in Airbus A320 aircraft or CFM56-5B6/3, -5B4/3 and LEAP-1A engines, as Thai AirAsia's aircraft will then need to be grounded for fixing the shortcoming or problem.

However, Airbus A320 aircraft is well accepted in the aviation industry since its beginning of production in 1988. Thai AirAsia has assessed the risks of the model being defected in the design or having engine troubled by considering the history of this model and found that its safety is at high-level and its cost of services is modest.



SHAREHOLDING STRUCTURE

MAJOR SHAREHOLDERS

ASIA AVIATION PUBLIC COMPANY LIMITED

As at December 30, 2016, Asia Aviation has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

	NAME	NUMBER OF SHARES	SHAREHOLDING PERCENTAGE (%)
1.	Srivaddhanaprabha Family	1,931,288,286	39.82
	- Mr. Vichai Srivaddhanapra	679,000,000	14.00
	- Mr. Aiyawatt Srivaddhanaprabha	485,088,286	10.00
	- Mr. Apichet Srivaddhanaprabha	282,200,000	5.82
	- Ms. Aroonrung Srivaddhanaprabha	242,500,000	5.00
	- Ms. Voramas Srivaddhanaprabha	242,500,000	5.00
2.	Thai NVDR Company Limited	394,584,555	8.14
3.	Mr. Tassapon Bijleveld	242,500,000	5.00
4.	Bualuang Long-term Equity Funds	150,151,700	3.10
5.	Ms. Supornthip Choungangsee	105,965,000	2.18
6.	Bualuang Long-term Equity Funds 75/25	86,044,700	1.77
7.	Mr. Tanarat Pasawongse	80,662,100	1.66
8.	Mr. Charlie Choungangsee	71,512,000	1.47
9.	Ms. Pojanalai Boonkhan	52,000,000	1.07
10.	Bualuang Flexible RMF	42,400,000	0.87

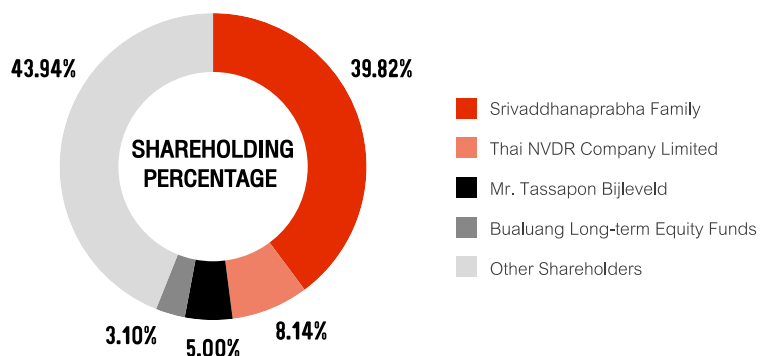
SHAREHOLDING STRUCTURE

ASIA AVIATION PUBLIC COMPANY LIMITED

As at December 31, 2016, Asia Aviation has the registered and paid-up capital of Baht 485,000,000, being common shares of 4,850,000,000 shares at the par value of Baht 0.10 per share. On May 31, 2012 the Company was listed on the Stock Exchange of Thailand under ticker "AAV".

THAI AIRASIA COMPANY LIMITED (SUBSIDIARY)

As at December 31, 2016, Thai AirAsia has the registered and paid-up capital of Baht 435,555,600, being common shares of 43,555,560 shares at the par value of Baht 10 per share. With the IPO proceeds, Asia Aviation has injected its capital into Thai AirAsia, increasing its shareholding from 51% to 55%.



THAI AIRASIA COMPANY LIMITED

As at December 31, 2016, Thai AirAsia has 8 shareholders with details on the number of shares and shareholding percentage as follows:

NAME	SHAREHOLDING PERCENTAGE (%)	
	NUMBER OF SHARES	SHAREHOLDING PERCENTAGE (%)
1. Asia Aviation Public Company Limited	23,955,553	55.00
2. AirAsia Investment Ltd. ^{1,2}	19,600,000	45.00
3. Mr. Tassapon Bijleveld	2	0
4. Captain Tanapat Ngamplang	1	0
5. Mr. Preechaya Rasametnin	1	0
6. M.L. Bovornovadep Devakula	1	0
7. Mr. Santisuk Klongchaiya	1	0
8. Ms. Hathaimas Ekkalakdilok	1	0
TOTAL	43,555,560	100.00

Remark 1. AirAsia Investment is a subsidiary of AirAsia Group that registered under Malaysian laws, in which AirAsia Berhad has a 100% shareholding.
2. AirAsia Berhad, listed on Bursa Malaysia, manages the business of investing in other companies.

AIRASIA BERHAD

As at December 31, 2016, AirAsia Berhad has major shareholders with details on the number of shares and shareholding percentage as follows:

NAME	DIRECT		INDIRECT	
	NUMBER OF SHARES	SHAREHOLDING PERCENTAGE (%)	NUMBER OF SHARES	SHAREHOLDING PERCENTAGE (%)
Tune Air Sdn Bhd ¹	516,485,082	18.56	-	-
Tan Sri Dr. Anthony Francis Fernandes	1,600,000	0.06	516,485,082 ²	18.56
Dato Kamarudin bin Meranun	2,000,000	0.07	516,485,082 ²	18.56
Employees Provident Fund Board	141,808,149	5.10	-	-

Remark 1. Shares held under Tune Air Sdn. Bhd., RHB Nominees (Tempatan) Sdn. Bhd., Kenanga Capital Sdn. Bhd., Cimsec Nominees (Tempatan) Sdn. Bhd., HSBC Nominees (Tempatan) Sdn. Bhd., and MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd.
2. Deemed interested by virtue of Section 6A of the Companies Act, 1965 through a shareholding of more than 15% in Tune Air Sdn. Bhd.

DIVIDEND POLICY

The board of directors of Asia Aviation may recommend annual dividends subject to the approval of the shareholders at the annual general meeting (AGM). For interim dividends, the board of directors is authorised for such approval, considering the profitability of the company, which will be reported to the next AGM.

ASIA AVIATION PUBLIC COMPANY LIMITED

Asia Aviation may consider paying dividend by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that

Asia Aviation are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the board of directors.

THAI AIRASIA COMPANY LIMITED

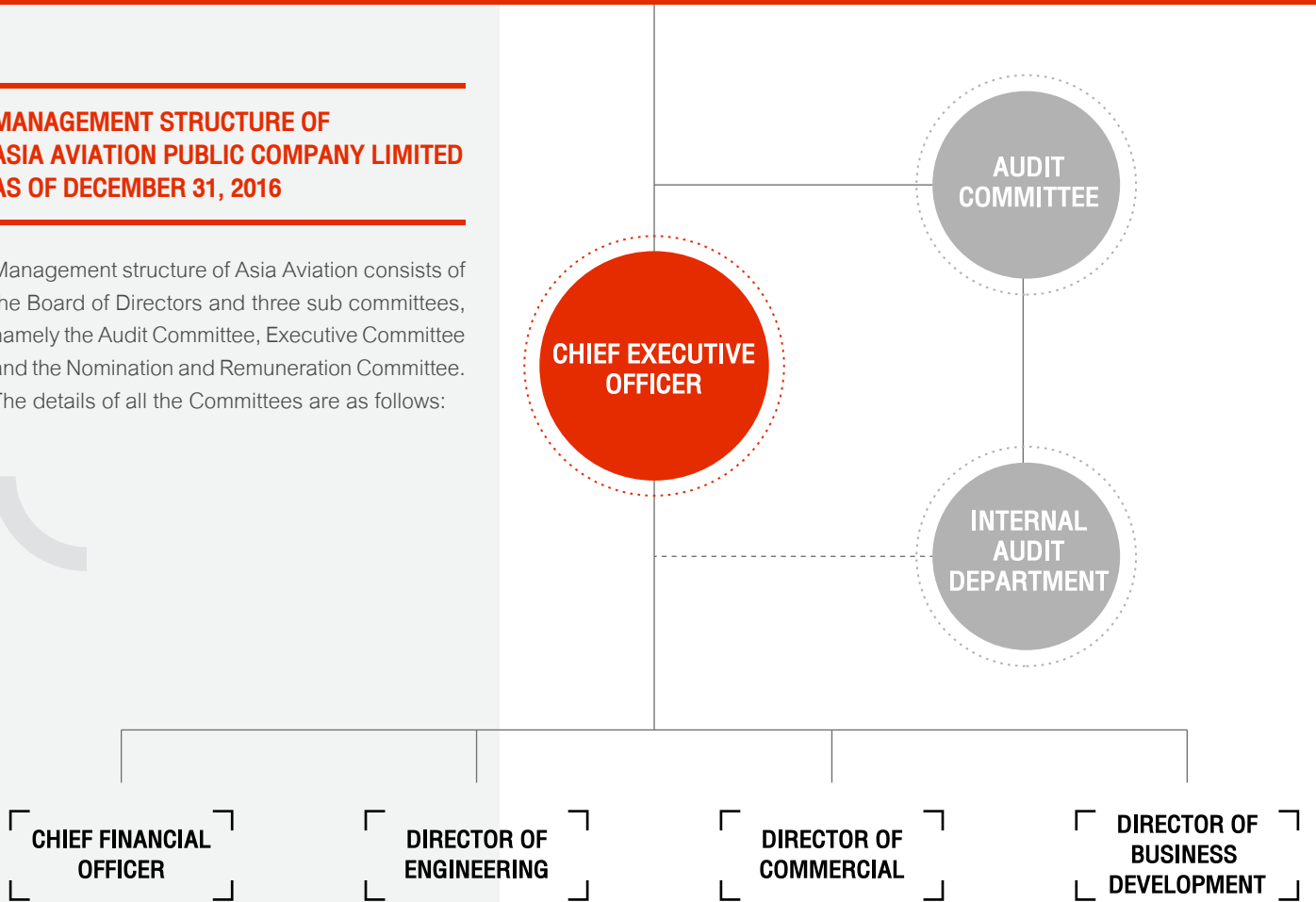
Thai AirAsia may consider paying dividend by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Thai AirAsia are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the board of directors.

MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

MANAGEMENT STRUCTURE OF ASIA AVIATION PUBLIC COMPANY LIMITED AS OF DECEMBER 31, 2016

Management structure of Asia Aviation consists of the Board of Directors and three sub committees, namely the Audit Committee, Executive Committee and the Nomination and Remuneration Committee. The details of all the Committees are as follows:



THE BOARD OF DIRECTORS

As of December 31, 2016, Asia Aviation's Board of Directors consists of 9 Directors as follows:

NAME	POSITION
1. Mr. Arak Chonlatanon	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2. Mr. Nuttawut Phowborom	Director / Independent Director / Audit Committee
3. Mr. Kasemsit Pathomsak*	Director / Independent Director / Audit Committee
4. Mr. Tassapon Bijleveld	Director
5. Mr. Aiyawatt Srivaddhanaprabha**	Director
6. Mr. Apichet Srivaddhanaprabha**	Director
7. Mr. Sombat Dechapanichkul**	Director
8. M.L. Bovornovadep Devakula	Director
9. Mr. Santisuk Klongchaiya	Director

* Mr. Kasemsit Pathomsak was appointed as Director, Independent Director, Audit Committee and Nomination and Remuneration Committee replacing Mr. Distorn Vajarodaya who resigned, effective November 9, 2016.

** Regarding to change of major shareholders structure, the Board of Directors had approved the appointment of 3 new directors of the Company in replacement of the 3 resigning directors, with effect from June 13, 2016, as follows:

- 1) Mr. Sombat Dechapanichkul in place of Mrs. Pattra Boosarawongse
- 2) Mr. Aiyawatt Srivaddhanaprabha in place of Capt. Tanapat Ngamplang
- 3) Mr. Apichet Srivaddhanaprabha in place of Mr. Preechaya Rasametani

AUTHORISED DIRECTORS

"Any one of Mr. Tassapon Bijleveld or Mr. Santisuk Klongchaiya or M.L. Bovornovadep Devakula jointly signing with any one of Mr. Sombat Dechapanichkul or Mr. Aiyawatt Srivaddhanaprabha or Mr. Apichet Srivaddhanaprabha with the Company's seal affixed"

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of Asia Aviation shall manage Asia Aviation in accordance with the law, objectives, articles of association and resolutions of Shareholders' Meeting in an honest and prudent manner in best interests of the Company and Shareholders. Scope of duties and responsibilities of Asia Aviation's Board of Directors are as follows:

1. To conduct their duties in compliance with the laws, objectives, articles of association, resolutions of the Board of Directors and resolutions of shareholders' meetings with duty of care and duty of loyalty, and with the best interest of the Company.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of Asia Aviation and its subsidiaries as prepared by management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system, internal control and internal audit system. These include establishing reliable financial report.
5. To review the risk management procedures and policies and also follow up on the results.
6. To prevent conflicts of interests among stakeholders of Asia Aviation and its subsidiaries.
7. To consider and approve related party transactions of the Company and its subsidiaries in compliance with notifications and regulations of the Stock Exchange of Thailand.
8. To set in place the corporate governance policy and its effective implementation including annual review.
9. To appoint the sub-committees such as Audit Committee, or any other sub committees in order to appropriately assist and support the Board of Directors duties.
10. To appraise their performance of Chief Executive Officer and members of Senior Management.
11. To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
12. To seek professional opinions from external agencies, if required, in order to take appropriate decisions.
13. To prepare and disclose annual reports and financial statements in order to present financial position and operating results for the past years to the Shareholders' Meeting.
14. To arrange for the Annual General Meeting of Shareholders within four months of the end of each fiscal year of Asia Aviation.
15. To approve the investment decisions for business expansion or joint venture with other business operators.

In any case, the authorisation of duties and responsibilities of the Board of Directors of Asia Aviation shall not constitute an authorisation or sub-authorisation which may cause the Board of Directors of the Asia Aviation or its authorised person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory

Board) may have an interest or may benefit in any manner or may have any other conflict of interest with Asia Aviation or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders meeting or the Board of Directors meeting.

BOARD OF DIRECTORS' MEETING

The followings are the details of attendance of the Board of Directors' meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
1. Mr. Arak Chonlatanon	5/6
2. Mr. Nuttawut Phowborom	5/6
3. Mr. Kasemsit Pathomsak*	0/6
4. Mr. Tassapon Bijleveld	6/6
5. Mr. Aiyawatt Srivaddhanaprabha**	3/6
6. Mr. Apichet Srivaddhanaprabha**	2/6
7. Mr. Sombat Dechapanichkul**	1/6
8. M.L. Bovornovadep Devakula	6/6
9. Mr. Santisuk Klongchaiya	6/6

* The effective date of appointment was November 9, 2016.

** The effective date of appointment was June 13, 2016.

AUDIT COMMITTEE

Asia Aviation's Audit Committee comprises three Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As of December 31, 2016, the Company's Audit Committee is as follows:

NAME	POSITION
1. Mr. Arak Chonlatanon	Chairman of Audit Committee
2. Mr. Nuttawut Phowborom	Audit Committee
3. Mr. Kasemsit Pathomsak	Audit Committee

Mr. Nuttawut Phowborom has sufficient knowledge and experience to review the reliability of the financial statements of the Company.

The Secretary to the Company's Audit Committee is Ms. Duangporn Tantiwiwat.

TERMS OF POSITIONS

Members of the Audit Committee serve a term of three years and are eligible for re-appointment at the end of the term.

AUDIT COMMITTEES' MEETING

The followings are the details of attendance of the Audit Committee's meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
1. Mr. Arak Chonlatanon	5/5
2. Mr. Nuttawut Phowborom	4/5
3. Mr. Kasemsit Pathomsak*	0/5

* The effective date of appointment was November 9, 2016.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- To review the Company's financial reporting process to ensure that it is accurate and adequate.
- To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit unit or any other unit in charge of an internal audit.
- To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business.
- To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
- To consider the related transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company.
- To review the Company's risk management system to ensure that the Company has appropriate and efficient risk management systems.
- To review and propose amendments related to duties and responsibilities of the Audit Committee in accordance with the circumstances.

8. The Audit Committee has the authority to investigate the relevant party and has the authority to hire or bring experts to assist as necessary and appropriate.
9. To prepare, and disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - a. an opinion on the accuracy, completeness and credibility of the Company's financial report;
 - b. an opinion on the adequacy of the Company's internal control system;
 - c. an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business;
 - d. an opinion on the suitability of an auditor;
 - e. an opinion on the transactions that may lead to conflicts of interests;
 - f. the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - g. an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - h. other transactions which, according to the Audit Committee's responsibilities as assigned by the Board of Directors, should be known to the shareholders and investors.
10. If any following actions significantly affect the financial status or performance of the Company, the Audit Committee shall report to the Board of Director for further improvement within the suitable time set by the Audit Committee:
 - a. Transaction that causes the conflict of interest;
 - b. Fraud or any significant irregular events or problems in the internal control system; and
 - c. The violation of law by Security and Exchange Commission, SEC's regulation or law related to the Company business.

If the Board of Director or management has not taken any action to resolve the above matter within the specified time frame, any committee member shall report to aforementioned matter to the Security and Exchange Commission or Stock Exchange.
11. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

The Audit Committee directly reports to the Board of Directors.

EXECUTIVES

As of December 31, 2016, the list of Asia Aviation's Executives is as follows

NAME	POSITION
1. Mr. Tassapon Bijleveld	Chief Executive Officer
2. Mr. Santhat Sanguandikul*	Chief Financial Officer
3. Mr. Preechaya Rasametanin	Director of Engineering
4. M.L. Bovornovadep Devakula	Director of Business Development
5. Mr. Santisuk Klongchaiya	Director of Commercial

Remark: Executive means a Director, manager or a person holding a management-level-position of the first four ranking below the manager, a person holding a position equivalent to the person holding a management-level-position of the fourth ranking, including a person holding a management-level-position in an accounting or finance department at the level of manager of the department or higher or an equivalent position

* Mr. Santhat Sanguandikul was appointed as Chief Financial Officer replacing Mrs. Pattra Boosarawongse, effective July 6, 2016.

** Captain Tanapat Ngamplang retired from Director of Flight Operations with effective date January 1, 2017.

DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

1. To be designated as authorised person in administering Asia Aviation's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Asia Aviation as authorised by the Board of Directors of Asia Aviation and/or resolutions of the Shareholders' Meeting.
2. To prepare business plans and to assign management authority as well as set the business operation and annual budgets for the approval from the Board of Directors of Asia Aviation, and to report the business progress according to the plans and budgets as approved to the Board of Directors of Asia Aviation.
3. To establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, salary, compensation, bonus and other benefits for employees.
4. To monitor and report situation and position of Asia Aviation and to propose alternatives and strategies in accordance to policies and market situation.
5. To manage and control all areas of operation for Asia Aviation, including finance, risk management, internal control, business operations and support functions, and human resources.
6. To represent Asia Aviation and to be designated as authorised person in liaising with government agencies and other organisations.
7. To oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Asia Aviation.

8. To ensure good corporate governance.
9. To authorise the establishment, amendment, and modification of the employment rules and regulations for Asia Aviation such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
10. To consider, negotiate, and approve legal transactions, and/or and business operation activities, and/or daily business administration of Asia Aviation within the Authority Limits approved by the Board of Directors of Asia Aviation.
11. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Asia Aviation.

The Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

COMPANY SECRETARY

The Board of Directors of Asia Aviation has appointed Ms. Nisres Distes as a company secretary, effective February 25, 2016, whose duties and responsibilities are as stated in the Securities and Exchange Act.

NOMINATION AND REMUNERATION COMMITTEE

Asia Aviation's Board of Directors approved the appointment of the Nomination and Remuneration Committee, which comprises of three committee members as follows:

NAME	POSITION
1. Mr. Nuttawut Phowborom	Chairman of Nomination and Remuneration Committee
2. Mr. Arak Chonlatanon	Nomination and Remuneration Committee
3. Mr. Kasemsit Pathomsak	Nomination and Remuneration Committee

TERMS OF POSITIONS FOR NOMINATION AND REMUNERATION COMMITTEE

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for re-appointment at the end of the term.

NOMINATION AND REMUNERATION COMMITTEE'S MEETING

The followings are the details of attendance of Nomination and Remuneration Committee's meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
1. Mr. Nuttawut Phowborom	3/3
2. Mr. Arak Chonlatanon	3/3
3. Mr. Kasemsit Pathomsak*	0/3

* The effective date of appointment was November 9, 2016.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR NOMINATION

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
2. Determine guidelines and policies in nominating Board of Directors and subcommittee members and consider qualified candidates to replace those who are vacating the office, and propose the matter for approval by Board of Directors and/or shareholders as the case may be.
3. Nominate qualified candidates for Chief Executive Officer and senior management when the position is vacant, and determine the succession planning for positions of Chief Executive Officer and other senior management.
4. Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate timeframe prior to the Shareholders' Meeting.
5. To perform of other tasks as assigned by the Board of Directors.

NOMINATION OF DIRECTORS

The Company has appointed the Nomination Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons and to provide opportunity for minority shareholders to nominate candidates for the Company's Directors. Candidates are proposed to the Company's Board of Directors for consideration before proposing to the Shareholders'

Meeting for approval (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of the Company's Board of Directors for skills that are still lacking, in order to select the candidates that are most suitable for the position in terms of knowledge, capability, and work experiences which are beneficial for the Company and also in line with the Company business strategy, to be the Directors. The appointed Directors of Asia Aviation shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations.

COMPOSITION AND NOMINATION OF THE COMPANY'S DIRECTORS

The composition, appointment, withdrawal and termination of Asia Aviation's Directors shall be as prescribed by the Article of Association which can be summarised as follows:

1. The Board of Directors of Asia Aviation shall consist of at least five Directors to conduct the business of Asia Aviation. Not less than one half of all Directors shall have residence in the Kingdom of Thailand.
2. The appointment of a Director shall be made by a majority vote at the Shareholders' Meeting in accordance with the following conditions and procedures:
 - (1) One ("1") share represents one ("1") vote;
 - (2) Each shareholder shall exercise his voting rights according to (1) to elect one or several persons as a Director or Directors, but the shareholder cannot divide his or her votes to any nominated Director in any number;
 - (3) The persons receiving the most votes are those who are elected to be Directors, in descending order, to the number of Directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of Directors, the presiding Chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The retiring Directors are eligible for re-election. The Directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the Director who has been in office for the longest term shall retire.
4. Any Director wishing to resign from the Director's position shall submit a resignation letter to Asia Aviation. The resignation shall take effect upon the date on which the resignation letter reaches Asia Aviation.
5. The Shareholders' Meeting may pass a resolution to remove any Director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.
6. In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall appoint any candidate who does not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations to fill the position for the next Board of Directors' Meeting unless the remaining term is less than two months. The replacement Director shall hold the office only for the remaining term of the Director whom he/she replaces.

COMPOSITION AND NOMINATION OF THE AUDIT COMMITTEE

Board of Directors shall appoint at least three members of Audit Committee from Independent Directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock exchange of Thailand as follows:

1. Not being a Director authorised by the Board of Directors to make any decision in the business operation of Asia Aviation, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or control person of Asia Aviation;
2. Not being a Director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company; and
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements.

Should any of the members of the Audit Committee vacates his or her office by rotation or any other reasons, and leaves the number of less than three committee members, Board of Directors shall appoint a replacement within three months after the office is vacated in order for the Committee to continue their duties without any disruption.

NOMINATION OF SENIOR MANAGEMENT

In nominating the candidates for Chief Executive Officer and senior management members, Executive Committee will initially screen the appropriate persons who meet the qualifications holding knowledge,

capabilities, skills and experiences beneficial to the Company's operations. Those candidates must understand the Company's businesses well and can manage their functions to attain the goals and objectives set by the Board of Directors. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR REMUNERATION

1. To determine criteria and the form of payment to the Board of Directors, subcommittees, Chief Executive Officer, which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
3. To disclose the policy for Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To responsible for other tasks as assigned by the Board of Directors.

POLICY ON REMUNERATION AND CRITERIA FOR EACH DIRECTOR'S REMUNERATION

Board of Directors approves the criteria in consideration for remuneration for the Company's Directors as follows:

To determine remuneration for the Board of Directors, the Remuneration Committee shall consider the following guideline:

1. POLICY ON REMUNERATION FOR THE BOARD OF DIRECTORS AND MANAGEMENT

The Company has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Market and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors and Management.

Remuneration Committee considers types, forms, and amount of the remuneration for the Board of Directors, subcommittees, Chief Executive Officer. The remuneration for the Board of Directors and subcommittees shall be proposed to the Annual General Meeting of Shareholders for approval every year.

2. REMUNERATION FOR THE BOARD OF DIRECTORS AND SUBCOMMITTEES

At the Annual General Meeting of Shareholders 2016, held on April 25, 2016, the resolution was to approve to increase the remuneration for 2016 since the operating result was improved in the past year and the Directors' responsibility has also increased according to the Company's growth as follows:

Monetary Remuneration

- Each Director shall receive the monthly remuneration of Baht 80,000 (increasing from Baht 75,000) and Baht 80,000 (increasing from Baht 75,000) allowance for each meeting attendance. If there is more than one meeting, each Director shall receive only Baht 80,000 allowance in the month. The Chairman of the Board of Directors shall receive the monthly remuneration of Baht 100,000 and Baht 100,000 allowance for each meeting attendance. If there is more than one meeting, the Chairman shall receive only Baht 100,000 allowance in the month.
- The monthly remuneration for the Audit Committee (in addition to the remuneration as the Directors) shall be Baht 80,000 (increasing from Baht 75,000). The Chairman of the Audit Committee shall receive the monthly remuneration of Baht 100,000.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a Committee, a Sub-Committee or a Working Group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 (increasing from Baht 37,500) per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.
- The Board of Directors shall receive the bonus for 0.5% of the dividend and the allocation shall be as specified by the Board of Directors.

Other Remunerations

- Ticket Benefits

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation.

STRUCTURE OF DIRECTORS' REMUNERATION IN 2016

DIRECTOR	MONETARY REMUNERATION (THB)		
	MONTHLY	MEETING ALLOWANCE	BONUS
BOARD OF DIRECTORS			
- Chairman	100,000	100,000	0.5% of the dividend payment
- Director	80,000	80,000	
AUDIT COMMITTEE			
- Chairman	100,000	-	-
- Member	80,000	-	-
NOMINATION AND REMUNERATION COMMITTEE			
- Chairman	-	40,000	-
- Member	-	40,000	-
EXECUTIVE COMMITTEE*			
- Chief Executive Officer	-	-	-
- Member	-	-	-

* Members of Executive Committee who are members of the management are not entitled for remuneration as Directors or members of subcommittee.

Monetary remunerations of the three Individual Directors who are not members of the Management are the total of THB 9.26 million. The remunerations include salary, meeting allowance and bonus as follows:

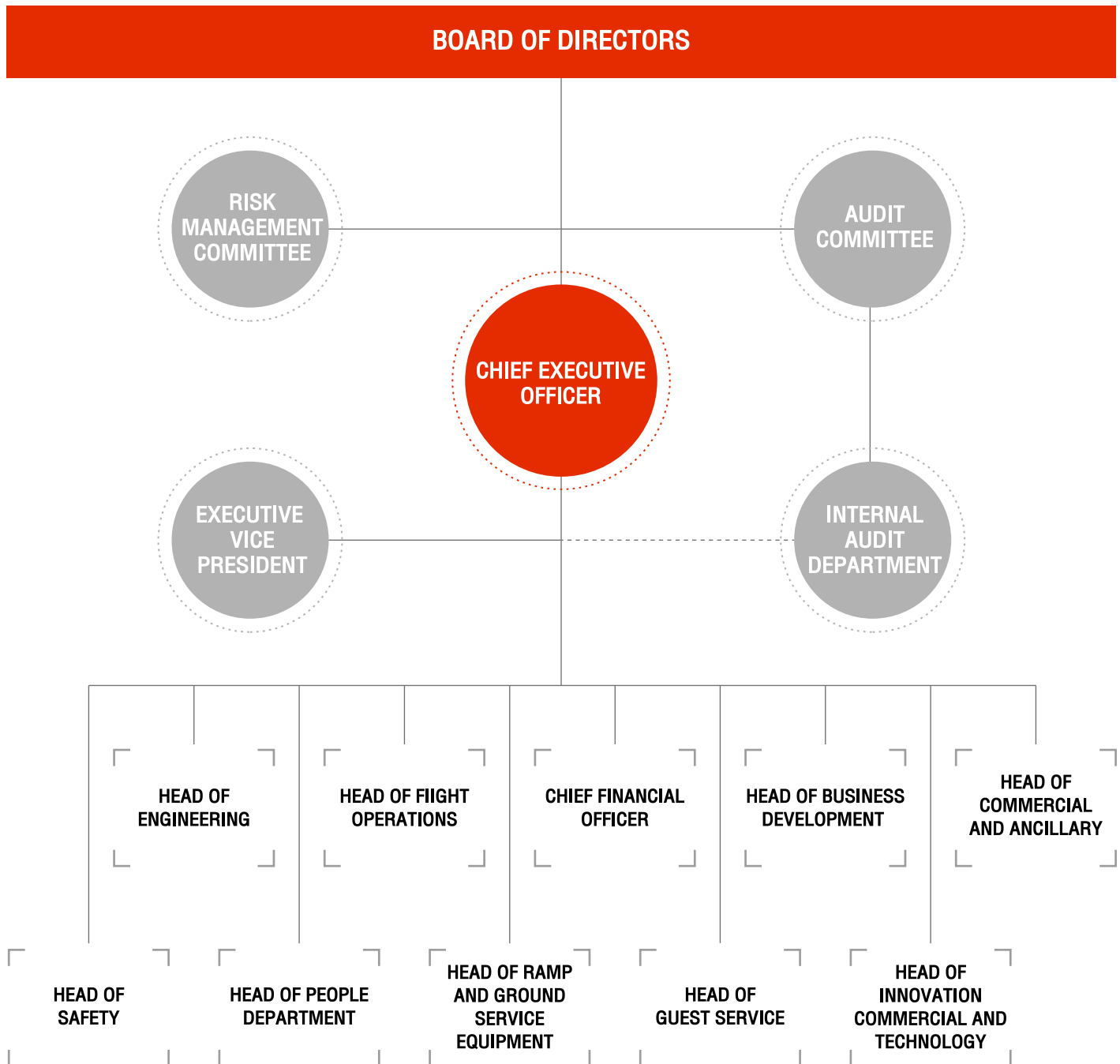
DIRECTOR	POSITION	DIRECTOR'S REMUNERATION (THB)			
		BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	TOTAL
Mr. Arak Chonlatanon	Chairman of the Board of Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	3,518,750	1,200,000	120,000	4,838,750
Mr. Nuttawut Phowborom	Director / Audit Committee / Chairman of Nomination and Remuneration Committee	3,178,750	960,000	120,000	4,258,750
Mr. Kasemsit Pathomsak	Director / Audit Committee / Nomination and Remuneration Committee	80,000	80,000	-	160,000

- In 2016, Asia Aviation has not paid remunerations for the Management.

CHANGES IN SHARES HELD BY BOARD OF DIRECTORS AND EXECUTIVES IN 2016

NAME	POSITION	NUMBER OF SHARES ON FEBRUARY 5, 2016	NUMBER OF SHARES ON DECEMBER 30, 2016	INCREASE IN THE NUMBER OF SHARES (DECREASE)	SHARE HOLDING (%)
1. Mr. Arak Chonlatanon	Chairman of the Board of Director / Chairman of the Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
2. Mr. Nuttawut Phowborom	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
3. Mr. Kasemsit Pathomsak	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
4. Mr. Tassapon Bijleveld	Director / Chief Executive Officer	630,564,208	242,500,000	(388,064,208)	5.00
Spouse and minor child	-	1,503,524,078	-	(1,503,524,078)	-
5. Mr. Aiyawatt Srivaddhanaprabha	Director	-	485,088,286	485,088,286	10.00
Spouse and minor child	-	-	-	-	-
6. Mr. Apichet Srivaddhanaprabha	Director	-	282,200,000	282,200,000	5.82
Spouse and minor child	-	-	-	-	-
7. Mr. Sombat Dechapanichkul	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
8. M.L. Bovornovadep Devakula	Director / Director of Business Development	23,351,977	23,351,977	-	0.48
Spouse and minor child	-	-	-	-	-
9. Mr. Santisuk Klongchaiya	Director / Director of Commercial	9,712,091	9,712,091	-	0.20
Spouse and minor child	-	-	-	-	-
10. Mr. Santhat Sanguandikul	Chief Financial Officer	-	-	-	-
Spouse and minor child	-	-	-	-	-
11. Mr. Preechaya Rasametanim	Director of Engineering	25,500,000	27,000,000	1,500,000	0.56
Spouse and minor child	-	-	-	-	-

MANAGEMENT STRUCTURE OF THAI AIRASIA COMPANY LIMITED AS OF DECEMBER 31, 2016



MANAGEMENT STRUCTURE THAI AIRASIA AS A CORE BUSINESS OPERATION

The management structure of Thai AirAsia (“Subsidiary”) consists of the Board of Directors and four subcommittees, namely the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee. The details of all the Committees are as follows:

THE BOARD OF DIRECTORS

As of December 31, 2016, Thai AirAsia's Board of Directors consists of 9 directors as follows:

NAME	POSITION
1. Mr. Arak Chonlatanon	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2. Mr. Nuttawut Phowborom	Director / Independent Director / Audit Committee
3. Mr. Tassapon Bijleveld	Director
4. Mr. Aiyawatt Srivaddhanaprabha*	Director
5. Mr. Sombat Dechapanichkul**	Director
6. Tan Sri Dr. Anthony Francis Fernandes	Director
7. Dato Kamarudin Bin Meranun	Director
8. Dato Mohamed Khadar Bin Merican***	Director
9. Mr. Stuart L Dean***	Director

* Mr. Aiyawatt Srivaddhanaprabha was appointed as Director replacing Mr. Santisuk Klongchaiya who resigned, effective June 15, 2016.

** Mr. Sombat Dechapanichkul was appointed as Director replacing Mrs. Pattra Boosarawongse who resigned, effective June 14, 2016.

*** At the Extra Ordinary General Meeting of Shareholders No.1/2016, held on December 9, 2016, the resolution was to approve the appointment of 2 new directors, Dato Mohamed Khadar Bin Merican and Mr. Stuart L Dean.

The Company Secretary is Ms. Nisres Distes

AUTHORISED DIRECTORS

"Mr. Tassapon Bijleveld jointly signing with Mr. Sombat Dechapanichkul or Mr. Aiyawatt Srivaddhanaprabha, totaling two persons, with an affixation of the Company's seal or Mr. Sombat Dechapanichkul and Mr. Aiyawatt Srivaddhanaprabha jointly signing with any one of Tan Sri Dr Anthony Francis Fernandes or Dato Kamarudin Bin Meranun, totaling three persons, with an affixation of the Company's seal."

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of Thai AirAsia shall manage Thai AirAsia in accordance with the law, objectives, articles of association and resolutions of Shareholders' Meeting in an honest and prudent manner in best interests of Thai AirAsia and its shareholders. Scope of duties and responsibilities of Thai AirAsia's Board of Directors are as follows:

1. Announce dividend payments or other payments in the same nature as dividends to shareholders.
2. Propose any increase and/or decrease and/or other alteration to the registered capital and authorised capital by the Company or the issue of any new class of shares in the share capital of the Company or the issue of any securities or convertible instruments by the Company.
3. Propose any amendment in the Memorandum and/or Articles of Association of the Company.
4. To approve and to change or adjust the Company's business plans and/or budgets for any fiscal year.
5. To approve any business operation or legal transaction of over THB 100,000,000 (One Hundred Million Thai Baht) in total, except cases that have already been specified in the Company's approved budgets.
6. Change the structure of the Company or the merger with or acquisition of other company, association, partnership, or any other legal entity.
7. Change the nature or scope of business of the Company at the time, which is not coherent or related to the scope of or the nature of business of the Company.
8. Appoint or dismiss Senior Management and to approve any contract concerning employment regulations or remuneration and benefits of Directors or senior human resources of the Company, or any amendment in the aforementioned matters.
9. The sale, transfer or disposal of any substantial part of business, assets or properties of the Company, including the issuance of any fixed or variable obligation or right of retention mortgage, guarantee, or any other obligation over Company's assets or properties.
10. Any financial transaction of the Company, including any existing and future loan, debt or account payable or other loan obligation (or debt or account payable or any other loan obligation), or the Company entering into any guarantee contract which results in debt, with the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
11. Capital expenditure or capital obligation, or capital expenditure or successive capital debt obligation the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency in any fiscal year, except cases that have already been specified in the Company's approved budgets.
12. Change auditor, fiscal year, or significant accounting policies of the Company.
13. Enter into any hedging transaction to hedge against fluctuation of the Company's investment, assets or liabilities with the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
14. Approve the Company's Authority Limit framework.

BOARD OF DIRECTORS' MEETING

The followings are the details of attendance of the Board of Directors' meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
	2016
1. Mr. Arak Chonlatanon	6/6
2. Mr. Nuttawut Phowborom	5/6
3. Mr. Tassapon Bijleveld	6/6
4. Mr. Aiyawatt Srivaddhanaprabha*	2/6
5. Mr. Sombat Dechapanichkul**	3/6
6. Tan Sri Dr. Anthony Francis Fernandes	2/6
7. Dato Kamarudin Bin Meranun	2/6
8. Dato Mohamed Khadar Bin Merican***	0/6
9. Mr. Stuart L Dean***	0/6

* The effective date of appointment was June 15, 2016.

** The effective date of appointment was June 14, 2016.

*** The effective date of appointment was December 9, 2016.

AUDIT COMMITTEE

Thai AirAsia's Audit Committee comprises two independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As of December 31, 2016, Thai AirAsia's Audit Committee is as follows:

NAME	POSITION
1. Mr. Arak Chonlatanon	Chairman of Audit Committee
2. Mr. Nuttawut Phowborom	Audit Committee

Mr. Nuttawut Phowborom has sufficient knowledge and experience to review the reliability of the financial statements of the Company.

The Secretary to the Company's Audit Committee is Ms. Duangporn Tantiwiwat.

TERMS OF POSITIONS

Members of the Audit Committee serve a term of three years and are eligible for re-appointment at the end of the term.

AUDIT COMMITTEE S' MEETING

The followings are the details of attendance of the Audit Committees' meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
1. Mr. Arak Chonlatanon	4/4
2. Mr. Nuttawut Phowborom	3/4

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Scope of duties and responsibilities of the Audit Committee are the same as those of Asia Aviation (please see the details under the same section for Asia Aviation).

RISK MANAGEMENT COMMITTEE

As Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the core business for the Company, therefore, risk management system has been established for Thai AirAsia. As of December 31, 2016, Thai AirAsia's Risk Management Committee consists of 6 directors as follows:

NAME	POSITION
1. Mr. Tassapon Bijleveld	Chairman of Risk Management Committee
2. Mr. Santhat Sanguandikul	Risk Management Committee
3. Captain Surapun Patoomwat	Risk Management Committee
4. Mr. Banyat Hansakul	Risk Management Committee
5. M.L. Bovornovadep Devakula	Risk Management Committee
6. Mr. Santisuk Klongchaiya	Risk Management Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE

1. Set risk management policies to cover all risks from business operation.
2. Consider and approve risk management plans.
3. Appoint risk management working groups as necessary to support risk management working groups for human resources, budgets, and other resources, in line with areas of responsibilities.

4. Follow-up the risk management procedures systematically from the start of the process to identify risks to the analysis and evaluation and report.
5. Provide advisory support to units within the organisation regarding risk management procedures with continuous follow up and evaluation.
6. Continually report to Board of Directors regarding risks and significant risk management.

EXECUTIVES

As of December 31, 2016, the list of Thai AirAsia's Executives is as follows:

NAME	POSITION
1. Mr. Tassapon Bijleveld	Chief Executive Officer
2. Mr. Preechaya Rasametnin	Executive Vice President
3. Mr. Santhat Sanguandikul	Chief Financial Officer
4. M.L. Bovornovadep Devakula	Head of Business Development
5. Mr. Santisuk Klongchaiya	Head of Commercial and Ancillary
6. Captain Surapun Patoomwat	Head of Flight Operations
7. Mr. Banyat Hansakul	Head of Engineering
8. Mrs. Thiladee Pantumchinda	Head of People Department
9. Mr. Suwit Srisarakam	Head of Ramp and Ground Service Equipment
10. Miss Witchunee Kuntapeng	Head of Guest Service
11. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology
12. Mr. Thatri Kwansang	Head of Safety

Remark: Executive means a Director, manager or a person holding a management-level-position of the first four ranking below the manager, a person holding a position equivalent to the person holding a management-level-position of the fourth ranking, including a person holding a management-level-position in an accounting or finance department at the level of manager of the department or higher or an equivalent position.

DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

1. Responsible for administering Thai AirAsia's business and/or day-to-day operation to be in line with the policies, business

strategies, objectives, business plans, financial goals, and budgets of Thai AirAsia as authorised by the Board of Directors of Thai AirAsia and/or resolutions of the Shareholders' Meeting.

2. Establish organisation structure and administrative procedures, including recruitment, training, dismissal, and remuneration, compensation, bonus and other benefits for employees.
3. Monitor and report situation and position of Thai AirAsia and to propose alternatives and strategies in accordance to policies and market situation.
4. Manage and control all areas of operation for Thai AirAsia including finance, risk management, internal control, business operations and support functions, and human resources.
5. Represent Thai AirAsia and be designated as authorised person in liaising with government agencies and other organisations.
6. Oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Thai AirAsia.
7. Authorise the establishment, amendment, and modification of the employment rules and regulations for Thai AirAsia such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
8. Consider, negotiate, and approve legal transactions, and/or and business operation activities, and/or daily business administration of Thai AirAsia within the Authority Limits approved by the Board of Directors of Thai AirAsia.
9. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Thai AirAsia.

The Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

Thai AirAsia's Board of Directors approved the appointment of the Nomination and Remuneration Committee, which comprises of three committee members as follows:

NAME	POSITION
1. Mr. Nuttawut Phowborom	Chairman of the Nomination and Compensation Committee
2. Mr. Arak Chonlatanon	Nomination and Compensation Committee
3. Mr. Tassapon Bijleveld	Nomination and Compensation Committee

TERMS OF POSITIONS FOR NOMINATION AND REMUNERATION COMMITTEE

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for re-appointment at the end of the term.

NOMINATION AND REMUNERATION COMMITTEE'S MEETING

The followings are the details of attendance of Nomination and Remuneration Committee's meeting in 2016

NAME	NO. OF ATTENDANCE / TOTAL MEETING
1. Mr. Nuttawut Phowborom	1/1
2. Mr. Arak Chonlatanon	1/1
3. Mr. Tassapon Bijleveld	1/1

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR NOMINATION

- To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
- To determine guidelines and policies on nominating the Board of Directors and subcommittee members and consider qualified candidates to replace those who are vacating the office, then propose the matters for approval by Board of Directors and/or shareholders as the case may be. The nomination of the Company's Directors shall be considered from candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in the Company's Articles of Association.
- To nominate qualified candidates to become Chief Executive Officer and senior management in case of vacancy, and determine the succession plan for positions of Chief Executive Officer and senior management.
- To perform of other tasks as assigned by the Board of Directors.

NOMINATION OF DIRECTORS

The Company has appointed the Nomination Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons, in consideration of candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in the Company's Articles of Association. Candidates shall be proposed to the Company's Board of Directors for consideration before approval from Shareholders (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of the Company's Board of Directors for skills that are still lacking, in order to select the candidates that are most suitable for the position in terms of knowledge, capability, and work experiences which are beneficial for the Company and also in line with the Company business strategy, to be the Directors. The appointed Directors of Thai AirAsia shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations.

THE COMPOSITION AND APPOINTMENT OF THE COMPANY'S DIRECTORS

The composition, appointment, withdrawal and termination of Thai AirAsia's Directors shall be as prescribed by the Article of Association which can be summarised as follows:

- Thai AirAsia's Board of Directors comprises of not more than nine Directors. Number of Directors are nominated as follows:
 - Four Directors or less shall be nominated by Group A Shareholders ("Group A Directors")
 - Five Directors or less shall be nominated by Group B Shareholders ("Group B Directors")

Remark: Group A Directors are the Directors nominated by AirAsia Investment and appointed as Directors.
Group B Directors are the Directors nominated by Asia Aviation and appointed as Directors.

- At every Annual General Meeting, one-third of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The retiring Directors are eligible for re-elected.

In case of vacancy due to reasons other than by rotation, the Board of Directors shall appoint any candidate from the same Shareholder Group as the recently vacated Director to fill the position. The replacement Director shall retain the office only for the remaining term of the Director whom he/she replaces.

THE COMPOSITION AND APPOINTMENT OF THE AUDIT COMMITTEE

Thai AirAsia's Board of Directors shall appoint members of Audit Committee from independent Directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock exchange of Thailand as follows:

1. Not being a Director authorised by the Board of Directors to make any decision in the business operation of Thai AirAsia, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or control person of Thai AirAsia;
2. Not being a Director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company;
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member; and

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements of Thai AirAsia.

NOMINATION OF SENIOR MANAGEMENT

In nominating the candidates for Chief Executive Officer and senior management members, Executive Committee will initially screen the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to Thai AirAsia's operations. Those candidates must understand Thai AirAsia's businesses well and can manage their functions to attain the goals and objectives set by the Board of Directors. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR REMUNERATION

1. To determine criteria and the form of payment to the Board of Directors, subcommittees and Chief Executive Officer, which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.

3. To disclose the policy for Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To responsible for other tasks as assigned by the Board of Directors.

POLICY ON REMUNERATION AND CRITERIA FOR EACH DIRECTOR'S REMUNERATION

Board of Directors approves the criteria in consideration for remuneration for Thai AirAsia's Directors as follows:

To determine remuneration for the Board of Directors, the Remuneration Committee shall consider the following guideline

1. POLICY ON REMUNERATION FOR THE BOARD OF DIRECTORS AND MANAGEMENT

Thai AirAsia has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors and management.

Remuneration Committee shall considers types, forms, and amount of the remuneration for the Board of Directors, subcommittees and Chief Executive Officer. The remuneration for the Board of Directors and subcommittees shall be proposed to the Board of Director Meeting and Annual General Meeting of Shareholders for approval.

2. REMUNERATION FOR THE BOARD OF DIRECTORS AND SUBCOMMITTEES

At the Annual General Meeting of Shareholders 2016, held on April 25, 2016, the resolution was to approve the remuneration for the Board of Directors and subcommittees as follows:

Monetary Remuneration

- Each Director shall receive Baht 80,000 allowance for each meeting attendance. The Chairman of the Board of Directors shall receive Baht 100,000 allowance for each meeting attendance.
- Members of the Audit Committee receive a meeting allowance equivalent to that of meeting allowance of Board members.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a Committee, a Sub-Committee or a Working Group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.

STRUCTURE OF DIRECTOR'S REMUNERATION IN 2016

DIRECTOR	MONETARY REMUNERATION (THB)		
	MONTHLY	MEETING ALLOWANCE	BONUS
BOARD OF DIRECTORS			
- Chairman	-	100,000	-
- Director	-	80,000	-
AUDIT COMMITTEE			
- Chairman	-	100,000	-
- Member	-	80,000	-
NOMINATION AND REMUNERATION COMMITTEE			
- Chairman	-	40,000	-
- Member	-	40,000	-
EXECUTIVE COMMITTEE*			
- Chief Executive Officer	-	-	-
- Member	-	-	-

* Members of Executive Committee who are members of the management are not entitled for remuneration as Directors or members of Committee.

Monetary remunerations of the two individual Directors who are not members of the management are the total of THB 1.80 million. The remunerations include meeting allowance as follows:

DIRECTOR	POSITION	DIRECTOR'S REMUNERATION (THB)			
		BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	TOTAL
Mr. Arak Chonlatanon	Chairman of the Board of Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	600,000	400,000	40,000	1,040,000
Mr. Nuttawut Phowborom	Director / Audit Committee / Chairman of Nomination and Remuneration Committee	400,000	320,000	40,000	760,000

- In 2016, ThaiAir Asia has paid remunerations for Chief Executive Officer and 12 members of the management in total of THB 118.08 million in the forms of salaries and bonuses.

- The aforementioned policy on Directors' remuneration in 2016 is the same as the policy in 2015.

HUMAN RESOURCES AND TRAINING

GENERAL INFORMATION

ASIA AVIATION

All employees of Asia Aviation had been transferred to Thai AirAsia since December 31, 2011

THAI AIRASIA

The number of employees as of December 31, 2016 was 4,608 persons and could be categorised by responsibility and geography as follows:

RESPONSIBILITY	DECEMBER 31, 2016
Pilot and Co-Pilot	541
Flight Attendant	944
Ground Operation	1,949
Engineer	335
Marketing	33
Head Office	74
Others	732
TOTAL	4,608

GEOGRAPHY	DECEMBER 31, 2016
Bangkok	3,288
Phuket	257
Chiang Mai	318
Others	745
TOTAL	4,608

Asia Aviation and Thai AirAsia are aware of the necessity of uninterrupted management of Thai AirAsia in order to maintain the competitive advantages Thai AirAsia has over its competitors. Therefore, Directors of Asia Aviation and Thai AirAsia believe that the continual success of Thai AirAsia depends on many factors, including the support and dedication of the management of Asia Aviation and Thai AirAsia. Consequently, Asia Aviation and Thai AirAsia have adjusted their human resource strategies, including competitive remuneration, recruitment process that aligns with the objectives, and development and succession plans.

The loss of any key human resource may significantly cause a negative impact for Asia Aviation and Thai AirAsia. This results in the effort of Thai AirAsia to motivate and retain its staff members by motivation plans on the basis of operating outcome and skill enhancement with staff training. Thai AirAsia has regularly encouraged its employees to participate in seminars and trainings to facilitate related skill and capability enhancement (both in term of operation and development) in alignment with the business objectives. Employee training is an important path to transfer knowledge of experts toward new or low-level employees. Investment in human resources increases the capability of Thai AirAsia's employees and prepares middle- or low-level employees to take on responsibilities of more senior management respectively.

LABOR DISPUTE DURING THE LAST THREE YEARS

There has been no significant labor dispute during the last three years.

REMUNERATION FOR HUMAN RESOURCES

OVERALL REMUNERATION FOR EMPLOYEES

ASIA AVIATION

For the year 2016, Asia Aviation did not have remuneration for employees because all Asia Aviation's employees had been transferred to Thai AirAsia since 31 December 2011.

THAI AIRASIA

For the year 2016, Total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 4,508.78 million.

PROVIDENT FUND

Asia Aviation and Thai AirAsia have set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Asia Aviation and Thai AirAsia contribute 3 - 10% of salaries to the provident fund and employees contribute 3 - 15% of their salaries. However, Asia Aviation does not have any employee.

STAFF DEVELOPMENT

TRAINING

PILOT

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center Co., Ltd (BAC). BAC provides modern and advanced equipment and is certified by Federal Aviation Administration (FAA), Joint Aviation Requirements (JAR) and Civil Aviation Authority (CAA). BAC offers aviation trainings which are approved a standard. Thai AirAsia grants an equal opportunity in student pilot recruitment. Employees from other departments can also apply. Student pilots usually finish their trainings in one year and continue with flight stimulator training for Airbus A320 aircraft. Thai AirAsia provides financial support for the trainings for student pilots, in return for the employment contract of ten years with Thai AirAsia. In addition, Thai AirAsia also recruits experienced pilots from other carriers. The number of pilots will increase to 620 pilots by 2018.

Newly recruited pilots of Thai AirAsia who have not been trained for specific aircrafts will be required to take part in the said trainings first. Trainings for specific aircrafts are the categorising system to allow each pilot to specialise in one type of aircraft specially. Currently pilots are trained with Airbus A320 Flight Simulator, operated by Asian Aviation Centre of Excellence in Kuala Lumpur.

CABIN CREW

The 60-day (inclusive of holidays) cabin crew training projects are held at Asian Aviation Centre of Excellence in Kuala Lumpur and at the office of Thai AirAsia in Bangkok. All the trainings are facilitated by cabin crew and pilot trainers of Thai AirAsia. All the trainings cover safety operation in emergency, first aid, cabin familiarisation, public announcement, grooming, and customer services and selling skills for products on the flight. The safety factors and regulations for this project are certified by the Department of Civil Aviation.

Cabin crew shall be able to communicate in English and take part in regular trainings, for example, organisational resources management training, dangerous good management training, training to handle passengers with inappropriate manners, and terrorist identification training. Additionally, cabin crew shall also participate in the revision training for safety procedures in emergency and first aid training every year.

GROUND STAFF

All ground personnel shall take part in customer service training at Asian Aviation Centre of Excellence in Kuala Lumpur, which covers ticket reservation and check-in procedures of Thai AirAsia, baggage claim procedures, and customer services. Ground staff are taking part in year-round trainings, for example, dangerous good identification, first aid, and bomb threat handling.

Ground personnel also need to participate in ramp training for two to three weeks, which covers driving on the apron, cargo loading and cargo transfer, air traffic signaling, aircraft towing, apron safety, and safety procedures. Moreover, newly recruited employees also need to learn civil aviation regulations, aircraft maps, and vehicle movement regulations in the airport. In addition, Thai AirAsia provides training course (Supervisory Skills for Team Leader) to Ramp Team Leader to increase their management skill.

ENGINEER

All engineers of Thai AirAsia shall take part in training at Asian Aviation Centre of Excellence in Kuala Lumpur. The training takes 52 days with three-month on-the-job training before a test by the Quality Assurance Department of Thai AirAsia. Nevertheless, Thai AirAsia is offering a commitment for an employment of two years in return. Engineers at Thai AirAsia are stationed at Thai AirAsia's flight centres in Bangkok (Don Mueang), Phuket, Chiang Mai, Krabi and Pattaya (U-Tapao).



Thai AirAsia and CFM: One of the best teams in Aviation

With a relationship that spans more than a decade, AirAsia and CFM have made aviation history together. From Day 1, the CFM56 was the engine of choice and helped power the early growth of this pioneer airline.

In 2016, with the introduction of the first LEAP-1A-powered A320neo, the airline began reaping the benefits of a 15 percent improvement in fuel efficiency, coupled with CFM's legendary reliability.

Congratulations on another successful year.

AirAsia



The Power of Flight

CFM International is a 50/50 joint company between GE and Safran Aircraft Engines.

K

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



เศรษฐกิจ

ธนาคารกสิกรไทย
ธนาคารแห่งความยั่งยืน

สังคม



สิ่งแวดล้อม



ธนาคารกสิกรไทยมุ่งดำเนินธุรกิจตามปณิธาน **กรีน ดีเอ็นเอ** โดยการนำแนวคิดการพัฒนาอย่างยั่งยืนในด้านเศรษฐกิจ สังคม และสิ่งแวดล้อม มาเป็นหลักการดำเนินงานอย่างเป็นรูปธรรม เพื่อให้เกิดนวัตกรรมเชิงธุรกิจที่สามารถอำนวยความสะดวกสูงสุด แก่ผู้มีส่วนได้เสียทุกกลุ่ม อันนำไปสู่การเป็น**ธนาคารแห่งความยั่งยืน**ของสังคมและประเทศชาติ

ธนาคารรู้สึกภาคภูมิใจเป็นอย่างยิ่งที่เป็นธนาคารแห่งแรกในประเทศไทยและอาเซียนที่ได้รับคัดเลือกให้เป็นส่วนหนึ่งของ**ดัชนีแห่งความยั่งยืน Dow Jones Sustainability Indices (DJSI)** ประจำปี 2559 ทั้งในระดับโลก (World) และกลุ่มตลาดเกิดใหม่ (Emerging Markets) อีกทั้งยังเป็นบริษัทแห่งแรกในประเทศไทยที่ได้รับการจัดอันดับงานนักลงทุนสัมพันธ์ ในระดับโกลด์ โดยอยู่ในอันดับที่ 18 จาก 50 อันดับของโลก จากรางวัล **IR Magazine Global Top 50** ประจำปี 2559

ธนาคารกสิกรไทยขอขอบคุณตลาดหลักทรัพย์แห่งประเทศไทย ทุกท่านในแวดวงการลงทุน (Investment Community) ทั้งภาครัฐและเอกชน Dow Jones Sustainability Indices และนิตยสาร IR Magazine ที่ร่วมสนับสนุนให้ธนาคารพัฒนามาตรฐานความยั่งยืน ปฏิบัติอย่างสอดคล้องกับมาตรฐานในระดับสากล และทำในสิ่งที่ถูกต้องเสมอมา

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Global Top 50
2016

magazine

บริการทุกระดับประทับใจ

DIRECTOR AND MANAGEMENT PROFILES

**ASIA AVIATION
PUBLIC COMPANY
LIMITED**

As of December 31, 2016

MR. ARAK CHONLATANON

CHAIRMAN OF THE BOARD /
CHAIRMAN OF THE AUDIT
COMMITTEE /
NOMINATION AND
REMUNERATION COMMITTEE

THE DATE OF APPOINTMENT

November 1, 2012

AGE

66 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Bachelor Degree in Electronic Engineering, Chulalongkorn University
- Thailand Energy Academy (TEA 1/2012)
- The Capital Market Academy (CMA 9)
- Director Certification Program (DCP 106), Thai Institute of Directors Association
- The National Defence College of Thailand (NDC 4515)
- Advance Management Program (AMP 153), Graduate School of Business Administration Harvard University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2012 - Present	Chairman of the Board / Chairman of the Audit Committee / Nomination and Remuneration Committee	Asia Aviation Plc.
2013 - Present	Chairman of the Board / Chairman of the Audit Committee / Nomination and Remuneration Committee	Thai Airasia Co., Ltd.
2014 - Present	Director	Smartflow Co., Ltd.
2014 - Present	Director	IV Global Securities Plc.
2014 - Present	Director	A T E Co., Ltd.
2012	Minister	Ministry of Energy
2011 - 2012	Member of the Board of Director	Mass Rapid Transit Authority of Thailand
2011	Advisor	Shin Corporation Plc.
2009 - 2011	Director / Chief Executive Officer	Thaicom Plc.
2009 - 2011	Director / Chairman of Executive Committee	CS Loxinfo Plc.
2009 - 2011	Member of Executive Committee	Advanced Info Service Plc.
2007 - 2011	Director / Chairman of the Executive Committee-Media and New Business	Shin Corporation Plc.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY
- None -	- None -

NON-LISTED COMPANY

Thai AirAsia Co., Ltd.	IV Global Securities Plc.
Smartflow Co., Ltd.	A T E Co., Ltd.

MR. NUTTAWUT PHOWBOROM

**DIRECTOR /
AUDIT COMMITTEE /
CHAIRMAN OF NOMINATION AND
REMUNERATION COMMITTEE**

THE DATE OF APPOINTMENT

December 13, 2011

AGE

53 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

EDUCATION

- Master of Business Administration General Management, City University, USA
- Bachelor Degree of Economics, The University of the Thai Chamber of Commerce
- Director Accreditation Program (DAP 28), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP 4), Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC 6), Thai Institute of Directors Association (IOD)

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2011 - Present	Director / Audit Committee / Chairman of Nomination and Remuneration Committee	Asia Aviation Plc.
2011 - Present	Director / Audit Committee / Chairman of Nomination and Remuneration Committee	Thai AirAsia Co., Ltd.
2015 - Present	Group Chief Executive Officer	KPN Group Corporation Co., Ltd.
2015 - Present	Chief Executive Officer	KPN Land Co., Ltd.
2015 - Present	Director	Watabak Wind Co., Ltd.
2015 - Present	President	Wind Energy Holding Co., Ltd.
2015 - Present	Director	KPN Healthcare Plc.
2015 - Present	Director	KPN Holding Co., Ltd.
2014 - Present	Vice Chairman	KPN Tutoring Academy Co., Ltd.
2014 - Present	Vice Chairman	KPN Music Academy Co., Ltd.
2014 - Present	Vice Chairman	KPN Chinese Academy Co., Ltd.
2014 - Present	Director	Innovative Learning and Design (Thailand) Co., Ltd.
2013 - Present	Executive Director	KPN Golf Academy Co., Ltd.
2013 - Present	Executive Director	INT Aviation Co., Ltd.
2013 - Present	Vice Chairman	KPN Tutoring Co., Ltd.
2013 - Present	Vice Chairman	KPN Academy Co., Ltd.
2013 - Present	Audit Committee / Independent Director	Finansa Plc.
2010 - Present	Audit Committee / Independent Director	Matching Maximize Solution Plc.
2010 - Present	Executive Director	KPN Music Co., Ltd.
2010 - Present	Executive Director	Eastern Cuisine (Thailand) Co., Ltd.
2009 - Present	Director	KPN Award Co., Ltd.
2007 - Present	Director	K.N. and Associates Co., Ltd.
2006 - Present	Director	KPN Music & Entertainment Co., Ltd.
2002 - Present	Chairman	Siam Koi Co., Ltd.
1996 - Present	Chief Financial Officer	KPN Group Corporation Co., Ltd.
Present	Director	Sport Society Co., Ltd.
Present	Vice Chairman	Penta Systems Co., Ltd.
Present	Director	CBNP (Thailand) Co., Ltd.
Present	Director	KPN Innovation Co., Ltd.
Present	Director	KPN Sakaguchi Co., Ltd.

5 YEARS PAST AND PRESENT WORK EXPERIENCE (CONTINUED)

PERIOD	POSITION	COMPANY
Present	Director	Siam Chiangmai Co., Ltd.
Present	Director	K.E.C.International Co., Ltd.
Present	Vice Chairman	Siam Wilson Learning Co., Ltd.
Present	Director	K.P.N.Tower Co., Ltd.
Present	Director	KPN Lifestyle Co., Ltd.
Present	Director	Dudu Nong Co., Ltd.
Present	Director	K P N Trading Co., Ltd.
Present	Director	KPN Marine Co., Ltd.
2014 - 2015	Chief Executive Officer	KPN Group Corporation Co., Ltd.
2010	Chief Operating Officer	KPN Group Corporation Co., Ltd.
2008 - 2016	Director	KPN Music Room Co., Ltd.
2008 - 2016	Director	KPN Music Siam Square Co., Ltd.
2008 - 2014	Director	KPN Music Chiangmai Co., Ltd.
2006 - 2014	Director	Computer and Consultant Services Co., Ltd.
2006 - 2014	Director	PS Business Trading Corp., Ltd.
2006 - 2014	Director	Siam Khonkaen Co., Ltd.
2006 - 2014	Director	MB Business Trading Corp., Ltd.
2003 - 2012	Audit Committee	Prasit Pattana Plc.
2003 - 2012	Independent Director / Chairman of the Remuneration Committee	Phayathai Hospital 1, 2, 3

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
Finansa Plc.	- None -	
Matching Maximize Solution Plc.		
NON-LISTED COMPANY		
Thai AirAsia Co., Ltd.	KPN Tutoring Co., Ltd.	KPN Innovation Co., Ltd.
Wind Energy Holding Co., Ltd.	KPN Academy Co., Ltd.	KPN Sakaguchi Co., Ltd.
KPN Healthcare Plc.	KPN Music Co., Ltd.	Siam Chiangmai Co., Ltd.
KPN Holding Co., Ltd.	Eastern Cuisine (Thailand) Co., Ltd.	K.E.C.International Co., Ltd.
KPN Group Corporation Co., Ltd.	KPN Award Co., Ltd.	Siam Wilson Learning Co., Ltd.
KPN Tutoring Academy Co., Ltd.	K.N. and Associates Co., Ltd.	K.P.N.Tower Co., Ltd.
KPN Music Academy Co., Ltd.	KPN Music & Entertainment Co., Ltd.	KPN Lifestyle Co., Ltd.
KPN Chinese Academy Co., Ltd.	Siam Koi Co., Ltd.	Dudu Nong Co., Ltd.
Innovative Learning and Design (Thailand) Co., Ltd.	Sport Society Co., Ltd.	K P N Trading Co., Ltd.
KPN Golf Academy Co., Ltd.	Penta Systems Co., Ltd.	KPN Marine Co., Ltd.
INT Aviation Co., Ltd.	CBNP (Thailand) Co., Ltd.	

MR. KASEMSIT PATHOMSAK

**DIRECTOR /
AUDIT COMMITTEE /
NOMINATION AND
REMUNERATION COMMITTEE**

THE DATE OF APPOINTMENT

November 9, 2016

AGE

46 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

EDUCATION

- Owner/President Management Executive Program, Harvard Business School, Harvard University, Massachusetts, USA
- Master of Science in Finance, Bentley College, Massachusetts, USA
- Bachelor of Science in Business Administration, Northeastern University, Massachusetts, USA
- Director Accreditation Program (DAP 48), Thai Institute Of Directors Association (IOD)
- Director Certification Program (DCP 175), Thai Institute Of Directors Association (IOD)
- Audit Committee Program (ACP 32), Thai Institute Of Directors Association (IOD)
- Monitoring the System of Internal Control and Risk Management (MIR 9), Thai Institute Of Directors Association (IOD)
- The Capital Market Academy (CMA 9), The Stock Exchange of Thailand

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director / Audit Committee / Nomination and Remuneration Committee	Asia Aviation Plc.
2016 - Present	Director	National Power Supply Plc.
2012 - Present	Chairman of Audit / Corporate Governance Committee	Christiani & Nielsen (Thai) Plc.
2012 - Present	Director and Deputy Secretary General	Board of Trade of Thailand and The Thai Chamber of Commerce
2010 - Present	Director	UOB Kay Hian Securities (Thailand) Plc.
2005 - Present	President & Chief Executive Officer	Merchant Partners Securities Plc.
2005 - Present	Executive Chairman	Merchant Partners Asset Management Limited
2005 - Present	Chairman	International Chamber of Commerce Thailand National Committee

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
Christiani & Nielsen (Thai) Plc.	- None -	
UOB Kay Hian Securities (Thailand) Plc.		
NON-LISTED COMPANY		
National Power Supply Plc.	Merchant Partners Securities Plc.	International Chamber of Commerce Thailand National Committee
Board of Trade of Thailand and The Thai Chamber of Commerce	Merchant Partners Asset Management Limited	

MR. TASSAPON BIJLEVELD

**DIRECTOR /
CHIEF EXECUTIVE OFFICER
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)**

THE DATE OF APPOINTMENT

June 21, 2007

AGE

50 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

5.00

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Director Certification Program (DCP 148), Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP 81), Thai Institute of Directors Association (IOD)
- The Capital Market Academy (CMA 13)

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2007 - Present	Director / Chief Executive Officer	Asia Aviation Plc.
2004 - Present	Director / Chief Executive Officer	Thai AirAsia Co., Ltd.
2016 - Present	Director	Sitthiyotharak Co., Ltd.
2014 - Present	Director	Tune Insurance Plc.
2013 - Present	Director	Thai AirAsia X Co., Ltd.
2013 - Present	Director	Ivory Coffee Co., Ltd.
2012 - Present	Director	Evermore Asset Co., Ltd.
2010 - Present	Director	Wealth Ventures Co., Ltd.
2015 - 2017	Director	Accellence (Thailand) Co., Ltd.
2015 - 2017	Director	Information Technology Group Co., Ltd.
2015 - 2016	Director	C and A Entertainment Co., Ltd.
2015 - 2016	Director	Ample Wealth Co., Ltd.
2015	Director	C True Co., Ltd.
2014 - 2016	Director	Fashion Asia Co., Ltd.
2011 - 2014	Director	Dontree Leela Carabao Co., Ltd.
2011 - 2013	Director	Patty & Praemai Co., Ltd.
2010 - 2013	Director	J J Siampattana Co., Ltd.
2006 - 2013	Director	AirAsia Go Holiday Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
- None -	- None -	
NON-LISTED COMPANY		
Thai AirAsia Co., Ltd.	Thai AirAsia X Co., Ltd.	Evermore Asset Co., Ltd.
Sitthiyotharak Co., Ltd.	Ivory Coffee Co., Ltd.	Wealth Ventures Co., Ltd.
Tune Insurance Plc.		

MR. AIYAWATT SRIVADDHANA- PRABHA

**DIRECTOR
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)**

THE DATE OF APPOINTMENT

June 13, 2016

AGE

31 years

**NO. OF SHARES AND PERCENTAGE
OF ASIA AVIATION PLC (%)¹**

10.00

**RELATIONSHIP WITH OTHER
MANAGEMENT²**

Mr. Apichet Srivaddhanaprabha's
brother

EDUCATION

- Honorary Doctor of Business Administration, De Montfort University
- Bachelor Degrees (International Program) Major operators, Bangkok University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director	Asia Aviation Plc.
2016 - Present	Director	Thai AirAsia Co., Ltd.
2016 - Present	Director	ShopSpot (Thailand) Co., Ltd.
2016 - Present	Director	V.R.J. International Co., Ltd.
2016 - Present	Director	King Power Development Co., Ltd.
2014 - Present	Director	King Power Aviation Co., Ltd.
2014 - Present	Director	WP Energy Plc.
2013 - Present	Director	King Power International Co., Ltd.
2013 - Present	Director	King Power Duty Free Co., Ltd.
2013 - Present	Director	King Power Tax Free Co., Ltd.
2013 - Present	Director	King Power Marketing and Management Co., Ltd.
2010 - Present	Director	King Power Suvarnabhumi Co., Ltd.
2010 - Present	Director	King Power Entertainment Co., Ltd.
2010 - Present	Director	Siam Polo Park Co., Ltd.
2010 - Present	Vice Chairman	Leicester City Football Club
2008 - Present	Director	King Power Hotel Management Co., Ltd.
2007 - Present	Director	Baan Proud Dao Co., Ltd.
2007 - Present	Director	Aimm Dhramachard Co., Ltd.
2005 - Present	Director	V&A Holdings Co., Ltd.
2010 - 2017	Director	VR Sports Complex Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
WP Energy Plc.	- None -	
NON-LISTED COMPANY		
Thai AirAsia Co., Ltd.	King Power Duty Free Co., Ltd.	Leicester City Football Club
ShopSpot (Thailand) Co., Ltd.	King Power Tax Free Co., Ltd.	King Power Hotel Management Co., Ltd.
V.R.J. International Co., Ltd.	King Power Marketing and Management Co., Ltd.	Baan Proud Dao Co., Ltd.
King Power Development Co., Ltd.	King Power Suvarnabhumi Co., Ltd.	V&A Holdings Co., Ltd.
King Power Aviation Co., Ltd.	King Power Entertainment Co., Ltd.	Aimm Dhramachard Co., Ltd.
King Power International Co., Ltd.	Siam Polo Park Co., Ltd.	

MR. APICHET SRIVADDHANA- PRABHA

DIRECTOR
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)

THE DATE OF APPOINTMENT

June 13, 2016

AGE

34 years

**NO. OF SHARES AND PERCENTAGE
OF ASIA AVIATION PLC (%) ¹**

5.82

**RELATIONSHIP WITH OTHER
MANAGEMENT ²**

Mr. Aiyawatt Srivaddhanaprabha's
brother

EDUCATION

- Bachelor's degree in marketing, psychology (Lower Division, Second Class)
The University of Buckingham, England.

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director	Asia Aviation Plc.
2016 - Present	Director	ShopSpot (Thailand) Co., Ltd.
2015 - Present	Director	Leicester City Football Club
2007 - Present	Director	King Power Suvarnabhumi Co., Ltd.
2007 - Present	Director	King Power Entertainment Co., Ltd.
2007 - Present	Director	King Power Hotel Management Co., Ltd.
2007 - Present	Director	Aimm Dhramachard Co., Ltd.
2007 - Present	Director	Baan Proud Dao Co., Ltd.
2005 - Present	Director	V&A Holdings Co., Ltd.
2013 - 2017	Director	VR Sports Complex Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
- None -	- None -	
NON-LISTED COMPANY		
Shopspot (Thailand) Co., Ltd.	King Power Hotel Management Co., Ltd.	Baan Proud Dao Co., Ltd.
King Power Suvarnabhumi Co., Ltd.	V&A Holdings Co., Ltd.	Leicester City Football Club
King Power Entertainment Co., Ltd.	Aimm Dhramachard Co., Ltd.	

MR. SOMBAT DECHAPANICHKUL

DIRECTOR
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)

THE DATE OF APPOINTMENT

June 13, 2016

AGE

54 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

EDUCATION

- Bachelor Degree in Economics, Meijo University, Nagoya, Japan

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director	Asia Aviation Plc.
2016 - Present	Director	Thai Air Asia Co., Ltd.
2014 - Present	Director	King Power Tax Free Co., Ltd.
2005 - Present	Director	King Power Suvarnabhumi Co., Ltd.
2005 - Present	Director	King Power Entertainment Co., Ltd.
2004 - Present	Director	King Power Hotel Management Co., Ltd.
2003 - Present	Director	King Power Duty Free Co., Ltd.
2003 - Present	Director	King Power Development Co., Ltd.
2002 - Present	Director	King Power International Co., Ltd.
2001 - Present	Director	V.R.J. International Co., Ltd.
1998 - Present	Director	King Power Marketing And Management Co., Ltd.
1997 - Present	Director	King Power Aviation Co., Ltd.
1994 - Present	Director	Siam D.F.S. Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY
- None -	- None -

NON-LISTED COMPANY

Thai Air Asia Co., Ltd.	King Power Hotel Management Co., Ltd.	V.R.J. International Co., Ltd.
King Power Tax Free Co., Ltd.	King Power Duty Free Co., Ltd.	King Power Marketing And Management Co., Ltd.
King Power Suvarnabhumi Co., Ltd.	King Power Development Co., Ltd.	King Power Aviation Co., Ltd.
King Power Entertainment Co., Ltd.	King Power International Co., Ltd.	Siam D.F.S. Co., Ltd.

M.L. BOVORNOVADEP DEVAKULA

**DIRECTOR /
DIRECTOR OF BUSINESS
DEVELOPMENT
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)**

THE DATE OF APPOINTMENT

December 13, 2011

AGE

56 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

0.48

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Bachelor of Science, State University of New York, USA
- Diploma in Science, Kemper Military College, Missouri, USA
- Director Certification Program (DCP144), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors class 12/2011, Thai Institute of Directors Association (IOD)

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2011 - Present	Director / Director of Business Development	Asia Aviation Plc.
2004 - Present	Head of Business Development	Thai AirAsia Co., Ltd.
2014 - Present	Director	Dalvey Holdings Co., Ltd.
2014 - Present	Director	Econolodge Co., Ltd.
2014 - 2015	Director	Thai AirAsia Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY	
- None -	- None -	
NON-LISTED COMPANY		
Thai AirAsia Co., Ltd.	Dalvey Holdings Co., Ltd.	Econolodge Co., Ltd.

MR. SANTISUK KLONGCHAIYA

**DIRECTOR /
DIRECTOR OF COMMERCIAL
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)**

THE DATE OF APPOINTMENT

December 13, 2011

AGE

51 years

**NO. OF SHARES AND PERCENTAGE
OF ASIA AVIATION PLC (%)¹**

0.20

**RELATIONSHIP WITH OTHER
MANAGEMENT²**

- None -

EDUCATION

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Director Certification Program (DCP 143), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2011 - Present	Director / Director of Commercial	Asia Aviation Plc.
2007 - Present	Head of Commercial and Ancillary	Thai AirAsia Co., Ltd.
2015 - 2016	Director	Thai AirAsia Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY
- None -	- None -

NON-LISTED COMPANY

Thai AirAsia Co., Ltd.

MR. SANTHAT SANGUANDIKUL

CHIEF FINANCIAL OFFICER

THE DATE OF APPOINTMENT

July 6, 2016

AGE

53 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

MR. PREECHAYA RASAMETANIN

DIRECTOR OF ENGINEERING

THE DATE OF APPOINTMENT

December 13, 2011

AGE

58 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

0.56

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Master Degree of Business Administration (Finance), University of Denver
- Bachelor of Accountancy, Chulalongkorn University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Chief Financial Officer	Asia Aviation Plc.
2016 - Present	Chief Financial Officer	Thai AirAsia Co., Ltd.
2010 - 2016	Deputy Managing Director	Thanachart Securities Co., Ltd.
2004 - 2010	Managing Director	Siam City Securities Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY
- None -	- None -

NON-LISTED COMPANY

Thai AirAsia Co., Ltd.

EDUCATION

- Bachelor of Science in Mechanical Engineering, Royal Thai Air Force Academy
- Director Certification Program (DCP144), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2007 - Present	Director of Engineering	Asia Aviation Plc.
2014 - Present	Executive Vice President	Thai AirAsia Co., Ltd.
2007 - 2016	Director	Asia Aviation Plc.
2007 - 2015	Director	Thai AirAsia Co., Ltd.
2004 - 2014	Director of Engineering	Thai AirAsia Co., Ltd.

DIRECTOR / MANAGEMENT POSITION IN OTHER COMPANIES

LISTED COMPANY	OTHER COMPANY THAT COMPETE WITH / RELATE TO THE COMPANY
- None -	- None -

NON-LISTED COMPANY

Thai AirAsia Co., Ltd.

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

DIRECTOR PROFILES

**THAI AIRASIA
COMPANY LIMITED**

As of December 31, 2016

MR. ARAK CHONLATANON

THE DATE OF APPOINTMENT
January 11, 2013

MR. NUTTAWUT PHOWBOROM

THE DATE OF APPOINTMENT
December 13, 2011

MR. TASSAPON BIJLEVELD

THE DATE OF APPOINTMENT
September 19, 2003

MR. AIYAWATT SRIVADDHANAPRABHA

THE DATE OF APPOINTMENT
June 15, 2016

MR. SOMBAT DECHAPANICHKUL

THE DATE OF APPOINTMENT
June 14, 2016

Details as referred in Asia Aviation Plc.

TAN SRI DR. ANTHONY FRANCIS FERNANDES

DIRECTOR
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON BEHALF
OF THE COMPANY)

THE DATE OF APPOINTMENT
September 19, 2003

AGE
53 years

**NO. OF SHARES AND PERCENTAGE
OF ASIA AVIATION PLC (%)¹**

- None -

**RELATIONSHIP WITH OTHER
MANAGEMENT²**

- None -

EDUCATION

- Honorary Doctorate of Business Innovation, University Technology Malaysia (UTM)
- Accountancy and Finance, London School of Economics

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2003 - Present	Director	Thai Airasia Co., Ltd.
2003 - Present	Director	AirAsia Investment Ltd.
2001 - Present	Non-Independent, Executive Director and Group Chief Executive Officer	AirAsia Berhad
2016 - Present	Director	Mirus Aircraft Seating Malaysia Sdn Bhd
2016 - Present	Director	Think Big Digital Sdn Bhd
2016 - Present	Director	Tune Live Sdn Bhd
2014 - Present	Director	Big Investment Ltd.
2014 - Present	Director	CGC Capital Limited
2014 - Present	Director	Lancefield Property SARL
2014 - Present	Director	New Queens Park Development SARL
2014 - Present	Director	Oakfield Property SARL
2014 - Present	Director	roKKi Retail Ltd.
2014 - Present	Director	Tune Money International Sdn Bhd (in liquidation)
2013 - Present	Director	Big Duty Free Sdn Bhd (in liquidation)
2013 - Present	Director	CaterhamJet Global Ltd.
2013 - Present	Director	Educ8 Group Sdn Bhd
2013 - Present	Director	Rangers Developments Ltd.
2013 - Present	Director	Rangers Stadium Development Ltd.
2012 - Present	Director	Amulya Property Ltd.

5 YEARS PAST AND PRESENT WORK EXPERIENCE (CONTINUED)

PERIOD	POSITION	COMPANY
2012 - Present	Non Independent, Non Executive Director	Tune Protect Group Berhad
2011 - Present	Director	Caterham Bikes Ltd.
2011 - Present	Director	Caterham Cars Ltd.
2011 - Present	Director	Caterham Cars Group Ltd.
2011 - Present	Director	Caterham Enterprises Ltd.
2011 - Present	Director	Caterham Merchandising Ltd.
2011 - Present	Director	Caterham Technology & Innovation Ltd.
2011 - Present	Director	Caterham (UK) Ltd.
2011 - Present	Director	CaterhamJet Holdings Pte. Ltd.
2011 - Present	Director	Caterhamjet Malasia Sdn Bhd
2011 - Present	Director	EQ8 Limited (in liquidation)
2011 - Present	Director	QPR Asia Sdn Bhd
2011 - Present	Director	QPR Holdings Ltd.
2011 - Present	Director	The Queens Park Rangers Football & Athletic Club Ltd.
2010 - Present	Director	Caterham Factory Limited
2010 - Present	Director	Caterham Ventures Sdn Bhd
2010 - Present	Director	Dinato Racing Limited
2010 - Present	Director	Epsom College Malaysia Sdn Bhd
2009 - Present	Director	Asian Contact Centres Sdn Bhd
2009 - Present	Director	Kuala Lumpur Education City Sdn Bhd (S308(1))
2009 - Present	Director	Tune Tones Inc.
2008 - Present	Director	Aero Ventures Sdn Bhd (in liquidation)
2008 - Present	Director	Asia IP Ventures Limited
2008 - Present	Director	Tune Group Sdn Bhd
2007 - Present	Director	Tune Longhaul Sdn Bhd (in liquidation)
2006 - Present	Non Independent, Non Executive Director	AirAsia X Berhad
2006 - Present	Director	Tune Hotels Sdn Bhd
2006 - Present	Director	Tune Hotels Management Sdn Bhd (Formerly known as Tune Hotels Regional Services Sdn Bhd)
2006 - Present	Director	Tpaay Asia Sdn Bhd (Formerly known as Tune Money Sdn Bhd)
2006 - Present	Director	Tune Talk Sdn Bhd
2005 - Present	Director	Dragonback Media Interactive Sdn Bhd (in liquidation)
2005 - Present	Director	Tune Group.com Ltd.
2005 - Present	Director	Tune Hotels.com Ltd.
2004 - Present	Director	AirAsia (Mauritius) Limited
2002 - Present	Director	Crunchtime Culinary Services Sdn Bhd (S308(2))
2001 - Present	Director	Tune Air Sdn Bhd
2000 - Present	Director	Tuneasia.com Sdn Bhd (S308(1))
1998 - Present	Director	Intellectual Property Protection Sdn Bhd
Present	Director	AirAsia Inc.
Present	Commissioner	PT Indonesia AirAsia
2014 - 2016	Director	roKKi IP Limited (formerly known as roKKi Media Limited) (Deregistered)
2014 - 2015	Director	CaterhamJet International Ltd. (Deregistered)

DATO KAMARUDIN BIN MERANUN

DIRECTOR
(THE DIRECTOR WHO IS
AUTHORISED TO SIGN ON
BEHALF OF THE COMPANY)

THE DATE OF APPOINTMENT

November 12, 2003

AGE

55 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

5 YEARS PAST AND PRESENT WORK EXPERIENCE (CONTINUED)

PERIOD	POSITION	COMPANY
2013 - 2016	Director	Caterham Moto Racing Ltd. (Dissolved)
2011 - 2016	Director	Caterham Composites Ltd.
2011 - 2015	Director	Rokki Sdn Bhd (Formerly known as Tune Box Sdn Bhd)
2009 - 2016	Director	Due Voci LLC (Dissolved)
2008 - 2016	Director	Tune Service Sdn Bhd
2004 - 2015	Director	AirAsia Go Holiday Sdn Bhd
2012 - 2014	Director	Caterham Tech (M) Sdn Bhd
2012 - 2014	Director	Think Big Digital Sdn Bhd
2012 - 2013	Director	Star Publications (Malaysia) Berhad
2011 - 2014	Director	Asian Aviation Centre of Excellence Sdn Bhd
2011 - 2014	Director	Tune Live Sdn Bhd
2011 - 2013	Director	AirAsia Japan Co., Ltd.
2011 - 2012	Non Independent, Non Executive Director and Member of Executive Committee	Malaysian Airline System Bhd
2010 - 2014	Director	Tune Studios Sdn Bhd
2009 - 2014	Director	1 Malaysia Racing Team Sdn Bhd
2009 - 2013	Director	Yayasan Satu Malaysia
2007 - 2014	Director	Tune Tones Sdn Bhd
2006 - 2012	Director	Tune Sport Sdn Bhd

EDUCATION

- Master of Business Administration, (Finance) Central Michigan University
- Bachelor of Science degree, magna cum laude (Finance), Central Michigan University
- Diploma in Actuarial Science, University Technology MARA

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2003 - Present	Director	Thai Airasia Co., Ltd.
2003 - Present	Director	AirAsia Investment Ltd.
2001 - Present	Non-Independent, Executive Chairman	AirAsia Berhad
2016 - Present	Director	Mirus Aircraft Seating Malaysia Sdn Bhd
2016 - Present	Director	Tune Live Sdn Bhd
2014 - Present	Director	AirAsia Global Shared Services Sdn Bhd
2014 - Present	Director	BIG Investments Ltd.
2014 - Present	Director	CGC Capital Limited
2014 - Present	Director	Epik Shop Sdn Bhd (formerly known as Rokki Shop Sdn Bhd)
2014 - Present	Director	Lancefield Property SARL
2014 - Present	Director	New Queens Park Development SARL
2014 - Present	Director	Oakfield Property SARL
2014 - Present	Director	roKKi Retail Ltd.

5 YEARS PAST AND PRESENT WORK EXPERIENCE (CONTINUED)

PERIOD	POSITION	COMPANY
2014 - Present	Director	roKKi IP Ltd. (formerly known as roKKi Media Ltd.)
2014 - Present	Director	Think Big Digital Sdn Bhd
2014 - Present	Director	Tune Money International Sdn Bhd (in liquidation)
2013 - Present	Director	Big Duty Free Sdn Bhd (in liquidation)
2013 - Present	Director	CaterhamJet Global Ltd.
2013 - Present	Director	Educ8 Group Sdn Bhd
2013 - Present	Director	Rangers Developments Ltd.
2013 - Present	Director	Rangers Stadium Development Ltd.
2013 - Present	Non-Independent, Executive Chairman	Tune Protect Group Berhad
2012 - Present	Director	DCS Energy Sdn Bhd
2012 - Present	Director	Epsom College Malaysia Sdn Bhd
2011 - Present	Director	Caterham Cars Ltd.
2011 - Present	Director	Caterham Cars Group Ltd.
2011 - Present	Director	Caterham Enterprises Ltd.
2011 - Present	Director	Caterham Merchandising Ltd.
2011 - Present	Director	Caterham Technology & Innovation Ltd.
2011 - Present	Director	Caterham (UK) Ltd.
2011 - Present	Director	CaterhamJet Holdings Pte. Ltd.
2011 - Present	Director	Caterhamjet Malasia Sdn Bhd
2011 - Present	Director	EQ8 Limited (in liquidation)
2011 - Present	Director	QPR Holdings Ltd.
2011 - Present	Director	The Queens Park Rangers Football & Athletic Club Ltd.
2011 - Present	Director	QPR Asia Sdn Bhd
2010 - Present	Director	Caterham Factory Limited
2010 - Present	Director	Caterham Ventures Sdn Bhd
2010 - Present	Director	Dinato Racing Ltd.
2010 - Present	Director	Kuala Lumpur Education City Sdn Bhd (S308(1))
2010 - Present	Director	Tune Group.com Ltd.
2010 - Present	Director	Tune Studios Sdn Bhd
2010 - Present	Director	Tune Tones Sdn Bhd
2009 - Present	Director	Intrinsic Capital Management Sdn Bhd
2008 - Present	Director	Aero Ventures Sdn Bhd (in liquidation)
2008 - Present	Director	Muncul Juara Sdn Bhd
2008 - Present	Director	Pacific Gem Sdn Bhd
2008 - Present	Director	Tune Group Sdn Bhd
2008 - Present	Director	Tune Hotels Management Sdn Bhd (formerly known as Tune Hotels Regional Services Sdn Bhd)
2008 - Present	Director	Sofa Al Azhar Sdn Bhd
2007 - Present	Director	New Haven Resort Sdn Bhd
2007 - Present	Director	Tune Hotels Sdn Bhd
2007 - Present	Director	Tune Longhaul Sdn Bhd (in liquidation)
2007 - Present	Director	Tpaay Asia Sdn Bhd (formerly known as Tune Money Sdn Bhd)
2007 - Present	Director	Tune Talk Sdn Bhd

5 YEARS PAST AND PRESENT WORK EXPERIENCE (CONTINUED)

PERIOD	POSITION	COMPANY
2006 - Present	Non Independent Executive Director and Group Chief Executive Officer	AirAsia X Berhad
2006 - Present	Director	All Agile Industries Sdn Bhd
2006 - Present	Director	Yayasan Pendidikan Titiwangsa
2005 - Present	Director	Dragonback Media Interactive Sdn Bhd (in liquidation)
2005 - Present	Director	Tune Hotels.com Ltd.
2005 - Present	Director	Tuneasia.com Sdn Bhd (S308(1))
2005 - Present	Director	Wheatley Sdn Bhd
2004 - Present	Director	AirAsia (Mauritius) Ltd.
2004 - Present	Director	AirAsia Go Holiday Sdn Bhd
2003 - Present	Director	Chestar Properties Sdn Bhd
2002 - Present	Director	Domeplex Consolidated Sdn Bhd
2001 - Present	Director	Persian Beauty Sdn Bhd
2001 - Present	Director	Tune Air Sdn Bhd
2000 - Present	Director	Incam Consulting & Trading Sdn Bhd
2000 - Present	Director	Incam Corporation Sdn Bhd
2000 - Present	Director	Incam Equity Sdn Bhd
2000 - Present	Director	Incam Resources Sdn Bhd
1996 - Present	Director	Incam Global Sdn Bhd
1995 - Present	Director	Raindance Music Sdn Bhd
1995 - Present	Director	Red Podium Sdn Bhd
1993 - Present	Director	Meranun Sdn Bhd
1993 - Present	Director	Nescorp Resources Sdn Bhd
1991 - Present	Director	Music Works Sdn Bhd
Present	Director	AirAsia Inc.
Present	Commissioner	PT Indonesia AirAsia
2014 - 2015	Director	CaterhamJet International Ltd. (Deregistered)
2013 - 2016	Director	Caterham Moto Racing Ltd. (Dissolved)
2011 - 2016	Director	Caterham Bikes Ltd. (Dissolved)
2011 - 2016	Director	Caterham Composites Ltd. (Dissolved)
2011 - 2015	Director	RoKKi Sdn Bhd (formerly known as Tune Box Sdn Bhd)
2009 - 2016	Director	Due Voci LLC (Dissolved)
2008 - 2016	Director	Tune Service Sdn Bhd
2012 - 2014	Director	Caterham Tech (M) Sdn Bhd
2011 - 2014	Director	Tune Live Sdn Bhd
2011 - 2013	Director	AirAsia Japan Co., Ltd.
2011 - 2012	Non Independent, Non Executive Director and Member of Executive Committee	Malaysian Airline System Bhd
2009 - 2014	Director	1 Malasia Racing Team Sdn Bhd
2006 - 2012	Director	Tune Sport Sdn Bhd

DATO MOHAMED KHADAR BIN MERICAN

DIRECTOR

THE DATE OF APPOINTMENT

December 9, 2016

AGE

60 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

MR. STUART L DEAN

DIRECTOR

THE DATE OF APPOINTMENT

December 9, 2016

AGE

63 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Accountancy, Member of Institute of Chartered Accountants in England & Wales
- Accountancy, Member of Malaysian Institute of Accountants

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director	Thai Airasia Co., Ltd.
2016 - Present	Independent Non-Executive Director	AirAsia Berhad
2013 - Present	Independent Non-Executive Director	Sona Petroleum Berhad
2011 - Present	Non-Independent Non-Executive Director	Astro Malaysia Holdings Berhad
2003 - Present	Independent Director	Astro All Asia Networks Limited
2002 - Present	Independent Non-Executive Director	Rashid Hussain Berhad (In Members' Voluntary Liquidation)
2013 - 2016	Director	RHB Securities (Thailand) Plc.
2013 - 2016	Director	RHB Investment Bank Berhad
2011 - 2016	Director	RHB Bank Berhad
2011 - 2013	Chairman	RHB Investment Bank Berhad
2011	Director	RHB Asset Management Sdn Bhd
2010 - 2011	Director	RHB Islamic Asset Management Sdn Bhd
2009 - 2016	Chairman	RHB Capital Berhad
2008 - 2011	Chairman	RHB Asset Management Sdn Bhd
2008 - 2009	Non-Executive Director	RHB Capital Berhad
2006 - 2008	Director	RHB Bank Berhad
2003 - 2011	Director	RHB Investment Bank Berhad
2003 - 2008	Director	RHB Insurance Berhad

EDUCATION

- B.A. in Economics and Political Science, Duke University
- Master of Business Administration General Management, Harvard University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Director	Thai Airasia Co., Ltd.
2015 - Present	Independent Non-Executive Director	AirAsia Berhad
2015 - Present	Director	Junior Achievement Malaysia
2012 - Present	Director	Malaysian Investment Development Authority
2002 - 2015	President and Chief Executive Officer	GE ASEAN

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

MANAGEMENT PROFILES

**THAI AIRASIA
COMPANY LIMITED**

As of December 31, 2016

MR. TASSAPON BIJLEVELD

CHIEF EXECUTIVE OFFICER

THE DATE OF APPOINTMENT

September 19, 2003

MR. PREECHAYA RASAMETANIN

EXECUTIVE VICE PRESIDENT

THE DATE OF APPOINTMENT

March 3, 2014

MR. SANTHAT SANGUANDIKUL

CHIEF FINANCIAL OFFICER

THE DATE OF APPOINTMENT

September 1, 2016

M.L. BOVORNOVADEP DEVAKULA

HEAD OF BUSINESS DEVELOPMENT

THE DATE OF APPOINTMENT

March 1, 2004

MR. SANTISUK KLONGCHAIYA

HEAD OF COMMERCIAL AND ANCILLARY

THE DATE OF APPOINTMENT

January 1, 2007

Details as referred in Asia Aviation Plc.

CAPTAIN SURAPUN PATOOMWAT

HEAD OF FLIGHT OPERATIONS

THE DATE OF APPOINTMENT

March 3, 2014

AGE

57 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

0.0042

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

EDUCATION

- Air Command and Staff College
- Safety Officer Course, RTAF
- Squadron Officer School, RTAF
- Royal Thai Air Force Academy

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of Flight Operations	Thai Airasia Co., Ltd.
2013 - Present	Designated Check Pilot	Thai Airasia Co., Ltd.
2012 - Present	Check Airman	Thai Airasia Co., Ltd.
2005 - Present	Instructor	Thai Airasia Co., Ltd.
2013 - 2014	Deputy Director of Flight Operations	Thai Airasia Co., Ltd.

MR. BANYAT HANSAKUL

HEAD OF ENGINEERING

THE DATE OF APPOINTMENT

March 3, 2014

AGE

49 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

0.0006

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

MRS. THILADEE PANTUMCHINDA

HEAD OF PEOPLE DEPARTMENT

THE DATE OF APPOINTMENT

March 3, 2014

AGE

43 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Master of Business Administration, Kasetsart University International
- Bachelor of Engineering in Aeronautical Engineering, Royal Thai Air Force Academy

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of Engineering	Thai AirAsia Co., Ltd.
2004 - 2014	Quality Assurance Manager	Thai AirAsia Co., Ltd.

EDUCATION

- Master of Human Resources Management, Rutgers, The State University of New Jersey - New Brunswick, NJ
- B.A. Political Science, Major in International Relations, Chulalongkorn University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of People Department	Thai AirAsia Co., Ltd.
2013	Human Resource Director	Janssen-Cilag Ltd.
2010 - 2013	Senior Manager of Human Resources	Johnson & Johnson (Thailand) Ltd.

MR. SUWIT SRISARAKAM

HEAD OF RAMP AND GROUND SERVICE EQUIPMENT

THE DATE OF APPOINTMENT

August 7, 2014

AGE

49 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

- None -

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

MISS WITCHUNEE KUNTAPENG

HEAD OF GUEST SERVICE

THE DATE OF APPOINTMENT

October 2, 2014

AGE

48 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%)¹

0.0024

RELATIONSHIP WITH OTHER MANAGEMENT²

- None -

EDUCATION

- Civil Aviation Training Centre of Thailand

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of Ramp and Ground Service Equipment	Thai AirAsia Co., Ltd.
2012 - 2014	Foundation Manager	Thai AirAsia Co., Ltd.
2008 - 2012	Head of Customer Experience	Thai AirAsia Co., Ltd.
2007 - 2008	Guest Service Manager	Thai AirAsia Co., Ltd.

EDUCATION

- Bachelor degree of Arts in English, Faculty of Humanities, Ramkhamhaeng University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of Guest Service	Thai AirAsia Co., Ltd.
2012 - 2014	Bangkok Station Manager	Thai AirAsia Co., Ltd.

MR. PIPAT KHUNPRAKAN

HEAD OF INNOVATION
COMMERCIAL AND TECHNOLOGY

THE DATE OF APPOINTMENT

October 2, 2014

AGE

40 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

0.0003

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

MR. THATRI KWANSANG

HEAD OF SAFETY

THE DATE OF APPOINTMENT

November 9, 2016

AGE

49 years

NO. OF SHARES AND PERCENTAGE OF ASIA AVIATION PLC (%) ¹

0.0022

RELATIONSHIP WITH OTHER MANAGEMENT ²

- None -

EDUCATION

- Master degree of Telecommunication Science, Assumption University
- Bachelor degree of Computer Science, Assumption University

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2014 - Present	Head of Innovation Commercial and Technology	Thai AirAsia Co., Ltd.
2007 - 2014	Innovation Commercial and Technology Manager	Thai AirAsia Co., Ltd.
2003 - 2007	Information and Technology Supervisor	Thai AirAsia Co., Ltd.

EDUCATION

- Master of Science in Aviation Safety, Central Missouri State University, USA
- Bachelor of Science in Electrical Engineering, Royal Thai Airforce Academy

5 YEARS PAST AND PRESENT WORK EXPERIENCE

PERIOD	POSITION	COMPANY
2016 - Present	Head of Safety	Thai Airasia Co., Ltd.
2006 - 2016	Instructor Pilot and Safety Manager	Thai Airasia Co., Ltd.

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

CORPORATE GOVERNANCE

ASIA AVIATION PUBLIC COMPANY LIMITED

CORPORATE GOVERNANCE

Asia Aviation, through its Directors, management and employees, has complied and followed the principles of good corporate governance, and believes that good corporate governance is the key success factor. Asia Aviation, as an organisation with social responsibility, has adopted the principles of good corporate governance detailed as follows:

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

In awareness of the importance of good corporate governance with the belief that effective, transparent, and measurable administration will create confidence for shareholders, investors, and stakeholders, which in turns, will add value and promote sustainable growth for the Company, therefore, the Board of Directors of Asia Aviation has established the policy to follow the Code of Best Practices for Directors of Listed Company and adopted the policy in accordance to the Principles of Good Corporate Governance For Listed Companies, 2013, as prescribed by the Stock Exchange of Thailand. Policy is reviewed annually and communicated to Directors, Management, and employees to adhere. The policy covers the rights of shareholders; equitable treatment of shareholders; role of stakeholders; information disclosure and transparency; and responsibilities of the Board of Directors.

In 2016, the practices under the Corporate Governance policy in each section are reported as follows:

SECTION 1 RIGHTS OF SHAREHOLDERS



Asia Aviation is aware of and prioritises the fundamental rights of the shareholders, by not doing anything to violate the rights of its shareholders and supporting its shareholders to exercise their rights. The fundamental rights of the shareholders include the right to buy and sell or to transfer shares, the right to receive profit sharing from Asia Aviation, the right to receive adequate information with regard to Asia Aviation, the rights relating to participation and voting in the shareholders meeting to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the Company such as dividends payment, amendments to the company's memorandum of association and articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Asia Aviation has the policy to provide convenience for the shareholders to exercise their rights as follows:

- Asia Aviation will send the notice of the shareholders' meeting and supporting documents to each shareholder at least five business days prior to the meeting date (or any period of time as required by laws). The invitation will provide relevant information on each agenda item with opinions from the Board of Directors of Asia Aviation, proxy form as regulated by Ministry of Commerce, and list of independent Directors that the shareholders may select as their proxy, as well as map of the meeting venue.

Required documents that the shareholders need to bring to the meeting will also be sent along with the invitation in order to support the rights to participation in the shareholders meeting and to voting, as regulated by Asia Aviation's articles of association regarding the shareholders' meeting.

Shareholders can also access any information concerning the agenda of the each meeting of Asia Aviation at www.aavplc.com

- In the case that any shareholder cannot attend a shareholders' meeting in person, Asia Aviation allows such shareholder to appoint a proxy, either an independent Director or any person, to attend the meeting on his/her behalf.
- Asia Aviation shall proceed meeting registration and votes count with a barcode system so as to promote transparency, fairness and benefits for shareholders.
- Chairman of the meeting will inform the shareholders of rules of the meeting and voting procedures. Time will be allotted appropriately.
- All shareholders will be treated equally in expressing their opinion and raising questions in the meeting. Directors and relevant management team members will attend the shareholders' meeting to provide responses to any inquiry raised at the meeting and to take any comments and suggestions into consideration or for further actions. After the shareholders' meeting, Asia Aviation prepares the complete and accurate minutes of the meeting within 14 days and submits to related agencies within the prescribed timeframe. Minutes of the meeting will also be posted on Asia Aviation's website to allow interested shareholders and stakeholders to access the information.

SECTION 2 EQUITABLE TREATMENT OF SHAREHOLDERS



Asia Aviation applies the principle of equal treatment to all shareholders, be they management or non-management shareholders, majority or minority shareholders, or local or foreign shareholders, as follows:

- Meeting shall be carried out as specified in the agenda enclosed with the meeting notice. Additional agenda item shall not be imposed without informing the shareholders prior to the meeting unless necessary, especially items that shareholders should need significant time to study relevant information before making any decision.
- The minority shareholders can nominate Directors by submitting details of nominees and consent letters to the Chairman of the Board prior to the shareholders meeting within reasonable time period as regulated by Asia Aviation.
- Shareholders are encouraged the use of ballots for each agenda item. Ballots shall be kept in the meeting room for vote count prior

to the resolution announcement. For transparency, Asia Aviation will keep the ballots with shareholders' or proxy's signatures in case of examination if there is any future argument.

- Minutes of meeting shall be recorded completely and accurately. The minutes will be submitted to the Stock Exchange of Thailand within 14 days after the meeting. Minutes of the meeting will also be posted on Asia Aviation's website.
- Information is accessible in a complete, accurate, timely, and transparent manner, for shareholders by making relevant and significant information available regularly.
- The Company and its subsidiaries have set up clear policy and regulations to prevent Directors, Management and employees from using the Company's inside information for their own benefits. The policy is communicated for Directors, Management and employees' awareness and practice under the Code of Conduct with the details listed under the "Use of Inside Information".

SECTION 3 ROLE OF STAKEHOLDERS



Asia Aviation and its subsidiaries has placed importance on all of its stakeholders and established a policy as follows:

SHAREHOLDERS

Asia Aviation determines to be a good representative for its shareholders in conducting its business for the satisfaction of its shareholders with transparency and emphasis on sustainable long-term growth, and to ensure the adherence of the policy regarding shareholders to maintain the basic rights of the shareholders, and to not violate the rights of the shareholders listed under rights of shareholders and equitable treatment of shareholders, along with the transparent disclosure of information to shareholders.

The encourage for the shareholders to attend the shareholders' meeting to help participate in major decision making, to acknowledge the Company's operation and activities, and to monitor the performance of the Directors and Management.

EMPLOYEES

Our employees are our most valuable resource and key to success. Therefore, Asia Aviation and its subsidiaries are committed to continuously enhance our corporate culture and good working environment, to promote teamwork, and to treat our employees with courtesy and to respect them as individuals. The employment, appointment, and transfer shall be on the ethical basis and the human resources shall be engaged to the best advantage.

Asia Aviation and its subsidiaries take responsibility in maintaining the safe working environment for both employees and their properties. Labor laws are strictly followed as well.

Asia Aviation and its subsidiaries respect its employees' privacy. Their private information, for example, salaries, medical records, and families, shall not be disclosed to outsiders or those who are not relevant, unless the information is required to be disclosed to the third party by laws.

Nonetheless, details of the policy regarding responsibilities toward employees in 2016 are listed in the "Corporate Social Responsibility".

CUSTOMERS

Asia Aviation and its subsidiaries are committed to customers' satisfaction and confidence in the Company by delivering quality products and services at a fair and appropriate price, and to maintain good relations. The operation guideline is set as follows:

- Provide quality products and services with the resolute aim to constantly increase the standards and disclose news and information regarding products and services completely and accurately.
- Directors, Executives and employees at all levels shall not disclose customers' details without prior consent from customers or control persons of the Company group, unless the information is required to be disclosed to the third party by laws.

Nonetheless, details of the policy regarding responsibilities toward customers in 2016 are listed in the "Corporate Social Responsibility".

BUSINESS PARTNERS

Asia Aviation and its subsidiaries treat its trading partners as a key factor in creating value for customers. So, business run with any partners must not bring discredit to the reputation of the Company and its subsidiaries, or contrary to any palpable laws, no demand or accept any properties or benefits dishonestly in business with trade partners, regard to equality in business and mutual benefits with partners, as well as a compliance with contract or agreed terms and conditions strictly. In addition, the selection of partners shall be treated on fair, transparent and verifiable basis; abide by the rules and regulations on procurement that defines procedures and practices explicitly, and get approval from the procurement committees.

CREDITORS

Asia Aviation and its subsidiaries comply strictly with creditors under the conditions and term of agreements. Loan administration must be subjected to the objectives of money use; money must not be used in a way that could cause damage, control various collaterals and repayment of loan and interest to the lenders of all types in full and by the due date, comply with the terms of the entire loan agreement, as well as management to ensure the creditors of financial position and high repayment capacity. In case of default, the Company will notify creditors in advance for troubleshooting.

COMPETITORS

Asia Aviation and its subsidiaries have a policy to promote and support fair and open competition. The Company does not seek its competitors' trade secrets or information through illegal or unethical means. The Company shall not violate the intellectual properties of its competitors or others.

SOCIETY

Asia Aviation and its subsidiaries, as a Thai corporation, are well aware and grateful for the country. As part of the community, the Company has a social obligation to support the society and community in which Asia Aviation and its subsidiaries are operating.

Asia Aviation and its subsidiaries have a policy to provide environmentally friendly products and services and to follow environmental-related laws.

Asia Aviation and its subsidiaries promote activities that help preserve the nature and conserve energy. It has a policy to select and promote the use of environmentally friendly products.

Nonetheless, details of the policy regarding responsibilities toward the society in 2016 are listed in the "Corporate Social Responsibility".

Communication with Stakeholders and Whistleblowing Policy

Stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiaries directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com.

Nonetheless, the Company has disclosed Whistleblowing Policy on its website at www.aavplc.com under "Sustainability", "Corporate Governance" and "Whistle Blowing". Complaints and reports shall be protected and treated confidentially by the Independent Directors or the Audit Committee for further inspection and solution (if any) and shall be reported to the Board of Directors later.

SECTION 4 INFORMATION DISCLOSURE AND TRANSPARENCY



Asia Aviation has put an importance on disclosing information that is accurate, complete, transparent, timely, and up to the standards set by to the Stock Exchange of Thailand and the Securities and Exchange Commission. This covers financial reports, general information, and any other significant information that can affect the price of stocks and decision making of investors and stakeholders of Asia Aviation. In order for stakeholders of Asia Aviation to have an equal access to information, Asia Aviation is publishing its information through the Stock Exchange of Thailand and Asia Aviation's website at www.aavplc.com

The Board of Directors is aware of the responsibility in preparing Asia Aviation's financial reports and information presented to shareholders in annual reports, and in assuring the quality of the financial reports, including financial statements of Asia Aviation. Asia Aviation arranges to have the financial reports done according to the accounting standards and audited by reliable and independent auditors. Asia Aviation has established and adhered to appropriate accounting policies and made certain that financial reports of Asia Aviation are accurate, complete, and trustworthy, with important information being accessible.

The Board of Directors also set up an Audit Committee to review the financial reports for their accuracy, completion, and reliability and to make sure information is disclosed in an accurate, transparent and timely manner as regulated for listed companies. The Audit Committee also ensures effective internal control and that laws and regulations, as well as Asia Aviation's regulations are adhered to. Moreover, the Committee looks into related party transactions or transactions with conflict of interest and consider the reasonableness and appropriateness before proposing to the Board of Directors of Asia Aviation for further approval.

The Company has a policy to disclose important information to the public as follows:

1. Objectives and Articles of Association of the Company
2. Financial and Non Financial reports in an accurate and timely manner
3. Report on the responsibilities of the Board of Directors toward financial statements together with the Auditor's report in the Annual Report
4. Information on each Director and subcommittee member and his/her roles and responsibilities and remuneration
5. Information on the attendance of Directors and subcommittee members in meetings
6. Reports on the Interests of Directors, Management, and related persons
7. Each Director and Executive has a duty to report buy-sale the Company's shares to Company Secretary and disclose summary of shareholding reports at the Board of Director meeting in quarterly.

For investor relations, Asia Aviation has set up the Investor Relations Department to handle the content of the information of Asia Aviation for those who are interested, for example, shareholders, analysts, and investors. The channel of communication is as follows:

Telephone: (66) 2562 5700
Fax: (66) 2562 5705
Email: taa_investorrelations@airasia.com
Website: www.aavplc.com

Asia Aviation regularly presents information to analysts, investors, and employees at Results Briefings, Roadshows, Conference calls, and Conferences organised by various entities. The Company also holds joint activities with SET to meet retail investors and has Press Conference and Press Release to publicise the performance of the Company and its subsidiaries. In addition Analysts, investors, and interested parties can also join company visits to meet our management and inquire about our updates.

In 2015 - 2016, investor relation activities are summarised as follows:

ACTIVITIES	2015 (TIMES)	2016 (TIMES)
International Roadshow	7	6
Domestic Roadshow	9	6
Results Briefing / Annual General Meeting	5	5
Company Visit / Conference call	54	37
E-mail / Phone calls	4-5 times daily	4-5 times daily
Joint activities with SET and other agencies to meet investors	3	2

The Company also arranges for the Compliance Unit to oversee the disclosure of information through various channels, for example, the Company's website, The Stock Exchange of Thailand's website, and annual reports. Information shall be accurate, sufficient, timely, and complete, as required by laws, in order to create confidence from investors in the Company's transparency in business operation.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS



LEADERSHIP AND VISION

Asia Aviation's Board of Directors consists of Directors with leadership skill and vision to drive Thai AirAsia to become a leading low-fares airline in the region, to provide the most value quality services that are trustworthy and safe.

The Company's Board of Directors revises and specifies vision and mission for the Company every five years to keep them relevant and appropriate for the changing business environment in the future.

BOARD OF DIRECTORS' STRUCTURE

Asia Aviation's Board of Directors consists of nine Directors with three being the Independent Directors who are fully qualified under the relevant regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Each Director has knowledge,

competence, experience and expertise in various professions. The number of Directors shall be sufficient to oversee the business of the Company, with at least one Director with direct experiences in aviation business and another one Director with experiences in accounting and finance.

Asia Aviation's Board of Directors has the duties to consider and approve significant matter related to the Company's administration such as policies, visions, strategies, goals, missions, business plans and budgets of Asia Aviation, as well as to supervise the management team to effectively and efficiently manage the business of Asia Aviation under the legal framework, objectives, articles of association of Asia Aviation and the resolutions of the Board of Directors' meeting and the shareholders' meeting. Such duties must be performed with accountability, loyalty and care under the principles of good corporate governance in order to achieve the best economic value for the business and stability for its shareholders.

QUALIFICATIONS OF DIRECTORS

1. Directors shall be the persons with knowledge and competency, honesty and integrity in business operation, and sufficient time to dedicate their knowledge and competency for their performance in the Company.
2. Directors shall possess full qualifications and do not have any prohibited characters in compliance with applicable laws related to public companies and other relevant laws, nor any characters that result in the inappropriateness to be trusted with the administration of a public company according to the Notifications of the Securities and Exchange Commission (SEC).
3. The Directors shall not enter into a partnership or be a shareholder of any business which has the same nature as and is in competition with the business of Asia Aviation for their own or others' interests, except the shareholders' meeting has been informed prior to the appointment.
4. The Directors shall not hold the position of Director in more than five other listed companies. In case of any Director holding the position of Director in more than five listed companies, the Board of Directors shall determine the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other company, the matter needs to pass the approval from the Company's Board of Directors.

QUALIFICATIONS OF INDEPENDENT DIRECTORS

The Independent Directors shall possess all the qualifications required by the Capital Market Supervisory Board and the Stock Exchange of Thailand, and can oversee the interest of all shareholders equally without any conflicts of interests. The Independent Directors shall be able to attend the Board of Directors' Meetings and provide opinions independently. The qualifications are as follows:

1. Holding not exceeding 1% of the total shares with voting rights of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation. (inclusive of the shares held by any related person of such independent Director);
2. Not being, nor having been, a Director who participates in the management, an employee, staff member or advisor who receives a regular salary, or a control person of Asia Aviation, its parent company, subsidiary company, its associated company, its subsidiary at the same level, major shareholder or control person of Asia Aviation, unless the holding of the aforementioned positions has been discontinued for at least two years. However, such prohibition shall not apply in the case where such Independent Director has been a government official or consultant of the government sector, which is a major shareholder, or control person of Asia Aviation;
3. Not being person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its Directors, its Executives, its major shareholder, its control person or the person who will be nominated to take up the position of Director or Executive or control person of Asia Aviation or its subsidiary;
4. Not having, or not having had, any business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation in a manner which may obstruct its independent judgment. Additionally, not being or not having been a substantial shareholder or control person of a person who has a business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, unless such business relationship has been discontinued for at least two years.
(the aforementioned business relationship and transaction size shall have the same definition as in the Notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares);
5. Not being, or not having been, an auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder, control person of Asia Aviation, major shareholder or control person or the partner of the audit company for which the auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia

Aviation, and not being major shareholder or control person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years;

7. Not being a Director nominated to be a representative of a Director of Asia Aviation, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of Asia Aviation or its subsidiary company or not being a partner of the partnership or a Director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and is in competition with the business of Asia Aviation or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of Asia Aviation's business operation.

The qualifications of the Independent Directors shall be as required by the Thai Capital Market Supervisory Board.

APPOINTMENT AND TERMS OF POSITIONS FOR DIRECTORS

The appointment of a Director shall be in compliance with the Company's Articles of Association and applicable laws, in a transparent and clear manner. The nomination shall go through the process by the Nomination and Remuneration Committee. The consideration shall include sufficient detailed information and profile of the person for the Board of Directors and Shareholders to make decision. Details of the policy on appointment and nomination of Directors can be found under "Nomination and Remuneration Committee"

The Directors's terms of positions are according to the Articles of Association of Asia Aviation that at every Annual General Meeting, one-third (1/3) of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third (1/3) must retire from the office.

The retiring Directors are eligible for re-election. The Directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the Director who has been in office for the longest term shall retire.

DUTIES AND RESPONSIBILITIES OF THE DIRECTORS

Asia Aviation's Board of Directors shall oversee and administer the business and mission of Asia Aviation to be in line with the approval by shareholders and applicable laws, objectives, Articles of Association, shareholders' meeting resolutions, and Board of Directors' resolutions. Directors shall use their judgement and vigilance in making business decision and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

THE DIVISION OF DUTIES AND RESPONSIBILITIES BETWEEN BOARD OF DIRECTORS AND MANAGEMENT

Asia Aviation has clearly divided duties and responsibilities between Board of Directors and Management. The Board of Directors sets out policies and administer the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by Board of Directors and recorded as resolution passed in the minutes of Board of Director meeting. Consequently, the Chairman of the Board of Directors cannot be the same person as the Chief Executive Officer (CEO) nor the Executive Director in order to balance and examine the Management.

The Chairman of the Board of Directors has an important role in making decision for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management without interfering in the daily duties of the Management. The Chairman of the Board of Directors, as the leader of the Board of Directors, oversees and monitors the performance of the Company's Executive Directors and other subcommittees to ensure effectiveness and efficiency, and encourages all the Directors to participate in meetings and to provide comments independently. The Chairman of the Board of Directors makes the casting vote in case of the votes come to a draw between two sides.

The Company has clearly set scopes of duties and responsibilities for Board of Directors and the Chief Executive Officer, which can be found under "Scope of Duties and Responsibilities of the Board of Directors" and "Duties and Responsibilities of the Chief Executive Officer".

Asia Aviation has appointed the Company Secretary with the duties and responsibilities as follows:

1. To provide advice to the Board of Directors regarding legal framework and regulations of Asia Aviation that the Board of Directors shall be aware of, to ensure compliance to the rules and regulations, and to report any significant changes in the legal matters to the Board of Directors.
2. To organise the shareholders' meeting and Board of Directors' meeting in accordance to laws and regulations of Asia Aviation.
3. To record the minute of the shareholders' meeting and Board of Directors' meeting and to make sure the resolutions of the meetings are followed.
4. To prepare and keep record of a register of Directors, the Company's annual report, Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, Notice of the shareholders' meeting and minutes of the shareholders' meeting of Asia Aviation.
5. To keeping the reports of interest filed by the Directors or Executives, with the copies submitted to the Chairman of Board of Directors and the Chairman of Audit Committee within seven business days after the report is received.

6. To ensure the information disclosure and report the responsible information to the related agencies as prescribed by the government's rules and regulations.
7. To facilitate activities of Asia Aviation's Board of Directors and manage other related matters in accordance to the legal framework, or as assigned by Asia Aviation's Board of Directors, or as prescribed by the notification of the Capital Market Supervisory Board.

SUBCOMMITTEES

In addition to the Board of Directors, Asia Aviation has set up a subcommittee to assist in administering the business, that is the Audit Committee. The three members, who are responsible for auditing and internal control for Asia Aviation, are of the qualifications as required by the Stock Exchange of Thailand and the Securities and Exchange Commission. Their duties and responsibilities are as assigned by the Board of Directors of Asia Aviation, as specified in the Audit Committee Charter.

Nevertheless, At the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on 26 February 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee. The three Independent Directors nominate and set appropriate remuneration for Directors and Management, with the details shown under "Nomination and Remuneration Committee".

CORPORATE GOVERNANCE POLICY

Asia Aviation has set up a written policy on corporate governance and the Board of Directors is to review this policy and the compliance therewith on an annual basis. After the Company's ordinary shares have been listed on the Stock Exchange of Thailand, Asia Aviation shall comply with the relevant rules and regulations as prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board. The details of the report on corporate governance will be included in the Company's annual report and the annual registration statement (Form 56-1).

CODE OF CONDUCT

Asia Aviation has operated its business in adherent to strict business ethics, including safeguarding Asia Aviation's and its subsidiaries' confidentiality, abiding laws, operating in an honest and prudent manner, paying respect to each other, and taking good care of Asia Aviation's properties and the environment. All Directors, Executives and employees shall oblige by this guideline. All Directors and new recruits shall receive a business ethics manual that they have to acknowledge and strictly follow. The Company has disclosed its complete Code of Conduct on the Company's website, under "Sustainability", " under "Corporate Governance" and under "Code of Conduct" .

CONFLICT OF INTERESTS

The Board of Directors of Asia Aviation has set up a policy to prevent conflicts of interest on the basis that any decision-making on business transactions shall be made only for the best interest of Asia Aviation and it shall avoid any act which may cause conflicts of interest. It is required that a person who is involved in or has interest in any transaction shall report the involvement or interest in such transaction to Asia Aviation and shall abstain from voting for decision-making and shall have no power to approve such transaction.

In the case of any transaction which is not consistent with the normal course of business or the general trading conditions and may cause conflicts of interest, the entry into such transaction shall be submitted to the Board of Directors of Asia Aviation for the Audit Committee to consider with respect to the transaction appropriateness before proposing to the Board of Directors' meeting or shareholders' meeting (depending on the case) for consideration and approval. In such case, Asia Aviation shall comply with the requirements prescribed by the Capital Market Advisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors of Asia Aviation has put the internal control system in place in order for the operation of Asia Aviation to go according to the objectives, Article of Association, and applicable rules and regulations, as well as the internal audit and the check and balance system to effectively protect and look after the capital and investment of shareholders and Asia Aviation's properties. Asia Aviation has stipulated levels of authority and responsibilities of the Executives and employees and operating regulations in writing. The Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Audit Committee shall monitor the administration and operation of Asia Aviation in order for Asia Aviation to achieve an effective internal control and reliable financial reporting system. The Internal Control Department shall directly submit the audit report to the Audit Committee for revision and evaluation of the internal control system of Asia Aviation. Ms.Duangporn Tantiwivat acts as the Head of Internal Control. The details on internal control and internal audit can be found under "Internal Control and Internal Audit".

RISK MANAGEMENT

Asia Aviation is aware and realises the importance of risk management in order to achieve effectiveness and efficiency in the management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia, therefore, risk management system has been established for Thai AirAsia. which is its subsidiary and operates core business.

Risk Management Committee consists of Chief Executive Officer and the Management from all departments to manage internal and external risks that may affect operation to an acceptable and appropriate level by evaluating and examining evaluation result from all departments and revising policy regarding risk management at least annually. The details on risk management can be found under “Risk Management”.

REPORT OF THE BOARD OF DIRECTORS

The Audit Committee has the duty to review the Company's financial reporting and proposes the reports to the Board of Directors of Asia Aviation on a quarterly basis. The Board of Directors of Asia Aviation shall be responsible for the accuracy Asia Aviation's financial statements and financial information as described in the annual report. The financial statements shall be prepared in accordance with the accounting principles which are generally accepted in Thailand and audited by a certified public accountant. An appropriate accounting policy shall be applied and always be complied with. In addition, information shall be adequately disclosed in the notes to the financial statements.

At the Asia Aviation's Audit Committees' Meeting No. 1/2017, held on February 23, 2017, the Audit Committee, consisting of three Independent Directors, evaluated the internal control system by interviewing the Head of Internal Audit and concluded that the internal control for Asia Aviation and its subsidiaries was sufficiently effective in alleviating business risks. The operation of the internal audit in 2016 in inspecting other departments within Asia Aviation and its subsidiaries did not result in any significant weakness in internal control system that can affect the operation of Asia Aviation and its subsidiaries. Auditor did not report any significant weakness.

BOARD OF DIRECTORS' MEETING

According to the Articles of Association of Asia Aviation, the Board of Directors shall hold a Board of Directors' Meeting at least once every three months by setting dates for the whole year and additional special meetings may be held as necessary. A meeting notice shall be delivered to Directors for consideration at least five business days prior to the date of the meeting, unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. At each meeting, the agenda of the meeting will be clearly specified and supported by the completed and sufficient documents, and are delivered to the Directors in advance so that the Directors will have enough time to study such information prior to the meeting. At the Board of Directors' Meeting, each Director shall be able to openly discuss and express his or her opinion. In addition, the senior management will be invited to attend the Board of Directors' Meeting in order to give additional information as they are directly involved in such matters.

Asia Aviation is committed to providing the Board of Directors with adequate, complete continuous and timely information prior to Board of Directors' Meeting. The Directors can directly and independently contact the Company Secretary. The Company Secretary is responsible for advising the Board of Directors of Asia Aviation on the compliance with legal and regulatory requirements.

The Board of Director has also specified that Non-Executive Directors can organise meetings as deemed appropriate without the attendance of any Executive Director or Management, in order to create an opportunity for discussion on business challenges of the Company or other topics of interest.

REMUNERATION

At the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on February 26, 2014, and the Thai Air Asia's Board of Directors' Meeting No. 1/2014, held on March 3, 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee to determine and propose remuneration for Directors annually for the Board of Directors' and/or Shareholders' approval.

The Committee has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors.

The Company has disclosed the aforementioned information and the remuneration for each Director in the Annual Report and Form 56-1 of the Company, which can be found under “Structure of Directors' Remuneration”.

DEVELOPMENT ON DIRECTORS AND MANAGEMENT

The Board of Directors of Asia Aviation has a policy to enhance and accommodate the provision of training and knowledge for Directors and Management to administer the business of the Company effectively with the continuous improvement on operation. Directors and Management are encouraged to participate in valuable trainings that are beneficial to their performance, including training by state agencies or independent organisations, for example, Director Training by the Thai Institute of Directors that the SEC requires Directors of registered companies to participate at least in one program, including the Directors Certification Program (DCP), Directors Accreditation Program (DAP) and the Audit Committee Program (ACP).

In the case of a change in Directorship, the Company Secretary is assigned to assist in the preparation for the Director's duties by coordinating in the following areas:

1. Collecting required information related to Directorship to ensure the compliance with applicable laws related to Directorship.
2. Preparing useful information for new Director to perform his/her duties, for example, Articles of Association of the Company, Director's Manual for Listed Companies, Operating Results, and Nature and Direction of Business.
3. Organising meetings or discussions between Chairman and Directors, and Management to acknowledge and inquire about the business operation of the Company and its subsidiaries.

THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The Performance Assessment of the Board of Directors shall be carried out annually by dividing into the Performance Assessment of the Board of Directors and the Individual Performance Assessment (Self-Assessment), to be used as the framework in examining the performance of the Board of Directors and in improving the performance of the Board of Directors to correspond with specified policies.

The Performance Assessment of the Board of Directors covers six main areas as follows:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Board of Directors' Meeting
4. Performance of the Directors
5. Relationship with the Management
6. Self-improvement of the Directors and Executive development

Moreover, the Board of Directors has arranged for an annual performance assessment for the Chief Executive Officer, main areas as follows:

- Section 1: Progress of plan with specified goals and milestone for each goal
- Section 2: Performance assessment
- Leadership
 - Strategic setting
 - Strategic practice
 - Financial planning and results
 - Relationship with the Board of Directors
 - External relationship
 - Management and relationship with human resources
 - Position succession
 - Knowledge of products and services
 - Personal characteristics
- Section 3: Self-improvement

As such, the Nomination and Remuneration Committee is responsible for reviewing performance assessment to be accurate, complete and comply with good corporate governance. The company secretary summarises the results of the assessment and reports to the Board of Directors to further improve operational efficiency in more effective way.

REPORT OF INTEREST

The Company has required that Directors, Executive Directors, and Management, under the definition by the SEC, provide report of interest for themselves and their related persons when they are appointed. Changes shall be revised and reported annually.

SUCCESSION PLAN

The Board of Directors has established succession plans for positions of Chief Executive Officer and Senior Management in order to maintain confidence from stakeholders that the operation of the Company can continue without any disruption.

The Board of Directors has assigned the Nomination and Remuneration Committee to consider and specify the criteria and succession plan when the position of Chief Executive Officer is vacant. Revision of the succession plan shall be carried out annually and Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

THE USE OF INTERNAL INFORMATION

Asia Aviation's and its subsidiaries' Boards of Directors have set the policy and procedure for the Directors and Management and employees in using the inside information that has not been made public for personal interest and communicated the policy to their Directors, Management, and employees for their acknowledgement in writing in the Code of Conducts with details as follows:

1. Inform the Directors and Executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act B.E. 2535 (and its amendment).
2. The Directors and Executives of Asia Aviation, along with their spouses, and their minor children to prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of Asia Aviation's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), and copies of the reports to be submitted to Asia Aviation on the same day as to the Securities and Exchange Commission.

3. Directors, Executives and employees of Asia Aviation and its subsidiaries, who have an access of any inside information that can affect price of stocks, shall be careful in the trading of Asia Aviation's stocks within one month before the financial statements or the inside information are accessible to the public and 24 hours after the said information is accessible to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand. Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.
4. Directors, Executives and employees of Asia Aviation shall not use any inside information they receive from their positions, that can affect price of stocks and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

AUDIT FEE FOR THE YEAR 2016

Asia Aviation and its subsidiary paid the audit fee to Pricewaterhouse Coopers ABAS Ltd., as external auditors for 2016. Nevertheless, PricewaterhouseCoopers ABAS Ltd. do not have any relation or any conflict of interest with the Company, the Executives, or the major shareholders, or anyone related to the aforementioned persons. The details of audit fee for the year 2016 are as follow;

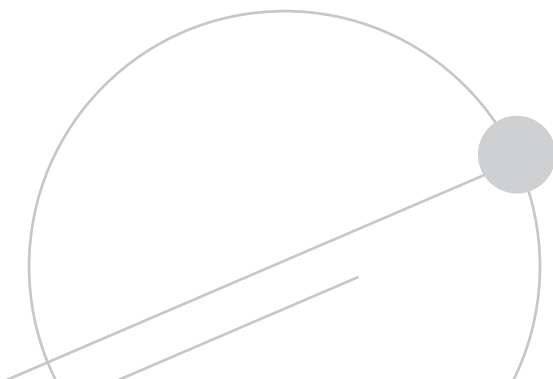
AUDIT FEE

In 2016, Asia Aviation and its subsidiary paid the audit fee of 4.76 million baht to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of 1.03 million baht and 3.73 million baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

NON-AUDIT FEE

Asia Aviation and its subsidiary paid total non-audit fee for the special purpose review and advisory service was 0.74 million baht. No the expense of undelivered work for the year 2016.

The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors.





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Group



ptt

JET A-1

D-1308



ห้ามสูบบุหรี่ในระยะ:
15 เมตร

ห้ามสูบบุหรี่ในระยะ: 15 เมตร
NO SMOKING WITHIN 15 METRES

NO

50-335



ให้ทุกการเดินทางพิเศษกว่าเดิม

สมัครเข้าร่วมโปรแกรมสมาชิก
คุณภาพระดับรางวัลของแอร์เอเชียวันนี้

มาเป็นครอบครัวเดียวกับสมาชิกแอร์เอเชียบิกกว่าอีก 10 ล้านคน
เพื่อรับสิทธิประโยชน์สุดพิเศษ และแลกบัตรโดยสาร
ใช้คะแนนเริ่มต้นเพียง 500 คะแนนสะสมแอร์เอเชียบิก!

รับทาว์นโพลแอร์เอเชียบิกโมบายแอป และสมัครสมาชิกวันนี้
เพื่อเปิดโลกทัศน์แห่งของรางวัล และการเดินทาง
หาประสบการณ์ใหม่ๆ ได้ง่าย และสะดวกกว่าที่เคยแค่เพียงปลายนิ้ว

FINAL CALL SALE

โปรโมชั่นที่คะแนนสะสม
แอร์เอเชียบิก
มีค่าสูงสุดถึง 5 บาท

จองก่อนใคร

เป็นคนแรกๆ ที่ได้สิทธิ์
เข้าถึงรายการเชล
และโปรโมชั่นจาก
แอร์เอเชียก่อนใคร!

แลกด้วย คะแนน + เงินเพิ่ม

หมดกังวลหากมีคะแนนไม่พอ
ด้วยการใช้ทางเลือก
คะแนน + เงินเพิ่ม!



ขึ้นไปตามข้อกำหนดและเงื่อนไข



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Download on the App Store

CORPORATE SOCIAL RESPONSIBILITY



**CONSUMER
RESPONSIBILITY**



**RESPONSIBILITY TOWARD
EMPLOYEES**



**ENVIRONMENTAL
CARE**



**COMMUNITY AND SOCIAL
DEVELOPMENT**



INNOVATION

Thai AirAsia Co. Ltd., majority owned by Asia Aviation Plc., is a low fare airline that has for years stood by the Thai people. On top of offering "Truly Low Fares, Trusted Quality", the airline also gives great importance to its Corporate Social Responsibility (CSR) and focuses on promoting sustainable tourism.



**HUMAN RIGHTS
POLICY**



**INTELLECTUAL PROPERTY
RIGHTS POLICY AND
PRACTICE**



**ANTI-CORRUPTION
POLICY**



Follow in Father's Footsteps

Forever in
our Hearts

Special Flight to
**CHANG
HUA MAN**
Royal Project

In the Footsteps
of the Father

**WITH
ALTERNATIVE
ENERGY**

From its inception 13 years ago, Thai AirAsia has appreciated the grace and generosity of His Majesty the late King Bhumibol Adulyadej and has sought to be among Thai citizens in continuing and promoting His Royal Projects, seeing them as beneficial to the Thai people in all regions and generations.

As a low-fares airline, Thai AirAsia is especially proud to be able to exemplify His Majesty's Sufficiency Economy Philosophy by offering new opportunities of low cost travel. At the same time, the airline has devoted great significance to developing people and the nation's youths and has contributed our flying capabilities to provide extracurricular experiences to students, flying them to Royal Projects across the nation.



SEP
11-13
2014



Special Flight to
CHANG HUA MAN
Royal Project

This flight was jointly organised by Thai AirAsia and the Chang Hua Man Royal Project and saw students from 14 distant provinces flown to learn about His Majesty's Chang Hua Man program in Hua Hin district of Prachuap Khiri Khan Province. The students were able to learn about the project and the outstanding works supervised by His Majesty for the entire nation.



In the Footsteps of the Father
**WITH ALTERNATIVE
ENERGY**

Thai AirAsia organised a special flight from Don Mueang to Hat Yai for Mathayom 4-6 students and teachers of Rajaprachanukroh Schools from Nan, Phitsanulok and Sakon Nakhon, flying them to study the use of biodiesel as a source of alternative energy. Students had a chance to observe production procedures of biodiesel at the Special R&D Centre for Alternative Energy from Palm Oil and Oil Crops at Prince of Songkla University in Hat Yai of Songkhla Province.



NOV
18-20
2016





New Aircraft
Airbus A320 neo
Saving More Fuel



Safety
Concerned



English on Air
Project



Supporting
"Friendly Design"
to Promote Convenient
Services for All

SPREADING HAPPINESS THROUGH CSR ACTIVITIES IN 2016



Environmental
Conservation with
GREEN24



"Taking to the Sky"
Flying Students to Learn
New Experience



Campaigning
"Friendly Design"



Youth Tennis
"AirAsia Fly to Dream"

Healthy
at Work



Human Resources
Development



Allstars
Futsal Match



CORPORATE SOCIAL RESPONSIBILITY

Thai AirAsia Co. Ltd., majority owned by Asia Aviation Plc., is a low fare airline that has for years stood by the Thai people. On top of offering “Truly Low Fares, Trusted Quality”, the airline also gives great importance to its Corporate Social Responsibility (CSR) and focuses on promoting sustainable tourism. In 2016, Thai AirAsia continued its social programs by having staff across all of its departments take part, allowing them to apply their own experiences to social development. Thai AirAsia’s social activities covered areas as follows:

CONSUMER RESPONSIBILITY (CUSTOMERS)

Thai AirAsia adheres to the motto “Truly Low Fares, Trusted Quality,” which means that on top of offering cost effective flights it also focuses on providing quality service that is responsive to consumer needs. The airline’s service is rooted in being on-time, mindfulness of safety and offering an expansive network of destinations.

As of the end of 2016, Thai AirAsia has a fleet of 51 aircraft all manufactured at the Airbus facility in Toulouse, France, ensuring their international standard. The year was the first to see the airline acquired Airbus A320 neo airplanes, which are able to cut fuel consumption by up to 15 percent per year per aircraft while also reducing cabin noise for a more comfortable flight.

In the aspect of safety, Thai AirAsia is continually enriching its entire staff, from pilots and cabin crew to ground operations, with aircraft maintenance knowledge while also performing regular emergency drills and maintaining a trustworthy safety inspection system to ensure conformity to the airline industry’s strict standards. The airline is open

to regular safety checks by both domestic and international agencies. Thai AirAsia’s service prioritises the consumer and seeks to present low cost services that adhere to a verifiable, international standard. The airline informs necessary cancellations to customers via a system that spans Email, SMS and telephone and makes sure that any customers who are not notified will be told about their flight’s cancellation at the check-in counter. In times of disasters or unexpected events, Thai AirAsia exercises standard passenger assistance practices by providing accommodations, food and alternative transport services to fulfill its duty to travelers.

Thai AirAsia also implements clear communications of its business, taking care to ensure its customers know all of its product prices no matter their channel of purchase so that they may choose their services to fit their desire. The pay per service system also allows more consumers to access air travel by removing the obstacle of prohibitive pricing while regular sales promotions extend the access even further.

ENVIRONMENTAL CARE

Thai AirAsia is a low-fares airline that cares about the environment and is always seeking to reduce its need for nonrenewable resources throughout its systems and services. On top of efficiently managing its capital, Thai AirAsia is also determined to be a crucial part of protecting Thailand's and the world's environment, believing it to be the responsibility of all organisations.

Thai AirAsia's environmental care starts at its fleet, which is populated by Airbus A320 aircraft, cutting edge aircraft that are energy efficient and environmentally friendly. Going further, the airline chose "Sharklet" wing tipped planes that use the latest technology to cut fuel consumption and is gradually upgrading its fleet with Airbus A320 neo (new engine option) aircraft, which with their new engine designs are able to use 15 percent less fuel per year. Thai AirAsia ended 2016 with 2 new Airbus A320 neo planes and is working to acquire even more, seeing them as a worthwhile investment for both its customers and the environment.

In its services, Thai AirAsia also is mindful of its resource consumption. The airline's checked baggage tags forego the usual length of 14-21 inches and are only 10 inches long to save on paper and ink requirements. The airline's boarding passes are printed on small, non-processed paper and Thai AirAsia was the first airline to introduced the electronic boarding pass, allowing passengers to present an image of their boarding pass from their mobile phone at the boarding gate as to do away with the need for a printout. Most recently, the airline introduced self baggage drop facility at Don Mueang Airport and Chiang Mai Airport to further cut resource needs.

For flights, it is Thai AirAsia's policy to promote pre-book meals and services so that it may better manage meal production and preparation of other wasteful services. Reduced weight from the improved management also results in more efficient fuel consumption on the airline's flights.



COMMUNITY AND SOCIAL DEVELOPMENT

Thai AirAsia believes in being a part of society and its communities, and as an organisation that is present across the country, has many opportunities to learn about what is needed to support and develop such communities. As such, the airline engages in a variety of programs and activities for sustainable social responsibility, divided into the following types:

1. COMMUNITY-BASED TOURISM PROMOTION

"English On Air"

Thai AirAsia responded to the Thai government's Civil-State program on community development by organising its own program for sustainable community enhancement.

Acknowledging both state policy and the trend toward community-based tourism among Thai and foreign tourists, Thai AirAsia organised "English on Air" project to develop the tourism capabilities of local communities. In its third annual incarnation in 2016, the program focused on two key efforts; disseminating knowledge on the English language by working with instructors from Chulalongkorn University and having AirAsia staff relay that knowledge to community residents; and development of community tourism standards by improving homestay programs through collaboration with social enterprise Local Alike, and academic institutions such as the International College for Sustainability Studies, Srinakharinwirot University and Rajaphat Chiang Rai University.

Communities selected by Thai AirAsia and its partners for improvement were chosen based on their tourism potential, factoring in their natural resources, leadership and local networks. The program was held in 2 areas in 2016, at Baan Lo Yo local village in Chiang Rai and Baan Phromlok in Nakhon Si Thammarat.

2. THAI HERITAGE PRESERVATION

"AirAsia Youth Cultural Ambassadors"

Thai AirAsia has joined with the Ministry of Culture to sponsor travel for all of the country's National Artists for four years in a row. The sponsorship is to allow the National Artists to continue their work preserving Thai history and culture. Similarly, the airline joined with Thairath Foundation to select students from Thairath Vithaya Schools with cultural skills for its "AirAsia Youth Cultural Ambassadors" program. Under the activity, the youth ambassadors traveled both domestically and internationally throughout 2016 to showcase their talents. The students took part in Thai Festival in Singapore held at the Royal Thai Embassy in Singapore from May 4-7, 2016, at Thai Festival in Ho Chi Minh City held at the Royal Thai Embassy in Vietnam from August 1-6, 2016 and at the launch of the Don Mueang-Vientiane event in Vientiane of Lao PDR on June 30, and July 1, 2016.



3. HUMAN RIGHTS AND EQUALITY ENHANCEMENT

“AirAsia Friendly Design”

Based on its belief that all people should have equal opportunity to travel, Thai AirAsia joined with Friendly Design Thailand, a group formed to promote equality in Thai society, to work toward facilitating travel for the elderly, young, disabled, pregnant and impaired, utilising the “Friendly Design” concept. The “AirAsia Friendly Design” program focuses on improving Thai AirAsia’s services to allow for travel by all groups while also generating awareness in both the public and private sectors on the need to make tourist sites accessible to all. In 2016, the program saw Thai AirAsia travelling to Chiang Mai, Lamphun and Nakhon Phanom, all strategic locations of Thailand’s tourism landscape.

4. TRAVEL SPONSORSHIP FOR REMOTE YOUTHS

“Taking to the Sky”

Giving importance to education, Thai AirAsia has contributed to ensuring that young students are able to travel and acquire new experiences and skills that will provide them a bright future. In 2016, the airline’s “Taking to the Sky” program included “Taking to the Sky: U-Tapao”, which saw 50 students from remote areas of Udon Thani and Nong Khai flown to the Royal Thai Marine Corps in Sattahip to board the HTMS Chakri Naruebet on January 9-10, and “Taking to the Sky In the Footsteps of the Father: With Alternative Energy,” a special charter Don Mueang-Hat Yai flight for Mathayom 4-5 students and teachers of Rajaprachanukroh Schools in Nan, Phitsanulok and Sakon Nakhon to visit biodiesel production centre at the Specialised R&D Centre for Alternative Energy from Palm Oil and Oil Crops at the Faculty of Engineering, Prince of Songkhla University from November 18-20.

5. GREEN24

With concern for Thailand’s environmental well-being, especially on the impact of tourism generated waste, Thai AirAsia worked with local government offices under the GREEN24 program, a project with the objective of promoting awareness of environmental preservation and to forge a network between the state, private sector and educational institutes to protect the environment of tourism sites. In 2016, two instances of GREEN24 were organised. GREEN24 in Rayong, taking place on January 29, 2016 on Mae Rumpueng Beach in Rayong, included a garbage collection activity held in cooperation with local offices and a combined 2,000 local residents. GREEN24 in Pattaya on May 7, 2016, took place at Pattaya Beach in Pattaya and saw members of Pattaya Municipal Authority and locals collecting waste both on the beach and off the coast of Koh Sak.

INNOVATIONS

Thai AirAsia is an airline of innovation, determined to continually improve its customer experience and enhance its operational efficiency with innovations such as:

- **Self Check-In** allows passengers to forego the standard check-in counter at the airport by checking in to their flight via the airline’s website, their mobile phone or at check-in kiosks, providing a faster and more convenient experience.
- **Self Baggage-Drop** allows passengers to print their own baggage tags straight from the check-in kiosk and to weight their baggage for entering into the airport’s security procedure. The service was kicked off in 2016 at Don Mueang Airport and Chiang Mai Airport and is slated to expand to more airports in the future.
- **Meal and Ancillary Service Pre-Booking** allows passengers to choose over 20 more menu items from meals available in-flight. Passengers can pre-book a meal right as they book their ticket and have a greater selection of meals from the usual few. Moreover, passengers can pre-book services such as added baggage allowance, seat selection and city transfer. New products and meals are constantly being added for pre-booking with items such as Solar Bananas from Phitsanulok and Cashew Nuts from Phuket not only adding more variety but also supporting local economies.
- **Island Transfer - City Transfer service** extends the airline’s transport service beyond destination airports by allowing passengers to purchase shuttle tickets to islands and cities while they are booking their flight tickets and then being able to board their shuttle straight from the airport.
- **Thai AirAsia’s Fly-Thru service** is for passengers connecting through Don Mueang Airport and allows them to forego purchasing separate tickets as well as to only have to check-in and have their baggage checked once across their entire journey. With Fly-Thru, passengers only have to select their origin and terminal destination with the connection through Don Mueang Airport automatically added. Only single check-in and baggage drop is needed, making the journey much more convenient.



RESPONSIBILITY TOWARD EMPLOYEES

RECRUITMENT POLICY

- Thai AirAsia continues to recruit more employees to support the growth and the expansion of the fleets to serve passengers and for the opening of new routes and the increase in frequencies of existing routes.
- The recruiting process is based on the equal opportunity and fair system of written examination and interviews by a panel of committees with experiences, knowledge, and skills in a transparent manner.
- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere. Mentoring system is promoted in order to create happiness for employees at work.

BENEFIT MANAGEMENT

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees. Benefits include:

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees' weddings
- Free air tickets (16 points per year)
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members, namely parents, spouses, and children
- Financial aid for child birth
- Employee uniforms
- Financial aid for medical treatment of four diseases including cancer, heart disease, stroke and chronic renal failure.

RENUMERATION AND SALARY MANAGEMENT

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

EMPLOYEE RELATION ACTIVITIES

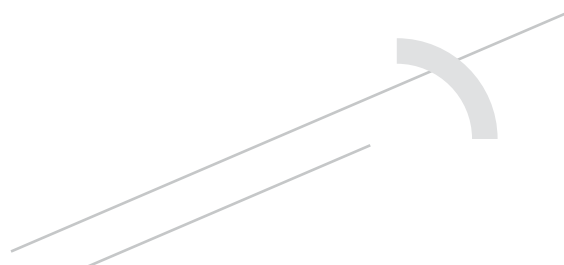
Thai AirAsia exposes its employees to comment on the activities and engage in creating various in-house activities of employees to promote good interpersonal relationships between employee and employee, employee and organisation, as well as employees and community, bringing forth the unity of the group and leading to happiness at work in the organisation as follows:

- **Social activities** - employees as volunteer to carry out activities, e.g. volunteer to help the flood-affected areas, receipt of donations; money and objects to help those employees' families who have been affected by flooding disaster both inside and outside the country, volunteering in the community such as teaching children, giving help to dogs' shelter etc.
- **Corporate anniversary** - the management and staff make merits on the anniversary by individual religious ritual, and having a luncheon for employees across the country.
- **Activities to promote employee health** - employees are grouped in the favor of their interest in physical exercise, sponsored by Thai AirAsia for various activities, including running for health, yoga practice, badminton, etc.
- **Allstars Regional Futsal Tournament 2016** - employees are eligible to commitment toward sports contest and cheering team contest to develop sportsmanship, learn leadership and followership, as well as forgiveness among fellow employees.
- **To show appreciation to the grace and generosity of His Majesty the late King Bhumibol Adulyadej**, AirAsia Allstars volunteered to collect garbage at Sanam Luang area from 8.00 - 9.30 PM from October 26 - 28, 2016

HUMAN RESOURCES DEVELOPMENT

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organisation. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their skills and developing their knowledge and expertise to create confidence in dealing with changes and challenges in business competition.

Thai AirAsia is providing trainings according to needs of each business unit as follows:



TRAININGS FOR ENGINEERS

- Maintenance Familiarisation
- AMOS Training
- Basic Digital Avionics
- Basic Gas Turbine
- Basic Airframe
- Basic Electronic

**TRAINING FOR FLIGHT ATTENDANCE**

- Duty Free / Handheld Device
- Thai Announcement
- Airline Business
- Civil Aviation Regulations
- Flight Attendant Procedure

TRAINING FOR GROUND STAFF

- Customer Service Excellence
- Central Baggage Tracking Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

TRAINING FOR PILOTS

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

TRAINING FOR RAMP

- Ramp Ground Handling
- Aircraft Pushback
- Initial Airside Safety and ERP Plan

COMPLIANCE TO RULES AND REGULATIONS AND BUSINESS ETHICS

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to business ethics and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has provided related training, for example, training on Code of Conduct, training on prevention of corruption, and anti-corruption and anti-bribery training, which are compulsory for all employees at all levels. All new recruits shall participate in the following trainings and take required examination during their probation periods otherwise they will not pass the probation:

- Code of Conduct Training for all employees to understand the principle and standard that all employees shall adhere in order to eliminate doubt in integrity of the employees and Thai AirAsia.
- Fraud Awareness Training for employees to learn to prevent and report any suspicious act of corruption for Thai AirAsia.
- Anti-Corruption and Anti-Bribery Training for employees to understand problems and effects of corruption and bribery, and to learn to prevent and report any suspicious act of corruption or bribery through the Company's channels.

OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT IN THE WORKPLACE

In 2016, Thai AirAsia has pursued on safety initiatives under the Safety Management System with the coordination with the Safety Department, Subcommittees on Pilots Safety, Subcommittees on Crews Safety, and Occupational Safety, Health and Environment in Workplace Committee for projects, and reported directly to the CEO, to focus the management for sustainable safety of the organisation.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example:

- Safety Always 2016 program which aims at creating the organisation-wide culture of safety.
- Behavior based safety activity that creates positive approach by safety officer together with heads of units to observe employees' behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable "safety culture". At the start of the program (January 2016), the percentage of safety behavior was 97.27, and at the end of the program (December 2016), the percentage of safety behavior was 100
- "Greeting, Praising, Warning" activity focuses on every staff and superior to applaud anyone who perform their work with safety and warn one another when insecure operations are found. In addition, superior and staff should jointly find solutions to attain their safe operations so as to promote the culture of safety work.
- Safety Icon activity which is the selection of employees with outstanding performance in terms of safety as an example for other employees

- Hazard reporter activity focuses on the participation of employees in reporting hazard or unsafe work environment, and improvement on the safety issues reported by employees, to proactively prevent accidents. In 2016, there was a total of 48 reports on hazards.
- Kiken Yoshi Training (KYT) to train each employee to analyse or predict hidden hazard in operation and to prevent the hazard correctly and appropriately
- Prepare and review the manual to deal with emergency in order to handle the Company's emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Prepare and review safety management manual in order to precede and manage the Company's safety accurately, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Preparing and revising emergency plan for each stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Full Emergency exercise with Don Mueang Airport (DMK - EMEX 16) as a preparation in handling the emergency for bomb threat and the communication and coordination plan between emergency responsive team of Thai AirAsia and related agencies at Don Mueang Airport.
- Training for the Special Assistance Team as a preparation in handling the emergency for passengers and their relatives including physical and mental assistance.
- Regular training for safety officer at the Management, operation, team leader level and Occupational Safety, Health and Environment in Workplace Committee.
- Crew Resource Management training for pilots and cabin crew annually.
- Safety Emergency Procedure training for pilots and cabin crew annually.
- Emergency Response Plan for pilots and cabin crew annually.
- Safety Management System for all employees.
- Fire extinguishing training for ground staff.
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation.
- Inspection of working environment, for example, noise inspection and light inspection to take pre-caution in working environment that may be health hazard for employees.

However, the aforesaid activities on occupational safety, health and environment in workplace proactively to prevent accidents and incidents resulted in the reduced ground accidents and incidences in 2016 to 0.45 per 1,000 outbound flights, decreased from 0.47 and 0.49 in 2015 and 2014 respectively.

HUMAN RIGHTS POLICY

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company's policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through Whistle Blower. For the year 2016 the Company had not received any complaint regard to violation of human rights.

TREATMENT FOR EMPLOYEES

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.
- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.
- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.
- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.
- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.



TREATMENT FOR OTHER STAKEHOLDERS

- The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

INTELLECTUAL PROPERTY RIGHT POLICY AND PRACTICE

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.

ANTI-CORRUPTION POLICY

Asia Aviation and Thai Air Asia operate businesses on the basis of transparency, fairness and integrity by identifying the organisation structure with clear segregation of responsibilities, working process, chain of command in each organisation so as to balance the appropriately intra-related power. Practical guidelines for directors, management, staff and related parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that may expose to certain fraud and corruption under good investigation and care. Details are as follows:

DEFINITION

"Corruption" means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices

OVERALL POLICY

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

ROLES AND RESPONSIBILITIES

1. Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.
2. Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company's financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.
3. Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.
4. Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee. In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.



OPERATING GUIDELINES

1. Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.
2. Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.
3. Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
4. The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.
5. Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all stakeholders who perform or operate any significant issues that may affect the Company or its subsidiaries in relevance to the Anti-Corruption policy.
6. Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:



FINANCIAL OR OTHER BENEFITS

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business counterparts, or any persons for working in the name of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business counterparts of Asia Aviation and Thai AirAsia except loans from banks or financial institutions as customers of said banks or financial institutions.

GIFT AND HOSPITALITY

- Directors, Management, and employees shall avoid accepting gift, in cash or in kind, from customers or business counterparts of Asia Aviation and Thai AirAsia except in the customary traditions and the value does not exceed THB 5,000. If the value of the gift exceeds THB 5,000, the employee shall declare the gift to his/her supervisor for further appropriate action.
- Directors, Management, and employees may accept business hospitality if it is beneficial for Asia Aviation and Thai AirAsia. However, hospitality shall be avoided if it is in the manner not appropriate for business relationship from persons relevant to Asia Aviation and Thai AirAsia or future business counterparts.

CASH OR OTHER REWARDS

- Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards in any forms to customers, business counterparts, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

CHARITABLE CONTRIBUTION OR SPONSORSHIP

- Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia. Examination and approval of transaction shall be done by authorised persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

RISK ASSESSMENT FOR CORRUPTION

The Company has set up a team consisting of Internal Audit Manager, Compliance and Accounting Manager to assess its exposure to fraud and corruption. Their responsibilities are to determine the procedures for risk management on fraud and corruption by jointly assess, analyse, monitor, control and update risk status on the overall fraud and corruption to remain at the acceptable level. The team will investigate the suspected cases that are vulnerable to fraud and prepare the annual report for presentation to the Audit Committee. Risk assessment tools are used to assess exposures to fraud and corruption by adjusting The Association of Certified Fraud Examiners' guidelines in evaluating the internal control environment and various kinds of frauds that may incur in the Company. In 2016, the team analysed and assessed business risks of various departments so as to identify their exposures to fraud and corruption e.g. manipulation; forge; change of record or document or financial report; misuse of business assets; misappropriation; conflict of interest; abuse of internal information; corruption in various forms; etc. Last year, exposures to fraud and corruption remain in the acceptable level. Information from the assessment will be used as guidelines to increase the Company's internal audit efficiency and effectiveness and to find preventive measures on fraud operations by setting the good internal control system.

DISSEMINATION OF ANTI-CORRUPTION POLICY

For every individual in the organisation to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions:

1. Communicate the Anti-Corruption policy through cooperate communication channel, namely the Company's website, Annual Registration Statement (56-1), and Annual Report (56-2).
2. Provide training on Anti-Corruption policy for new recruits.
3. Review Anti-Corruption policy annually.



INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors has put the comprehensive internal control system in place in order to ensure the Company and its subsidiary's compliance with the objectives, Article of Association and applicable rules and regulations, as well as the check and balance mechanism to effectively protect the capital and investment of shareholders and asset of the Company and its subsidiary. The Company has stipulated levels of authority and responsibilities of the Executives and employees and operating regulations in writing. The Internal Audit Department has its duty to audit the operation of all departments in the Company and its subsidiary to ensure compliance with the established rules and regulations. The Audit Committee oversees the management and operation of the Company in order to ensure an effective internal control and reliable financial reporting system. The Internal Audit Department reviews and evaluates the internal control system of the Company and its subsidiary and reports the audit result directly to the Audit Committee.

At the Board of Directors Meeting No. 1/2017 on February 23, 2017, the Audit Committee consisting of 3 independent directors attended the meeting. The Board of Directors evaluated the internal control system by asking Head of the Internal Audit Department and concluded that from the evaluation of various aspects of the Company's internal control system, i.e. 5 components; control environment; risk assessment; control activities; information and communication. The Company provided sufficient personnel to implement the system efficiently including the internal control system on the supervision of the subsidiaries' operations to prevent the misuse of Company's and its subsidiaries' assets from the Directors or the Management without authorisation. It also included the transactions with persons who might have conflicts of interest and related parties. For internal control in other topics, the Board of Directors agreed that there were sufficient internal control. In addition, no significant error on internal control system was found from the operations carried by the internal audit unit in 2016 in auditing various organisations in the Company, which may have any impact on the Company's and its subsidiaries' operations. The external auditor did not report any significant errors as well.

HEAD OF THE INTERNAL AUDIT

The Company assigned Miss Duangporn Tantiwivat as the Company's Head of Internal Audit on July 15, 2011 because she has gained experiences in accounting audit and internal audit operations for over 10 years and understands the Company's and its subsidiaries' activities and operations. As a result, it is appropriate for her to be able to sufficiently perform the functions.

However, the consideration and approval of appointing, removing and transferring Head of Internal Audit must be approved by the Audit Committee.

COMPLIANCE

The Company assigned Miss Nisres Distes as Compliance to oversee the compliance to regulations set by the authorities supervising the Company's business operations.

RISK MANAGEMENT

Asia Aviation is aware and realises the importance of risk management in order to achieve effectiveness and efficiency in the management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia therefore, risk management system has been established for Thai AirAsia which is its subsidiary, with details as follows:

Thai AirAsia's Board of Directors has approved the policy and guideline in risk management for each department to adopt in evaluating, analysing, ranking, and setting direction and strategy to manage risks, along with setting scopes and responsibilities of each relevant department with details of policy, process, risk management framework, as follows:

PRINCIPLE AND POLICY

1. Thai AirAsia is aware that risk is the main factor in business operation from setting the strategy and business plan, to daily business operation. The Company aims to manage risks to the acceptable level and uses resources in an effective and efficient manner.
2. Risk management is part of the organisation culture that is communicated and assigned to the Management and all employees to realise its importance, and to participate in all the process of risk management.
3. The Management and employees jointly identify, evaluate, and set up risk management semi-annually.
4. Risk Management Committee and Audit Committee evaluate the framework for risk management annually and prepare a report.
5. Each step of risk management shall be reported in writing.

FRAMEWORK FOR RISK MANAGEMENT

1. Roles and responsibilities of each unit on risk management include:
 - Board of Directors and Chief Executive Officer identify direction and strategy, and set up structure and overall environment for the Company to support risk management effectively. Board of Directors also evaluates risk assessment and risk management plan, and approves the operation according to plan.
 - Risk Management Committee specifies risk management policy to cover all risks in management, considers and approves risk management plan, establish working groups and evaluates, assesses, monitors, reports systematically, and recommends risk management process to each unit, and constantly monitors and reports the results to the Board of Directors.
 - Audit Committee examines the risk management to ensure that risks are managed and controlled effectively and at the acceptable level.
 - Internal Audit Department examines the internal control system in the area related to risks specified by the Management as significant, examines the overall risk management procedure, and prepares all the results for report to the Company's Board of Directors, Audit Committee, and other relevant unit.
 - Process owners identify, analyse, manage and evaluate risks in their own areas of responsibilities.
2. The aim is to summarise the principle and process adopted by Thai AirAsia in managing risks by jointly apply the policy and process for risk management to identify and manage risks that have the tendency to affect the efficiency and growth of Thai AirAsia.
3. Risk management process includes setting up objectives, goals, and strategies for risk identification, risk assessment, risk evaluation, risk management, and risk monitoring and reporting.

The operation has followed the framework for risk management under the international standards set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows:

1. Considering the characteristics of existing or future risks by identifying events or risk factors that may affect or contribute to the achievement of the organisation's and operational goals appropriately by considering risks from the internal operation, laws, society, politics, and external environment, and assigning all departments to identify and categorise risks systematically, and monitoring changes and reporting to the Management or relevant party regularly.
2. Evaluating risk by specifying criteria for evaluation at each level appropriately at the organisational and operational level, and qualitatively and quantitatively evaluating level of risk by considering both acceptable and unacceptable risks in two aspects, which are the impact of the risk taking place and the possibility of the risk for taking place by specifying the level of risk as high, medium or low.
3. Setting strategy to respond to risk at each level and overall risk by avoiding, reducing, averting, and accepting risk, to ensure that all alternatives are efficiently and worthily considered by managing the high risk first to reduce the possibility and impact of the risk.
4. Each department heads controls, evaluates, and monitors results of risk management to keep it to the acceptable and appropriate level, and regularly revises changes or increases of risks in a risk evaluation report to the Top Management.
5. Risk Management Committee follows up on the success of risk management by considering the plan of the Management who responsible for risk factors and the result of the credible evaluation from operation. In each meeting, Risk Management Committee assigns the responsible Management to report the result of risk management for the Audit Committee's acknowledgement.

RELATED PARTIES TRANSACTIONS

In the years ended 31 December 2016 and 2015, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows:

1. PASSENGER REVENUE RECEIVED ON BEHALF OF MEMBERS WITHIN AIRASIA GROUP

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	Passenger revenue received on behalf is only occurred when payment is made in foreign currency through the bank's payment gateway which includes internet purchase and counter sales.			<p>TAA shares ticket reservation and booking system within AirAsia group in order to provide customers with convenience in booking ticket across the AirAsia network on the website and counter and sales agents. Passenger revenue received on behalf is a result due to the limitation of bank's payment gateway in transferring passenger revenue to the owner of such revenue within AirAsia Group when payment is made in foreign currency.</p> <p><u>Pricing</u> : Reimbursed on actual receipts on behalf of</p> <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> : Passenger revenue received on behalf will be an ongoing transaction in the future as it is a normal course of business with general commercial term under the approval in principle by Board of Directors and Audit Committee. TAA has been discussing with the banks to resolve the limitation in the payment gateway's system in the future.</p>
2) PT Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	1.1 Revenue that AAB received on behalf of TAA Receivable from receipts on behalf – AAB	4,464,436,638 975,053,406	3,287,360,724 1,770,569,163	
		1.2 Revenue that IAA received on behalf of TAA Receivable from receipts on behalf – IAA	280,161,643 163,803,297	140,842,833 184,123,680	
3) AirAsia (India) Private Limited (AAI)	AAI is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in India.	1.3 Revenue that AAI received on behalf of TAA Receivable from receipts on behalf – AAI	22,979,810 79,915,042	204,266,032 54,621,092	
		1.4 Revenue that AAX received on behalf of TAA Receivable from receipts on behalf – AAX	437,159,113 1,163,861,281	726,029,652 710,181,439	
		1.5 Revenue that TAAX received on behalf of TAA Receivable from receipts on behalf – TAAX	110,865,283 37,321,054	9,146,025 9,146,025	

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
4) AirAsia X Berhad (AAX)	AAX has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX	1.6 Revenue that PAA received on behalf of TAA Receivable from receipts on behalf – PAA	25,088,024 1,793,373	7,802,037 8,142,366	
		1.7 Revenue that IAAX received on behalf of TAA Receivable from receipts on behalf – IAAX	9,490,513 6,260,922	776,010 778,867	
		1.8 Revenue that AAJ received on behalf of TAA Receivable from receipts on behalf – AAJ	2,706 2,751	- -	
5) Thai AirAsia X (TAAX)	TAAX has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun. Mr. Tassapon Bijleveld is the shareholder in TAAX which holds 41% Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX and AAX which holds 49% in TAAX.	1.9 Revenue that TAA received on behalf of AAB Payable from receipts on behalf – AAB	1,567,141,413 263,239,340	1,252,622,431 671,997,246	
		1.10 Revenue that TAA received on behalf of IAA Payable from receipts on behalf – IAA	325,789,037 205,470,973	273,906,167 198,454,318	
		1.11 Revenue that TAA received on behalf of AAX Payable from receipts on behalf – AAX	595,197,544 1,074,750,025	463,444,941 468,843,406	
		1.12 Revenue that TAA received on behalf of TAAX Payable from receipts on behalf – TAAX	1,314,965,723 97,219,343	1,022,277,161 311,508,819	
6) AirAsia Inc. (PAA)	PAA is an associate of AAB in which AAB holds indirect 40% equity interest and operates low cost airlines business in Philippines.	1.13 Revenue that TAA received on behalf of PAA Payable from receipts on behalf – PAA	42,241,513 13,178,430	19,990,991 19,909,276	
		1.14 Revenue that TAA received on behalf of AAI Payable from receipts on behalf – AAI	3,207,657 3,907,007	551,921 554,965	
7) PT Indonesia AirAsia X (IAAX)	IAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Indonesia.	1.15 Revenue that TAA received on behalf of IAAX Payable from receipts on behalf – IAAX	90,197,843 49,863,663	11,050,311 9,366,815	
		1.16 Revenue that TAA received on behalf of AAJ Payable from receipts on behalf – AAJ	1,000,000 1,000,000	- -	
8) Airasia Japan (AAJ)	AAJ is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Japan.				

2. ADVANCE PAYMENT ON BEHALF OF MEMBERS WITHIN AIRASIA GROUP

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	Advance payment on behalf within AirAsia group includes airport charges of airport terminal, ramp and apron areas, passenger service charges, air navigation charges, check-in counters, aerobridge, customs, immigrations and quarantine as well as marketing expenses, training expenses and ICT expenses.			To enhance operational efficiency and management on services which can be shared within AirAsia group, the advance payment will be made by the party who initiated the route and entered into contract with that particular airport, as well as for marketing and promotional expenses in relation to common routes, training and ICT expenses. The party who entered into contract with the third party will make advance payment on behalf of the group before making reimbursement based on actual expense.
2) PT Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.				
3) AirAsia X Berhad (AAX)	AAX has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX	2.1 TAA makes advance payment on behalf of AAB Receivable on advance payment – AAB	424,749,556	467,754,403	<p><u>Pricing</u> :</p> Reimbursement based on actual advance payment or in portion according to the agreed allocation. <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> :</p> Advance payment on behalf will be an ongoing transaction in the future as it is a normal course of business with normal commercial term under the approval in principle by Board of Directors and Audit Committee.
		2.2 TAA makes advance payment on behalf of IAA Receivable on advance payment – IAA	7,862,000	15,213,622	
		2.3 TAA makes advance payment on behalf of AAX Receivable on advance payment – AAX	9,496,595	26,029,914	
		2.4 TAA makes advance payment on behalf of TAA Receivable on advance payment – TAA	5,741,540	10,386,424	
		2.5 TAA makes advance payment on behalf of PAA Receivable on advance payment – PAA	18,909,862	12,102,608	
		2.6 TAA makes advance payment on behalf of AAI Receivable on advance payment – AAI	110,737,982	63,980,371	
4) Thai AirAsia X (TAAX)	TAAX has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun. Mr. Tassapon Bijleveld is the shareholder in TAAX which holds 41% Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX and AAX which holds 49% in TAAX.		4,437,172	51,701,243	
			506,632	4,262,995	
			278,724	4,335,942	
			93,732	84,613	
			141,572	85,071	

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
5) AirAsia Inc. (PAA)	PAA is an associate of AAB in which AAB holds indirect 40% equity interest and operates low cost airlines business in Philippines.	2.7 TAA makes advance payment on behalf of IAAX	181,686	48,393	
		Receivable on advance payment – IAAX	176,322	48,395	
6) AirAsia (India) Private Limited (AAI)	AAI is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in India.	2.8 TAA makes advance payment on behalf of AAJ	149,185	-	
		Receivable on advance payment – AAJ	150,295	-	
7) PT Indonesia AirAsia X (IAAX)	IAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Indonesia.	2.9 TAA makes advance payment on behalf of AAE	3,064,299	-	
		Receivable on advance payment – AAE	3,064,299	-	
8) Airasia Japan (AAJ)	AAJ is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Japan.	2.10 TAA makes advance payment on behalf of TIMB	-	8,520,107	
		Receivable on advance payment – TIMB	-	8,520,107	
9) AAE Travel Pte Ltd. (AAE)	AAE is an associate of AAB in which AAB holds indirect 25% equity interest and provided travel information, determining the availability of travel-related goods and services, making legitimate reservations or otherwise transacting business with travel suppliers	2.11 TAA makes advance payment on behalf of THT	-	-	
		Receivable on advance payment – THT	252,278	-	
10) Tune Insurance Malaysia Berhad (TIMB)	TIMB, THT, THSB, TTSB have two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun	2.12 TAA makes advance payment on behalf of THSB	-	-	
		Receivable on advance payment – THSB	1,392,848	-	
		2.13 TAA makes advance payment on behalf of TTSB	3,422,430	-	
		Receivable on advance payment – TTSB	242,550	-	
		2.14 AAB makes advance payment on behalf of TAA	968,091,901	477,282,630	
		Payable on advance payment - AAB	45,582,117	505,733,447	

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
11) Tune Hotels Regional Services (Thailand) Co.,Ltd (THT)		2.15 IAA makes advance payment on behalf of TAA Payable on advance payment - IAA	25,324,517	29,324,991	
			25,140,314	37,662,103	
12) Tune Hotels Regional Services Sdn Bhd (THSB)		2.16 AAI makes advance payment on behalf of TAA Payable on advance payment - AAI	13,655,603	2,464,274	
			17,796,623	3,857,667	
13) Tune Talk Sdn Bhd (TTSB)		2.17 AAX makes advance payment on behalf of TAA Payable on advance payment - AAX	57,745,112	7,153,151	
			45,317,036	6,443,711	
		2.18 TAAX makes advance payment on behalf of TAA Payable on advance payment - TAAX	21,714	-	
			-	-	
		2.19 PAA makes advance payment on behalf of TAA Payable on advance payment - PAA	103,686	-	
			90,666	-	
		2.20 AAE makes advance payment on behalf of TAA Payable on advance payment - AAE	10,118,904	-	
			10,118,904	-	

3. INTEREST INCOME AND INTEREST EXPENSES WITHIN AIRASIA GROUP

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
(1) PT Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	Interest income and interest expense within AirAsia group is calculated upon the late payment of the net outstanding receivables/payables for more than 30 days from invoice date.			TAA and companies within AirAsia group have charged interest within the group on the late payment of the net outstanding receivables/payables over the due date, which is 30 days from invoice date.
(2) AirAsia (India) Private Limited (AAI)	AAI is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in India.	<p>3.1 Interest income: TAA receives interest income from related parties on the delay of payment.</p> <p>3.1.1 Interest income – IAA Outstanding net receivable – IAA Interest income receivable – IAA</p>	63,890 - -	2,428,781 - 12,120,810	<p><u>Interest rate :</u> Interest rate within AirAsia group is applied, equivalent to AAB's financial cost at 6% per annum in 2016 and 2015.</p>
(3) AirAsia X Berhad (AAX)	AAX has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX	<p>3.1.2 Interest income – AAI Outstanding net receivable – AAI Interest income receivable – AAI</p> <p>3.1.3 Interest income – AAX Outstanding net receivable – AAX Interest income receivable – AAX</p>	1,116,643 - 2,686,674 12,055,944 - 22,450,800	1,520,462 - 1,506,600 10,493,465 - 10,397,804	<p><u>Transaction in the future :</u> Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

4. AIRCRAFT LEASE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia (Mauritius) Ltd. (AAM)	AAM is a subsidiary of AAB in which AAB hold 100% equity interest.	TAA leases its aircraft (operating lease) from AAM of 31 aircraft and 30 aircraft (as of 31 December 2016 and 2015)			TAA has leased its aircraft from AAM for business operation. AirAsia group has a pooling purchase for higher bargaining power with manufacture.
		Aircraft lease	4,464,646,976	4,147,355,311	<u>Lease rate</u> : Lease rate is quoted in US Dollar term for a monthly payment with contract period of 12 years and comparable to industry average rate.
		Aircraft lease payable - AAM	-	-	
		Other non-current asset – aircraft lease deposit	741,346,452	748,209,343	<u>Payment term</u> : within 30 days
		Aircraft lease deposit payable - AAM	-	-	<u>Transaction in the future</u> : Aircraft lease will be an ongoing transaction until the expiration of lease agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee. In addition, TAA will continue the pooling purchase order together with AirAsia group.

5. AIRCRAFT MAINTENANCE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia (Mauritius) Ltd. (AAM)	AAM is a subsidiary of AAB in which AAB hold 100% equity interest.	TAA pays aircraft repair and maintenance cost to AAM, the lessor, for the D check or major overhaul as specified under the aircraft lease agreement.			The operating lease agreement between TAA and AAM required for TAA to have repair and maintenance on leased aircraft as well as has set conditions before delivery, in which the leased aircraft must be fully repaired upon the contract expiration as this a normal terms under aircraft lease agreement.
		Aircraft maintenance	2,075,044,788	1,527,210,017	<u>Maintenance rate</u> : Maintenance rate is quoted per flight hour / cycle in US Dollar term for a monthly payment and comparable to industry average rate
		Aircraft maintenance payable - AAM	157,511,059	438,655,270	<u>Payment term</u> : within 30 days
					<u>Transaction in the future</u> : Aircraft maintenance will be an ongoing transaction until the expiration of lease agreement and maintenance agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

6. BOOKING FEE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA pays online air ticket booking system fee (booking fee) to AAB. Booking fee Booking fee payable - AAB	161,996,712 43,580,513	133,141,805 61,126,350	<p>TAA shares the same booking system with others in AirAsia group. AAB has entered into a contract, on behalf of the group, with Navitaire, an independent air ticket sales and management system provider, and will charge the booking fee from TAA based on the actual usage at the rate charged by Navitaire.</p> <p><u>Booking fee rate :</u> Booking fee is charged at a fixed rate per passenger on a monthly basis; the rate shall not exceed the amount specified in the contract.</p> <p><u>Payment term :</u> within 30 days</p> <p><u>Transaction in the future :</u> Booking fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

7. PURCHASE OF MERCHANDISE AND EQUIPMENT

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA purchases merchandise and equipment from AAB and IAA such as aircraft spare parts and certain inflight merchandise for selling on board.			<p>TAA purchases merchandise and equipment from AAB and IAA such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralised the product sourcing, AAB will accumulate all demand from AirAsia Group before making a pooling purchase for higher bargaining power with suppliers.</p>
2) PT Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	Purchase of merchandise and equipment Purchase payable - AAB Purchase payable - IAA	94,646,211 8,009,669 49,496	244,699,899 63,542,936 -	<p><u>Pricing :</u> Comparable pricing with the one AAB made with outsiders</p> <p><u>Payment term :</u> within 30 days</p> <p><u>Transaction in the future :</u> Purchase from the group will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

8. ADMINISTRATIVE FEE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA pays administrative fee to AAB Administrative fee Administrative fee payable - AAB	17,012,300 4,320,300	16,595,132 7,225,188	<p>TAA pays administrative fee to AAB in return of its assistance on business operations in term of airline technical expertise including administration, crew sourcing, consulting and other assistance in regards to airline business.</p> <p><u>Pricing</u> : Fix rate of USD 40,000 per month as agreed in the administrative agreement</p> <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> : Administrative fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

9. ACCOUNTING STAFF COST ALLOCATION

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) PT Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	TAA provides accounting services for IAA Staff cost allocation – IAA Staff cost allocation payable - IAA	- -	- 15,780,057	<p>TAA provides accounting services for companies within AirAsia group by using TAA personnel, in which, TAA will charge back on services provided based on number of aircraft operated.</p> <p><u>Pricing</u> : Actual accounting staff cost will be charged back based on number of aircraft of each member within the group plus margin as specified in the service agreement.</p> <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> : These transactions have been terminate on 30 September 2013</p>

10. (GAIN) OR LOSS FROM FUEL SWAP AGREEMENT ALLOCATION

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA has the share of loss (gain) from fuel price swap agreements done through AAB as specified in the fuel swap agreement. Share of loss (gain) from fuel price swap agreements - AAB Payable on share of (gain) loss from fuel price swap agreements – AAB Other non-current assets – deposits on fuel price swap	312,271,224 (60,449,953) 17,829,400	1,298,054,586 748,646,841 17,961,650	<p>In protecting the risks on fluctuation of fuel price, TAA has entered into the fuel price swap agreement through AAB for better bargaining power. The decision making is dependent on TAA's judgment.</p> <p><u>(Gain) or loss allocation :</u> (Gain) loss from fuel price swap agreement will be allocated on a monthly basis by the estimated amount of fuel used by each company.</p> <p><u>Payment term :</u> within 30 days</p> <p><u>Transaction in the future :</u> (Gain) loss from fuel swap agreement allocation will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

11. PILOT TRAINING COST

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) Asian Aviation Centre of Excellence Sdn Bhd (AACOE)	AACOE is a joint venture of AAB in which AAB hold 50% equity interest.	TAA pays pilot training cost to AACOE Pilot training cost Pilot training cost payable - AACOE	140,718,558 5,844,496	119,707,049 7,396,530	<p>TAA receives service of pilot training and facilities from AACOE, which is the Malaysian, based joint venture between AAB and CAE, a reputable pilot training centre in Canada.</p> <p><u>Pricing :</u> At agreement price of different types of the training</p> <p><u>Payment term :</u> within 30 days</p> <p><u>Transaction in the future :</u> Pilot training cost will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

12. BRAND LICENSE FEE TO AIRASIA BERHAD

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA paid Brand license fee to AirAsia Berhad. Brand license fee Payable on brand license fee - AAB	329,957,862 77,736,346	307,867,500 230,543,203	<p>From January 2013, TAA will pay AAB for using the brand " AirAsia".</p> <p><u>Pricing</u> : 1% of total revenue. The rate is comparable to the rate that AAB charge to other joint venture within AirAsia Group.</p> <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> : Brand license fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

13. REVENUE FROM ADMINISTRATIVE FEE FROM INSURANCE PREMIUM

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) Tune Insurance Malaysia Berhad (TIMB)	TIMB has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun	TAA receive administrative fee from Insurance Premium which is received from passenger in Airasia Insure project			<p>TAA receive administrative fee from Insurance Premium which is received from passenger in Airasia Insure project</p> <p><u>Pricing</u> : Insurance Premium paid to TIMB, Permpoonsub and GFB are based on actual receipts. Administrative fee as agreed in the administrative agreement can comparable to market price.</p> <p><u>Payment term</u> : within 30 days</p>
2) Permpoonsub Broker Co.,Ltd. (Permpoonsub)	Permpoonsub has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in Permpoonsub through Tune Inc Holding Berhad which holds 49% equity interest in Permpoonsub	<p>13.1 Revenue from administrative from insurance premium - TIMB Insurance Premium Administrative fee Payable on license fee</p> <p>13.2 Revenue from administrative from insurance premium – Permpoonsub Insurance Premium Administrative fee Payable on license fee</p>	<p>15,363,917 3,840,980 1,833,297</p> <p>157,313,730 29,360,381 13,466,117</p>	<p>10,053,723 2,513,431 -</p> <p>219,100,510 41,929,807 20,672,202</p>	<p><u>Transaction in the future</u> : Administrative fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
(3) Great Fortune Broker Co., Ltd. (GFB)	GFB has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders through Tune Inc Holding Berhad which holds 49% equity interest in GFB	13.3 Revenue from administrative from insurance premium – GFB Insurance Premium Administrative fee Payable on license fee	41,832,516 6,978,401 51,472,225	- - -	

14. MANAGEMENT FEE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) Asia Aviation Public Company Limited (AAV)	AAV is majority shareholder of TAA which holds 55% equity interest in TAA	TAA paid management fee to AAV Management fee Payable on management fee – AAV	25,000,000 6,687,500	25,000,000 -	<p>TAA paid management fee to AAV for consultant and management policy which are related to operating company.</p> <p><u>Pricing</u> : Management fee at 6,250,000 Baht per quarter as agreed in the administrative agreement</p> <p><u>Payment term</u> : within 30 days</p> <p><u>Transaction in the future</u> : Management fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

15. ACCOUNTING, PEOPLE, ICT SERVICE FEE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) AirAsia Global Shared Services Sdn Bhd. (AGSS)	AGSS is a subsidiary of AAB in which AAB hold 100% equity interest.	AGSS provide service for people, accounting, and ICT services for Airasia group			AGSS provide service for people, accounting, and ICT services which AAB provide ICT services since June 2016 for Airasia group. AGSS and AAB will calculate services fee by staff head count
2) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	AAB provide service for ICT services for Airasia group since June 2016			<u>Pricing</u> : Invoices will be issued to Airasia group by calculating from staff head count as agreed in the administrative agreement plus margin as specified in the service agreement.
		15.1 Accounting, People, ICT service fee - AGSS	29,856,205	37,644,887	<u>Payment term</u> : within 30 days
		Payable on Accounting, People, ICT service fee- AGSS	13,625,403	12,428,723	<u>Transaction in the future</u> :
		15.2 ICT service fee - AAB	6,843,520		- Accounting, People, ICT service fee will be an ongoing transaction as it
		ICT service fee- AAB	4,136,261		- is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

16. LOYALTY PROGRAM SERVICE FEE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) Think Big Digital Sdn Bhd. (TBD)	TBD is a joint venture of AAB in which AAB hold 50% equity interest.	TBD arrange Big Loyalty program for return benefit to customer in Airasia group, by issuing big point .Customer can redeem point for flight ticket and other service in Airasia group.			TBD arrange Big Loyalty program for return benefit to customer in Airasia group, by issuing big point .Customer can redeem point for flight ticket and other service in Airasia group.
		Loyalty program service fee	38,406,855	10,758,306	<u>Pricing</u> : Loyalty program service fee as agreed in the administrative agreement
		Payable on Loyalty program service fee – TBD	25,708,201	10,758,306	<u>Payment term</u> : within 30 days
		Passenger Revenue	16,974,319	8,759,578	<u>Transaction in the future</u> :
		Receivable on Passenger Revenue	13,909,523	8,759,578	Loyalty program service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

17. COMMISSION FROM SALES OF DUTY FREE GOODS

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) King Power Marketing and Management Company Limited (KPM)	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA	TAA receive commission fee on monthly basis from selling of duty free goods on international flights of the TAA. Commission from sales of duty free goods Receivable on commission - KPM	4,535,865 1,761,835		TAA entitles the KPM to manage the sale of duty free goods on international flights of the TTA undertaken by crews of the TAA which providing service to passengers in any flights of the TAA. The KPM shall pay commission fee to the TAA on monthly basis - Pricing : Commission from sales of duty free goods as agreed in the administrative agreement Payment term : within 30 days Transaction in the future : Commission from sales of duty free goods will be an ongoing transaction as it is a supporting normal course of business with general commercial term.

18. SPONSORSHIP FEE PAID TO LEICESTER CITY FOOTBALL CLUB

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) King Power International Company limited (KPI)	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA	TAA provide the sponsorship to Leicester City International Academy. Sponsorship fee paid to Leicester City Football Club Sponsorship fee payable	31,788,130 -		TAA provide the sponsorship to Leicester City Football Club and Leicester City International Academy for seeking Thailand's youth football player to join the skill developing program at Leicester City football club at England - Pricing : Sponsor fee as agreed in the administrative agreement Payment term : within 30 days Transaction in the future : Sponsorship fee paid to Leicester City Football Club will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

19. PURCHASE OF MERCHANDISE

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
1) Tune Talk (Thailand) Limited	Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun are directors in TAA which are the indirect shareholders in Tune Talk (Thailand) through Tune Talk International sdn. Bhd. (Malaysia) which holds 48% equity interest in Tune Talk (Thailand) Limited.	TAA purchases merchandise such as sim card for selling on board. Purchase of merchandise Purchase payable – Tune Talk	6,355,800 706,200		TAA purchases merchandise such as sim card for selling on board from Tune Talk (Thailand) Limited - <u>Pricing</u> : - Purchases merchandise price as agreed in the administrative agreement <u>Payment term</u> : within 30 days <u>Transaction in the future</u> : Purchase of merchandise from this company will be an ongoing transaction as it is a supporting normal course of business with general commercial term.

20. PASSENGER SERVICE REVENUES

PERSON WHO MAY HAVE CONFLICTS OF INTEREST	RELATIONSHIP	NATURE OF THE TRANSACTION	TRANSACTION VALUE (BAHT)		RATIONALES
			2016	2015	
King Power Group which is ticker reservation member with TAA as below 1) King Power International Co., Ltd. 2) King Power Duty Free Co., Ltd. 3) King Power Tax Free Co., Ltd. 4) King Power Suvarnabhumi Co., Ltd. 5) King Power Development Co., Ltd.	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA	TAA provide corporate member to King Power Group for purchase ticket Passenger Service Revenues Receivable – King Power Group	542,641 88,058		TAA provide corporate member to King Power Group for purchase ticket <u>Pricing</u> : - Loyalty program service fee as agreed in the administrative agreement - <u>Payment term</u> : within 30 days <u>Transaction in the future</u> : Passenger Service Revenues will be an ongoing transaction as it is a normal course of business with general commercial term.

THE AUDIT COMMITTEE OPINION ON THE RELATED PARTIES' TRANSACTIONS

The related parties' transactions have been considered and opined by the audit committee of Asia Aviation and Thai AirAsia as reasonable and essential for the operations of both companies, having general commercial terms under the normal course of business, undertaken for the best interests of the companies.

APPROVAL PROCEDURE FOR RELATED PARTIES' TRANSACTIONS

In the case of entering into the related parties transactions, Asia Aviation and Thai AirAsia will follow the guidance in accordance with the Securities and Exchange Act as well as the notifications, rules and regulations of the Securities Exchange Commission (SEC) and will consider on the basis of necessity and reasonableness of the transaction with the fair price and business terms at the company's best interests before proposing to the Board of Directors and/or Shareholders' Meeting, whichever case may be. Person with conflict of interest shall not be eligible to approve on such transaction. In the case that the audit committee of the Company and/or of Thai AirAsia lacks the expertise in considering the upcoming related parties transactions, the Company and Thai AirAsia will appoint independent experts or auditors for opinion on such transactions.

POLICY ON ENTERING INTO THE RELATED PARTIES' TRANSACTIONS IN THE FUTURE

Asia Aviation and Thai AirAsia will enter into transactions with related parties in the future with considerations on the reasonableness, the appropriate pricing policy and fair business terms as well as with proper approval process according to relevant rules and regulations at the best interest of the company.



AUDIT COMMITTEE REPORT FOR 2016

DEAR SHAREHOLDERS OF ASIA AVIATION PUBLIC COMPANY LIMITED,

The Audit Committee comprises of three qualified independent directors, namely Mr. Arak Chonlatanon as Chairman of the Audit Committee, Mr. Nuttawut Phowborom and Mr. Kasemsit Pathomsak as member of Audit Committee. However, Mr. Kasemsit Pathomsak was appointed to replace Mr. Distorn Vajarodaya who resigned with effective date on November 9, 2016. The Head of the Internal Audit Department also acts as the Committee Secretary.

All directors on the Audit Committee are fully qualified as required by the Stock Exchange of Thailand and have performed their duties responsibly and completely as stipulated in the Audit Committee Charter approved by the Company's Board of Directors, as well as in accordance to the Notice of the Stock Exchange of Thailand.

For the accounting period ending December 31, 2016, the Audit Committee called 5 meetings and 3 meetings attended by all members of the Audit Committee. After that, the Audit Committee reported results from the Audit Committee Meeting to the Board of Directors Meeting.

For the accounting period ending December 31, 2016 the Audit Committee completely perform their duty as specified in the committee charter. The details can be summarised as follows:

1. Reviewed the quarterly and annual financial statements for 2016 with the Company's Executives and the auditors with constructive comments and recommendations to ensure that the financial information is accurate, complete, reliable and in compliance with the generally accepted practices, and also being appropriately and sufficiently disclosed.
2. Reviewed the efficiency and effectiveness of the internal control system, the risk management, and the internal audit system, together with the Internal Audit Department, the Company's Executives, and auditors.
3. Reviewed the Audit Committee Charter and the Internal Audit Charter in order to ensure the past practice has been done completely according to their responsibilities and assignment and also to make the said charters up-to-date and appropriate to the corporate environment.
4. Reviewed the results of the internal audit for each quarter in 2016 and ensured the modification and improvement as recommended in the audit reports for effective and efficient operation.
5. Approved the plan, budget and headcount of internal audit for year 2016 and considered the result of internal audit report which Internal Audit Department reported directly to Audit Committee including evaluated the performance of the Head of Internal Audit Department.



6. Reviewed and commented on connected transactions or transactions which might give rise to conflict of interest and the disclosure of the said information as regulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.
7. Considered the appointment and remuneration of auditors by taking the business expertise and experiences, the appropriateness of the fees and the independence of the auditors into consideration. Consequently, for the fiscal year ending on December 31, 2016, the Audit Committee selected and proposed Mr. Chanchai Chaiprasith, the certified public accountant with registration number 3760; Mr. Khajornkiat Arunpairojanagul, the certified public accountant with registration number 3445; and Mr. Paiboon Tangoon, the certified public accountant with registration number 4298 as the Company's and its subsidiaries' external auditors. Over the past accounting period, the external auditors performed their work with good knowledge, professional capabilities and provided recommendations on internal control system as well as risk exposures. They are independent in doing their jobs with the appropriate remuneration rates.
8. Reviewed the Company's compliance with the regulations and legal framework of the Stock Exchange of Thailand and the Securities and Exchange Commission and other applicable laws, and the principles of good corporate governance, in cooperation with the Company's Executives and the Internal Audit Department.

From the above-mentioned operations, the Audit Committee believe that in 2016 the Company prepared its financial statements accurately in compliance with the generally accepted accounting standards with information accurately, sufficiently and reliably disclosed; appropriate and efficient internal audit and risk management. The Company complied with the relevant laws and regulations with the transparent supervision on related transactions without causing any conflicts of interest and having optimal benefits to the Company and its shareholders. The Company's operations were sufficiently, transparently and reliably in compliance with the principle of good corporate governance.



MR. ARAK CHONLATANON

Chairman of the Audit Committee

REPORT OF DIRECTORS RELATING TO RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparently disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been examined by an external auditor, PricewaterhouseCoopers ABAS Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements for the year ended December 31, 2016. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



MR. ARAK CHONLATANON

Chairman of the Board



MR. TASSAPON BIJLEVELD

Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

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 to 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. In 2016, Thai AirAsia launched 12 new domestic and international routes including Bangkok (Don Mueang) - Luang Prabang (Laos), Bangkok - Vientiane (Laos), Bangkok - Kochi (India), Bangkok - Kolkata (India) and Bangkok - Shantou (China), Phuket - Wuhan (China),

Phuket - Siem Reap (Cambodia), Chiang Mai - Khon Kaen, Chiang Mai - Changsha (China), Hat Yai - Khon Kaen, Hat Yai - Chiang Rai and Hat Yai - Kuala Lumpur (Malaysia). Additionally, Thai AirAsia also increased frequencies in dominant destinations in the domestic and Indochina region, comprised of Bangkok - Udon Thani, Bangkok - Surat Thani, Bangkok - Phuket, Bangkok - Hanoi (Vietnam), Hat Yai - Chiang Mai and Hat Yai - Pattaya (U-Tapao). Thai AirAsia also operated Hat Yai - Johor Bahru (Malaysia) route, however, this route has been cancelled during the year. In 2016, Thai AirAsia took 6 additional aircraft ending the year with a fleet 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 YEAR ENDED 31 DECEMBER 2015 AND 2016 HAS BEEN SUMMARISED BELOW:

STATEMENT OF COMPREHENSIVE INCOME

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 3,726.9 million, increased by Baht 1,160.5 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

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

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 YEAR ENDED 31 DECEMBER 2015 AND 2016 HAS BEEN SUMMARISED BELOW:

STATEMENT OF COMPREHENSIVE INCOME

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 benefited 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 to 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.

STATEMENT OF FINANCIAL POSITION

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

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

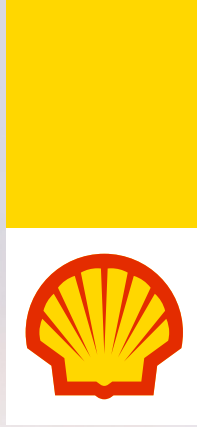
in order to finance for new aircraft or for business expansion. The increasing interest rate is likely to affect the borrowing costs of the company. Thus, the company has set a measure to alleviate interest rate risk by fixing interest rate during the negotiation for financial lease contracts and by 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.





Shell Aviation

Your reputation

Our reliability

A proud partner of AirAsia





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กรุงศรี

เครือ MUFG หนึ่งใน
สถาบันการเงินที่ใหญ่ที่สุดในโลก



ธนาคารกรุงศรีอยุธยา หนึ่งในธนาคารที่มีความน่าเชื่อถือสูงสุดในประเทศไทย

จัดอันดับโดยสถาบันจัดอันดับความน่าเชื่อถือชั้นนำระดับโลก

ธนาคารกรุงศรีอยุธยา ซึ่งเป็นบริษัทในเครือ MUFG หนึ่งในกลุ่มสถาบันการเงินชั้นนำของโลก ได้รับการจัดอันดับความน่าเชื่อถือ จากสถาบันจัดอันดับความน่าเชื่อถือชั้นนำ ได้แก่ มูดีส์ อีแวนส์เตอร์ เซอร์วิส (Baa1) สแตนดาร์ด แอนด์ พาวส์ (BBB+) และพีทช์ เรทติ้งส์ (A-), (AAA(tha)) กรุงศรีจึงก้าวสู่การเป็นธนาคารชั้นนำอย่างแข็งแกร่ง พร้อมเพิ่มศักยภาพให้กลุ่มลูกค้าธุรกิจขนาดใหญ่ กลุ่มลูกค้าธุรกิจ SME และผู้ลงทุน ด้วยความมั่นคงทางการเงินที่คุณมั่นใจได้



มีตซึบิชิ ยูเอฟเจ ไฟแนนเชียล กรุ๊ป (MUFG) เป็นกลุ่มสถาบันการเงินที่ใหญ่ที่สุดในโลก และเป็นหนึ่งในกลุ่มสถาบันการเงินชั้นนำของโลก ที่นำเสนอบริการทางการเงินที่หลากหลายและครอบคลุม



krungsri
กรุงศรี

กรุงศรี (ธนาคารกรุงศรีอยุธยา จำกัด (มหาชน) และบริษัทในเครือซึ่งรวมถึง บริษัท อยุธยา ดีเวลลอปเม้นท์ ลีสซิ่ง จำกัด) มุ่งมั่นดำเนินตามพันธสัญญาในการดำเนินธุรกิจด้วยความซื่อสัตย์สุจริตอย่างสูงสุด ตลอดระยะเวลา 72 ปีของการก่อตั้ง



FINANCIAL STATEMENTS



31 DECEMBER 2016

ASIA AVIATION PUBLIC COMPANY LIMITED



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF ASIA AVIATION PUBLIC COMPANY LIMITED

My opinion

In my opinion, the consolidated financial statements of Asia Aviation Public Company Limited (the Company) and its subsidiary (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

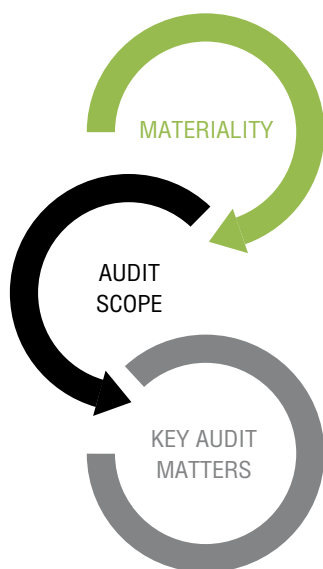
What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit approach - overview



Materiality

Overall group materiality: Baht 160 million which represents 5% of Group's profit before tax.

The overall materiality is determined from profit before tax in Thai Baht which is the Group's functional currency as described in the accounting policy in note 2.3 (a).

Audit scope

I conduct with audit work of the Group which engages the operation of a low-fare airline business.

Key audit matters

I identified the following key audit matters:

- Revenue recognition from passenger flight ticket sales
- Consideration for a share-based payment

Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on my professional judgement, I determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	Baht 160 million
---------------------------	------------------

How I determined it	5% of profit before tax
---------------------	-------------------------

Rational for the materiality benchmark applied	I chose profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Group is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.
--	--

I agreed with the audit committee that I would report to them misstatements identified during my audit.

How I tailored my audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>REVENUE RECOGNITION FROM PASSENGER FLIGHT TICKET SALES</p> <p>The total revenue from flight ticket sales for the year ended 31 December 2016 was Baht 24,993 million. The detail was presented in the section of Note 24: Revenues from sales and services. The amount paid in advance by customers for future scheduled flights is presented as deferred revenue in the statement of financial position, and is recognised as revenue in the statement of income when passengers actually board with their advanced booking tickets.</p> <p>Flight ticket revenue and deferred revenue is a key audit matter as it's a substantial part of the financial statements, involves a significant volume of advanced booking tickets, and is collected in advance via Thai Baht and foreign currencies.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> • tested the information technology general controls and the related application controls of the systems configured to recognise revenue from the ticket sales • evaluated the design and operating effectiveness of the systems, processes and key controls for advanced booking tickets, and configured to recognise revenue once passengers fly using their advanced booking tickets • validated the key control over reconciling the booking and payment information between the flight ticket booking system and external reports from financial institutions • tested that flight data during the year is accurate and complete in the revenue report together with the flight schedule plan • performed a sample selection of scheduled flights in the revenue report and traced them to external reports from Airport Authorities to ensure that revenue has been gained • tested the recording of adjustment transactions with the underlying document related to revenue and deferred revenue • tested the recording of the translation of foreign currency transactions <p>From these procedures, I found that the revenue recognition and deferred revenue from passenger flight ticket sales was appropriate.</p>

KEY AUDIT MATTER

HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER

CONSIDERATION FOR A SHARE-BASED PAYMENT

In June 2016, the major shareholders of the Company sold 1,891,588,286 of their shares (or 39% interest) in the Company to new shareholders. The shares were sold at a lower price compared to the latest sales and purchase price (closing price) of the grant date as shown by the Stock Exchange of

Thailand. This would indicate that the agreed sales and purchase price reflects the fair value of the big lot sales and purchase transaction at the grant date. If the agreed sales and purchase price didn't reflect the fair value of shares, the Company has to recognise the difference from sales and purchase big lot shares to expenses in the statement of income under TFRS 2 "Share-base payment".

The sales and purchase share price for big lot sales passed the Company valuation process in order to calculate the range of appropriate sales and purchase prices, and in line with fair value on that grant date. The seller and buyer hired an independent financial advisor with the competence and expertise to evaluate the discounted cash flow and use key assumptions such as the growth of the airline business, discount rates, and the estimates of passenger numbers, fares and fuel costs.

I focused on this area as it involved a significant judgement when considering whether this big lot sales reflected the fair value.

My audit comprised of the following procedures:

- assessed the qualifications and competence of the appraisal firm hiring the seller and buyer of the share big lot sales
- evaluated the reasonableness of the appraisal's valuation methodologies (such as its discounted cash flow) and challenged the key assumptions supporting the valuation such as the growth of the airline business, the discount rate valuations using the weighted average cost of capital method, and the estimates of passenger numbers, fares and fuel costs
- challenged the management related to the reasonableness of key assumptions used for the valuation
- engaged of the auditor's expert to test the price valuation methodologies for the appraisal, including challenging the appraisal to see if the key assumptions are reasonable

From these procedures, I found that the valuation methodologies used and the key assumptions were reasonable, and that the sales and purchase price of share big lot sales reflected the fair value at the grant date.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibility for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control if I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

Bangkok

23 February 2017

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	4,661,352,232	6,122,814,644	112,126,184	51,437,734
Cash at financial institutions pledged as security		1,636,470	358,741,649	-	-
Short-term investments	8	2,069,763,643	1,109,230,126	-	-
Trade and other receivables, net	9	446,003,586	439,190,726	870,000	-
Amounts due from related parties	27.4	804,788,351	326,208,917	6,687,500	-
Inventories		118,176,358	94,033,284	-	-
Prepaid expenses		323,080,945	315,699,793	918,386	928,847
Other current assets		334,814,912	63,283,980	2,105,499	1,563,891
Total current assets		8,759,616,497	8,829,203,119	122,707,569	53,930,472
Non-current assets					
Cash at financial institutions pledged as security		-	6,441,435	-	-
Long-term investments	10	11,848,500	13,291,300	-	-
Investment in a subsidiary	11	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	27.5	2,665,543,653	1,066,380,311	-	-
Aircraft, leasehold improvements and equipment, net	12	20,425,356,577	18,216,068,951	13,101	17,401
Intangible assets, net	13	14,871,536,619	14,868,493,040	1	1
Goodwill	14	8,824,825,803	8,824,825,803	-	-
Deferred tax assets, net	18	-	-	966,947	1,404,795
Other non-current assets	15	1,040,698,183	1,001,821,169	-	-
Total non-current assets		47,839,809,335	43,997,322,009	3,068,094,419	3,068,536,567
Total assets		56,599,425,832	52,826,525,128	3,190,801,988	3,122,467,039

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION [CONT'D]

AS AT 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Liabilities and equity					
Current liabilities					
Trade accounts payable		488,960,425	335,807,004	-	-
Other accounts payable		340,856,616	194,558,325	593,123	-
Amounts due to related parties	27.7	430,781,485	917,878,501	-	-
Deferred revenues		4,238,145,612	4,030,229,013	-	-
Accrued expenses		1,890,245,179	1,516,586,327	2,210,880	1,556,800
Current portion of long-term borrowings	16	559,746,132	-	-	-
Current portion of finance lease liabilities	17	1,231,760,940	1,261,443,422	-	-
Other current liabilities		89,604,216	39,983,783	50,642,628	748,738
Total current liabilities		9,270,100,605	8,296,486,375	53,446,631	2,305,538
Non-current liabilities					
Long-term borrowings	16	1,273,007,321	-	-	-
Finance lease liabilities	17	12,390,703,979	12,775,395,312	-	-
Deferred tax liabilities, net	18	3,290,418,091	3,502,537,265	-	-
Employee benefit obligations	20	254,950,594	168,945,620	-	-
Total non-current liabilities		17,209,079,985	16,446,878,197	-	-
Total liabilities		26,479,180,590	24,743,364,572	53,446,631	2,305,538

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION [CONT'D]

AS AT 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares,					
4,850,000,000 shares					
of par Baht 0.1 each					
		485,000,000	485,000,000	485,000,000	485,000,000
Issued and paid-up share capital					
Ordinary shares,					
4,850,000,000 shares					
of paid-up Baht 0.1 each					
	21	485,000,000	485,000,000	485,000,000	485,000,000
	21	2,599,808,274	2,599,808,274	2,599,808,274	2,599,808,274
Retained earnings					
Appropriated - legal reserve					
	23	48,500,000	26,510,386	48,500,000	26,510,386
Unappropriated					
		18,137,211,185	17,031,066,832	4,047,083	8,842,841
Equity attributable to owners of the parent					
		21,270,519,459	20,142,385,492	3,137,355,357	3,120,161,501
Non-controlling interests					
		8,849,725,783	7,940,775,064	-	-
Total equity					
		30,120,245,242	28,083,160,556	3,137,355,357	3,120,161,501
Total liabilities and equity					
		56,599,425,832	52,826,525,128	3,190,801,988	3,122,467,039

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Revenues from sales and services	24	32,400,568,631	29,507,305,473	25,000,000	25,000,000
Cost of sales of goods and services		(26,687,758,182)	(25,315,075,228)	-	-
Gross profit		5,712,810,449	4,192,230,245	25,000,000	25,000,000
Other income		729,735,863	956,277,752	739,969,637	528,001,129
Profit before expenses		6,442,546,312	5,148,507,997	764,969,637	553,001,129
Selling expenses		(1,507,500,692)	(1,493,977,009)	-	-
Administrative expenses		(1,128,580,133)	(883,380,720)	(24,961,705)	(21,997,008)
Net loss on exchange rates		(79,505,701)	(204,759,134)	-	-
Profit before finance costs and income taxes		3,726,959,786	2,566,391,134	740,007,932	531,004,121
Finance costs		(520,855,609)	(457,068,503)	-	-
Profit before income taxes		3,206,104,177	2,109,322,631	740,007,932	531,004,121
Income taxes	19	191,496,428	(151,062,286)	(437,848)	(796,391)
Net profit for the year		3,397,600,605	1,958,260,345	739,570,084	530,207,730
Other comprehensive income (expense):					
Remeasurements of employee benefit obligations	20	(43,074,344)	29,175,913	-	-
Income taxes relating to components of other comprehensive income (expense) for the year	19	8,614,869	(5,835,183)	-	-
Other comprehensive income (expense) for the year		(34,459,475)	23,340,730	-	-
Total comprehensive income for the year		3,363,141,130	1,981,601,075	739,570,084	530,207,730
Net profit attributable to:					
Owners of the parent		1,869,462,906	1,078,476,693	739,570,084	530,207,730
Non-controlling interests		1,528,137,699	879,783,652	-	-
		3,397,600,605	1,958,260,345	739,570,084	530,207,730
Total comprehensive income attributable to:					
Owners of the parent		1,850,510,195	1,091,314,095	739,570,084	530,207,730
Non-controlling interests		1,512,630,935	890,286,980	-	-
		3,363,141,130	1,981,601,075	739,570,084	530,207,730
Earnings per share					
Basic earnings per share	26	0.3855	0.2224	0.1525	0.1093

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

		CONSOLIDATED FINANCIAL STATEMENTS						
		ATTRIBUTABLE TO OWNERS OF THE PARENT						
NOTES		ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	RETAINED EARNINGS		TOTAL OWNERS OF THE PARENT	NON- CONTROLLING INTERESTS	TOTAL EQUITY
				APPROPRIATED - LEGAL RESERVE	UNAPPROPRIATED			
	Opening balance as at 1 January 2015	485,000,000	2,599,808,274	-	16,449,402,593	19,534,210,867	7,481,688,238	27,015,899,105
	Total comprehensive income for the year	-	-	-	1,091,314,095	1,091,314,095	890,286,980	1,981,601,075
	Dividends paid	22	-	-	(483,139,470)	(483,139,470)	(431,200,154)	(914,339,624)
	Legal reserve	23	-	-	26,510,386	(26,510,386)	-	-
	Closing balance as at 31 December 2015	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>26,510,386</u>	<u>17,031,066,832</u>	<u>20,142,385,492</u>	<u>7,940,775,064</u>	<u>28,083,160,556</u>
	Opening balance as at 1 January 2016	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 year	-	-	-	1,850,510,195	1,850,510,195	1,512,630,935	3,363,141,130
	Dividends paid	22	-	-	(722,376,228)	(722,376,228)	(603,680,216)	(1,326,056,444)
	Legal reserve	23	-	-	21,989,614	(21,989,614)	-	-
	Closing balance as at 31 December 2016	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>48,500,000</u>	<u>18,137,211,185</u>	<u>21,270,519,459</u>	<u>8,849,725,783</u>	<u>30,120,245,242</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY [CONT'D]

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

	NOTES	SEPARATE FINANCIAL STATEMENTS				TOTAL
		ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	RETAINED EARNINGS		
				APPROPRIATED - LEGAL RESERVE	UNAPPROPRIATED	
Opening balance as at 1 January 2015		485,000,000	2,599,808,274	-	(11,715,033)	3,073,093,241
Total comprehensive income for the year		-	-	-	530,207,730	530,207,730
Dividends paid	22	-	-	-	(483,139,470)	(483,139,470)
Legal reserve	23	-	-	26,510,386	(26,510,386)	-
Closing balance as at 31 December 2015		485,000,000	2,599,808,274	26,510,386	8,842,841	3,120,161,501
Opening balance as at 1 January 2016		485,000,000	2,599,808,274	26,510,386	8,842,841	3,120,161,501
Total comprehensive income for the year		-	-	-	739,570,084	739,570,084
Dividends paid	22	-	-	-	(722,376,228)	(722,376,228)
Legal reserve	23	-	-	21,989,614	(21,989,614)	-
Closing balance as at 31 December 2016		485,000,000	2,599,808,274	48,500,000	4,047,083	3,137,355,357

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit before income taxes		3,206,104,177	2,109,322,631	740,007,932	531,004,121
Adjustments for:					
Bad debt		216,569	-	-	-
Depreciation	12	1,177,328,308	1,122,269,061	4,300	4,123
Amortisation	13	5,047,879	4,631,730	-	-
Amortisation of prepaid expenses		118,091,447	401,538,669	2,337,491	2,029,582
Impairment loss		-	19,805,773	-	-
(Gain) loss on disposals and write-offs of leasehold improvements and equipment		(1,681,741)	1,508,043	-	-
Employee benefit expenses	20	44,530,630	42,178,576	-	-
Net (gain) loss on exchange rates		(112,923,297)	682,138,882	-	-
Net gain on fair value adjustment in investments in private funds		-	(27,192)	-	-
Finance costs		520,855,609	457,068,503	-	-
Dividends income		-	-	(737,831,032)	(527,022,166)
Interest income		(76,425,306)	(118,614,404)	(388,105)	(6,856)
		<u>4,881,144,275</u>	<u>4,721,820,272</u>	<u>4,130,586</u>	<u>6,008,804</u>
Changes in operating assets and liabilities:					
- Trade and other receivables		(7,523,811)	98,791,358	(870,000)	-
- Amounts due from related parties		(476,056,234)	(258,718,313)	(6,687,500)	-
- Inventories		(24,143,074)	(16,993,193)	-	-
- Prepaid expenses		(125,472,599)	(446,248,928)	(2,327,030)	(1,990,738)
- Value added tax receivable		-	86,822,474	-	-
- Other current assets		(265,135,555)	(16,327,056)	40,373	99,190
- Other non-current assets		(38,877,014)	(189,143,586)	-	-
- Trade accounts payable		153,153,421	160,636,171	-	-
- Other accounts payable		146,298,291	2,402,933	593,123	-
- Amounts due to related parties		(487,097,016)	447,153,960	-	-
- Deferred revenues		207,916,599	(598,998,560)	-	-
- Accrued expenses		337,127,474	82,952,653	654,080	556,800
- Other current liabilities		49,620,433	(24,067,086)	49,893,890	(1,975,223)

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS [CONT'D]

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Cash generated from operating activities		4,350,955,190	4,050,083,099	45,427,522	2,698,833
Income taxes paid		(18,403,254)	(6,617,572)	(581,981)	(761,386)
Interest received		50,607,578	31,793,390	388,105	6,856
Employee benefit paid	20	(1,600,000)	(1,604,968)	-	-
Net cash generated from operating activities		<u>4,381,559,514</u>	<u>4,073,653,949</u>	<u>45,233,646</u>	<u>1,944,303</u>
Cash flows from investing activities					
Decrease (increase) in cash at financial institutions pledged as security		351,643,081	(185,297,243)	-	-
Decrease (increase) in short-term investments		(943,880,413)	413,055,602	-	-
Decrease in investments in private funds		-	10,507,428	-	-
Decrease in long-term investments	10	1,442,800	1,295,061,800	-	-
Payment for aircraft maintenance reserves		(1,599,163,342)	(1,066,380,311)	-	-
Proceeds from disposals of leasehold improvements and equipment		153,539,765	1,899,130	-	-
Payments for aircraft, leasehold improvements and equipment		(766,710,010)	(814,871,642)	-	(21,500)
Payments for intangible assets	13	(8,091,458)	(5,141,430)	-	-
Dividends received		-	-	737,831,032	527,022,166
Interest received		25,633,799	167,569,704	-	-
Net cash generated from (used in) investing activities		<u>(2,785,585,778)</u>	<u>(183,596,962)</u>	<u>737,831,032</u>	<u>527,000,666</u>
Cash flows from financing activities					
Proceeds from long-term borrowings	16	2,000,000,000	-	-	-
Payment for front end fee	16	(2,400,000)	-	-	-
Payments for early termination of finance leases		(1,931,831,266)	-	-	-
Repayments of finance leases		(1,142,796,723)	(1,059,103,336)	-	-
Repayments of long-term borrowings	16	(165,066,547)	-	-	-
Dividends paid to Group shareholders	22	(722,376,228)	(483,139,470)	(722,376,228)	(483,139,470)
Dividends paid to non-controlling interests	11	(603,680,216)	(431,200,154)	-	-
Interest paid		(529,980,060)	(555,610,442)	-	-
Net cash used in financing activities		<u>(3,098,131,040)</u>	<u>(2,529,053,402)</u>	<u>(722,376,228)</u>	<u>(483,139,470)</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS [CONT'D]

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Net increase (decrease) in cash and cash equivalents	(1,502,157,304)	1,361,003,585	60,688,450	45,805,499
Cash and cash equivalents at the beginning of the year	6,122,814,644	4,789,064,903	51,437,734	5,632,235
Exchange gain (loss) on cash and cash equivalents	40,694,892	(27,253,844)	-	-
Cash and cash equivalents at the end of the year	<u>4,661,352,232</u>	<u>6,122,814,644</u>	<u>112,126,184</u>	<u>51,437,734</u>

Non-cash transactions

Significant non-cash transactions during the years ended 31 December 2016 and 2015 are as follows:

Purchases of aircraft spare parts which have not been paid	55,153,690	138,205,808	-	-
Purchases of aircraft and aircraft engine under finance lease agreements	2,716,610,257	2,267,749,370	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2016

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 are 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%.

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

As disclosed in Note 11, in May 2012, Thai AirAsia Company Limited changed from the Company’s joint venture to a subsidiary under the “Amended and Restated Shareholders’ Agreement”.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 February 2017.

2 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed otherwise in the accounting policies.

The preparation of consolidated and separate financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

2 ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

An English version of the consolidated and separate financial statements have been prepared from the consolidated and separate financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language consolidated and separate financial statements shall prevail.

2.2 REVISED FINANCIAL REPORTING STANDARDS

The Group has applied the revised financial reporting standards which are effective on 1 January 2016 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the Group.

The Group has not yet early adopted the revised financial reporting standards which are effective on 1 January 2017.

2.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and separate financial statements are presented in Thai Baht, which is the Group and Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss in the statement of comprehensive income.

Where a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, where a gain or loss on a non-monetary item is recognised in profit and loss in the statement of comprehensive income, any exchange component of that gain or loss is recognised in profit and loss in the statement of comprehensive income.

2.4 SEGMENT REPORTING

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

2.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition and are not pledged as security.

2.6 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the end of year. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in statement of comprehensive income within administrative expenses.

2 ACCOUNTING POLICIES (CONT'D)

2.7 INVENTORIES

Inventories comprise food, beverages, merchandise, and consumables.

Food, beverages and merchandise are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Consumables used internally for aircraft repairs and maintenance are stated at the lower of cost or net realisable value. Cost is determined by the weighted average basis and cost comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowance is made, where necessary, for obsolete, slow moving or defective inventories.

2.8 INVESTMENTS

Investments other than investments in subsidiaries are classified into the following two categories: (1) held-to-maturity investments; or (2) general investments. The classification depends on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for those with maturities within 12 months from the statement of financial position date which are classified as current assets.
- Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 INVESTMENTS IN SUBSIDIARIES

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2 ACCOUNTING POLICIES (CONT'D)

2.9 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

For the separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in statement of comprehensive income.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated; unrealised losses are also eliminated unless costs cannot be recovered. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.10 AIRCRAFT, LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Aircraft, leasehold improvements and equipment are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to write down the cost of each asset, to its residual value over the estimated useful life as follows:

Aircraft and aircraft engines	5 - 25 years
Aircraft spare parts	10 years
Leasehold improvements	5 years
Computers	5 years
Furniture, fixtures and office equipment	5 years
Operating equipment	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in statement of comprehensive income.

2 ACCOUNTING POLICIES (CONT'D)

2.11 INTANGIBLE ASSETS

2.11.1 Landing rights

Landing rights are stated at cost less any accumulated impairment losses. They are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided that minimum utilisation requirements are observed, and are tested for impairment annually and whenever there is an indicator of impairment.

2.11.2 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years on the straight-line basis.

2.12 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition of subsidiary is reported in the consolidated statement of financial position as goodwill and is reported in the separate statement of financial position as part of the investment in a subsidiary. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is tested for impairment as part of the overall investment in a subsidiary.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.13 BORROWINGS

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 ACCOUNTING POLICIES (CONT'D)

2.14 LEASES - WHERE THE GROUP IS A LESSEE

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is charged to statement of comprehensive income over the lease period. The assets acquired under finance lease are depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 ACCOUNTING POLICIES (CONT'D)

2.16 EMPLOYEE BENEFITS

2.16.1 Provident fund

The Group operates a provident fund that is a defined contribution plan. The fund assets are held in a separate trust fund and are managed by an external fund manager. The provident fund is funded by payments from employees and by the Group. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the prior and current periods. The Group's contributions to the provident fund are charged to statement of comprehensive income in the year to which they relate.

2.16.2 Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefit is recognised in the statement of financial position using the present value of the obligation at the statement of financial position date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The retirement benefit is calculated by an independent actuary using the projected unit credit method. The present value of the benefit obligation is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.17 PROVISIONS

Provisions, which exclude the provision relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expect a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

2.18 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2 ACCOUNTING POLICIES (CONT'D)

2.19 REVENUE RECOGNITION

Passenger service revenues and other related services such as baggage handling fee, assigned seat revenue and cancellation and documentation revenue are recognised upon the rendering of services. The value of seats sold for which services have not been rendered is included in deferred revenues.

Revenues from sales comprises receivable for the sale of goods net of output tax, rebates and discounts. Revenues from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity if such income will accrue to the Group.

Other income is recognised on an accrual basis.

2.20 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities are exposed to a variety of financial risks, including the effects of changes in fuel price and foreign currency exchange rates. The Group's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the financial performance. The Group does not have policies to use derivative financial instruments for trading or speculative purpose

Fuel price risk

The Group is exposed to the fluctuation of fuel price. To manage the risk of fuel price fluctuation, AirAsia Berhad, a related party, is carried out the risk management on behalf of the Group (Note 3.2).

Foreign exchange risk

Foreign currency assets mainly represent deposits at banks, other deposits and amounts due from related parties. Foreign currency liabilities mainly represent trade accounts payable, amounts due to related parties and finance lease liabilities.

The Group is exposed to foreign exchange risk arising from currency exposures mainly in respect of US Dollars. The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency. However, the Group uses forward foreign exchange contract to hedge its exposure to foreign currency risk for payments to be settled in foreign currencies. (Note 3.2).

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

Interest rate risk

The Group's interest rate risk arises from finance lease liabilities. Finance lease liabilities issued at variable rates. The Group uses interest rate swap agreement as a risk management instrument to manage on the fluctuation of future interest rate of finance lease liabilities (Note 3.2).

Credit risk

Most of the Group's income, being revenues from passenger services, is normally paid by clients in advance. The credit risk incurred from amounts due from related parties is low. Management is therefore of the opinion that credit risk is not significant. The Group has not entered into any derivative contracts relating to credit risk. Cash transactions are limited to high credit quality financial institutions.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims to maintain flexibility in funding by keeping credit lines available.

3.2 ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments that the Group uses to manage risks comprise fuel price swap agreements, forward foreign exchange contracts, interest rate swap agreements and cross currency swap agreement.

Fuel price swap agreements

AirAsia Berhad, a related party, has entered into fuel price swap agreements with third parties to protect the Group from the risk of movements in fuel prices. The Group has entered into the agreement with AirAsia Berhad under the term of the agreement that gains or losses on fuel price swap agreements are allocated to the Group based on proportion of fuel consumption on a monthly basis. The Group records these transactions in statement of comprehensive income as a component of operating costs when they incur.

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONT'D)

Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts with local financial institution in order to hedge the foreign exchange risk relating to payments to be settled in foreign currencies. As at 31 December 2016, the outstanding contract due for settlement on 9 May 2017 (as at 31 December 2015: 24 February 2016) is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Total amount to be received				
US Dollars 9.23 million at rate Baht 35.76 per US Dollar 1	-	330,210,602	-	-
US Dollars 20 million at rate Baht 35.85 per US Dollar 1	717,040,848	-	-	-

Interest rate swap agreements

The Group entered into interest rate swap agreements in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of financial lease liabilities by changing from floating interest rate to fixed interest rate. Under the interest rate swap agreements, the Group agreed to exchange the differences between fixed rates and floating rates which are calculated by reference to the agreed notional principal amounts. As at 31 December 2016, the notional principal from the agreements amounted to Baht 3,095.84 million and USD 129.14 million (2015: Baht 2,525 million and USD 113 million), the fixed interest rates were 2.24% - 5.09% (2015: 2.24% - 5.09%) and the floating interest rates were THBFX1M plus 1.98% - 2.20%, THBFX6M plus 2.25% and USD LIBOR3M plus 0.56% - 3.00% (2015: THBFX1M plus 1.98% - 2.20%, THBFX6M plus 2.25% and USD LIBOR3M plus 0.56% - 0.83%).

Interest rate swap agreements are due for exchange of the differences in interest amount every month.

Cross currency swap agreement

The Group entered into cross currency swap agreement with local financial institution in order to hedge both foreign exchange and interest rate risks relating to payments to be settled in foreign currencies. As at 31 December 2016, the outstanding agreement due for settlement on 10 November 2025 (2015: 10 November 2025). The notional principal from the agreement amounted to USD 26.65 million (2015: USD 29 million), the fixed interest rate was 2.64% (2015: 2.64%) and the floating interest rate was USD LIBOR3M plus 0.70% (2015: USD LIBOR3M plus 0.70%).

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 FAIR VALUE ESTIMATION)

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

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	LEVEL 2 US DOLLARS	LEVEL 2 BAHT	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	<u>25,545,608</u>	<u>103,704,800</u>	<u>-</u>	<u>-</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	LEVEL 2 US DOLLARS	LEVEL 2 BAHT	LEVEL 2 US DOLLARS	LEVEL 2 BAHT
Liabilities				
Derivatives used for hedging				
Foreign exchange forward contracts	-	3,990,101	-	-
Total liabilities	<u>-</u>	<u>3,990,101</u>	<u>-</u>	<u>-</u>

There were no transfers between levels during the year.

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.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

AIRCRAFT MAINTENANCE UNDER OPERATING LEASES

The Group has a commitment to maintain aircrafts under operating lease agreements, for which the maintenance cost is made throughout the lease term for the rectification obligations contained within the lease agreements. The cost is based on estimated future repair and maintenance costs of major airframe, certain engine maintenance checks and estimated one-off costs incurred at the end of the lease by charging to statement of comprehensive income according to the number of hours flown in each year.

ESTIMATED USEFUL LIVES AND RESIDUAL VALUES OF AIRCRAFT FRAMES AND ENGINES

The Group annually reviews the estimated useful lives and residual values of aircraft airframes and engines based on key factors concerned such as business plans and strategies, expected level of usage, future technological developments and market prices. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above.

5 CAPITAL RISK MANAGEMENT

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In order to obtain the promotional privileges from the Board of Investment, the Group has to maintain minimum capital investment as specified in each certificate.

6 SEGMENT INFORMATION**FINANCIAL INFORMATION BY BUSINESS SEGMENTS**

(Unit : Baht)

	2016				
	SCHEDULED FLIGHT OPERATIONS	CHARTER FLIGHT OPERATIONS	OTHER BUSINESS	ELIMINATION	TOTAL
Revenues from sales and services	30,437,224,736	1,963,343,895	25,000,000	(25,000,000)	32,400,568,631
Profit from operation	2,544,437,730	551,208,478	38,295	-	3,095,684,503
Unallocated costs					(18,954,879)
Other income					729,735,863
Net loss on exchange rates					(79,505,701)
Finance costs					(520,855,609)
Profit before income taxes					3,206,104,177
Income taxes					191,496,428
Net profit for the year					<u>3,397,600,605</u>
Consolidated total assets					56,599,425,832

(Unit : Baht)

	2015				
	SCHEDULED FLIGHT OPERATIONS	CHARTER FLIGHT OPERATIONS	OTHER BUSINESS	ELIMINATION	TOTAL
Revenues from sales and services	27,426,215,857	2,081,089,616	25,000,000	(25,000,000)	29,507,305,473
Profit from operation	1,318,366,219	533,482,892	3,002,992	-	1,854,852,103
Impairment loss					(19,805,773)
Unallocated costs					(20,173,814)
Other income					956,277,752
Net loss on exchange rates					(204,759,134)
Finance costs					(457,068,503)
Profit before income taxes					2,109,322,631
Income taxes					(151,062,286)
Net profit for the year					<u>1,958,260,345</u>
Consolidated total assets					52,826,525,128

6 SEGMENT INFORMATION (CONT'D)

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 makes 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 for scheduled flights. The Group sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Chartered 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 statements. Net gain on exchange rates, other income, finance costs and income tax expense are not allocated to each reporting segment.

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

7 CASH AND CASH EQUIVALENTS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Cash on hand	8,755,450	9,678,812	-	-
Deposits held at call with banks	4,652,596,782	5,292,980,832	112,126,184	51,437,734
Short-term bank deposits and bills of exchange with maturity of three months or less	-	820,155,000	-	-
Total cash and cash equivalents	<u>4,661,352,232</u>	<u>6,122,814,644</u>	<u>112,126,184</u>	<u>51,437,734</u>

The weighted average interest rate of deposits held at call with banks was 0.83% per annum (2015: 0.51% per annum).

8 SHORT-TERM INVESTMENTS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Fixed deposits and bills of exchange	<u>2,069,763,643</u>	<u>1,109,230,126</u>	-	-

As at 31 December 2016, short term investments comprise fixed deposits of US Dollars 30 million and Baht 1,000 million (as at 31 December 2015: US Dollars 9.99 million and Baht 750 million). Fixed deposits have the period of 6-month to 12-month and bear interests at the rates of 1.00% to 1.65% per annum (2015: 0.80% to 2.00% per annum).

9 TRADE AND OTHER RECEIVABLES, NET

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Trade accounts receivable	339,573,128	354,170,114	-	-
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade accounts receivable, net	339,573,128	354,170,114	-	-
Accrued airport fee and incentive income	35,016,553	2,843,204	-	-
Accrued income	50,693,994	49,568,722	870,000	-
Other receivable	20,719,911	32,608,686	-	-
Total trade and other receivables, net	<u>446,003,586</u>	<u>439,190,726</u>	<u>870,000</u>	<u>-</u>

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

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Up to 3 months	311,441,205	340,651,599	-	-
3 - 6 months	14,996,214	7,020,344	-	-
6 - 12 months	8,894,433	726,806	-	-
Over 12 months	4,241,276	5,771,365	-	-
Total trade accounts receivable	339,573,128	354,170,114	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade accounts receivable, net	<u>339,573,128</u>	<u>354,170,114</u>	<u>-</u>	<u>-</u>

10 LONG-TERM INVESTMENTS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Opening book amount	13,291,300	1,299,268,100	-	-
Additions	-	1,163,200	-	-
Disposals	(1,442,800)	(1,296,225,000)	-	-
<u>Less</u> Gain on exchange rate	-	9,085,000	-	-
Closing book amount	<u>11,848,500</u>	<u>13,291,300</u>	<u>-</u>	<u>-</u>

10 LONG-TERM INVESTMENTS (CONT'D)

As at 31 December 2016, long-term investments comprise:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	GENERAL INVESTMENT	TOTAL
Equity securities	11,848,500	11,848,500
Total long-term investments	11,848,500	11,848,500

General investment of the Group is the investment in ordinary shares of Aeronautical Radio of Thailand Limited.

11 INVESTMENT IN A SUBSIDIARY

Details of investment in a subsidiary are as follows:

	COUNTRY OF INCORPORATION	NATURE OF BUSINESS	PERCENTAGE OF SHAREHOLDING AND VOTING RIGHTS		SEPARATE FINANCIAL STATEMENTS COST METHOD	
			2016 PERCENT	2015 PERCENT	2016 BAHT	2015 BAHT
			Thai AirAsia Company Limited	Thai	Providing a low-fare airline service	55

On 14 February 2012, the Company entered into an "Amended and Restated Shareholders' Agreement" with three parties which are AirAsia Investment Ltd. (a subsidiary of AirAsia Berhad), AirAsia Berhad and Thai AirAsia Company Limited pursuant to which the parties set out their respective rights and obligations with respect to Thai AirAsia Company Limited. According to the "Amended and Restated Shareholders' Agreement", the Company has gained controls over Thai AirAsia Company Limited. The "Amended and Restated Shareholders' Agreement" will be effective from the date that the Securities and Exchange Commission issues a letter to the Company notifying that it has commenced counting the period of effectiveness of the draft prospectus filed by the Company in relation to an initial public offering, which is 4 May 2012. Therefore, Thai AirAsia Company Limited has been considered as a subsidiary instead of a joint venture from that date onward.

On 29 May 2012, the Company subscribed for an additional 3,555,560 shares of Thai AirAsia Company Limited, totaling Baht 2,663.11 million, or Baht 749 each. Therefore, the Company's shareholding interest in Thai AirAsia Company Limited was increased from 51% to 55% from that date.

At the Board of Directors Meeting held on 9 November 2016, Thai AirAsia Company Limited, a subsidiary, approved the payment of interim dividends in respect of the retained earnings derived from activities under promotional privileges from the Board of Investment ("BOI") as of 30 September 2016 at Baht 30.80 per share (2015: Baht 22 per share) for 43,555,560 ordinary shares, totaling Baht 1,341.51 million (2015: Baht 958.22 million). Asia Aviation Public Company Limited received dividend income of Baht 737.83 million according to the 55% shareholding on 11 November 2016.

The investment in a subsidiary has not changed in years 2016 and 2015.

12 AIRCRAFT, LEASEHOLD IMPROVEMENTS AND EQUIPMENT, NET

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS								
	LEASEHOLD IMPROVE- MENTS	COMPUTERS	FURNITURE, FIXTURES AND OFFICE EQUIPMENT	OPERATING EQUIPMENT	MOTOR VEHICLES	AIRCRAFT AND AIRCRAFT ENGINES	AIRCRAFT SPARE PARTS	ASSETS UNDER INSTALLATION	TOTAL
At 1 January 2015									
Cost	142,676,211	79,676,405	55,701,610	249,895,413	125,465,083	16,135,911,711	1,086,585,053	16,602,447	17,892,513,933
Less Accumulated depreciation	(59,096,955)	(51,976,530)	(29,394,915)	(142,436,917)	(101,986,124)	(973,517,115)	(500,800,294)	-	(1,859,208,850)
Net book amount	<u>83,579,256</u>	<u>27,699,875</u>	<u>26,306,695</u>	<u>107,458,496</u>	<u>23,478,959</u>	<u>15,162,394,596</u>	<u>585,784,759</u>	<u>16,602,447</u>	<u>16,033,305,083</u>
For the year ended 31 December 2015									
Opening net book amount	83,579,256	27,699,875	26,306,695	107,458,496	23,478,959	15,162,394,596	585,784,759	16,602,447	16,033,305,083
Additions	5,982,956	22,020,645	5,070,351	42,502,558	353,500	3,076,701,601	127,854,480	28,286,986	3,308,773,077
Disposals, net	(2)	-	(2)	(27)	(3,407,116)	-	(26)	-	(3,407,173)
Transfers	11,171,077	4,062,000	1,478,362	4,510,000	-	-	-	(21,554,414)	(332,975)
Depreciation charges	(25,699,377)	(11,585,286)	(8,266,643)	(36,198,774)	(7,366,835)	(944,341,046)	(88,811,100)	-	(1,122,269,061)
Closing net book amount	<u>75,033,910</u>	<u>42,197,234</u>	<u>24,588,763</u>	<u>118,272,253</u>	<u>13,058,508</u>	<u>17,294,755,151</u>	<u>624,828,113</u>	<u>23,335,019</u>	<u>18,216,068,951</u>
At 31 December 2015									
Cost	159,616,245	105,759,049	62,174,934	295,267,636	107,585,096	19,212,780,615	1,210,458,272	23,335,019	21,176,976,866
Less Accumulated depreciation	(84,582,335)	(63,561,815)	(37,586,171)	(176,995,383)	(94,526,588)	(1,918,025,464)	(585,630,159)	-	(2,960,907,915)
Net book amount	<u>75,033,910</u>	<u>42,197,234</u>	<u>24,588,763</u>	<u>118,272,253</u>	<u>13,058,508</u>	<u>17,294,755,151</u>	<u>624,828,113</u>	<u>23,335,019</u>	<u>18,216,068,951</u>
For the year ended 31 December 2016									
Opening net book amount	75,033,910	42,197,234	24,588,763	118,272,253	13,058,508	17,294,755,151	624,828,113	23,335,019	18,216,068,951
Additions	7,121,272	14,518,890	3,606,379	16,732,865	17,123,991	3,214,932,435	244,015,173	20,422,953	3,538,473,958
Disposals/Write-offs, net	(1,282)	(10,001,378)	(229,750)	(12,974)	-	-	(127,786,214)	(13,826,426)	(151,858,024)
Transfers/Adjustments	13,556,670	6,991,731	-	7,187,375	-	-	-	(27,735,776)	-
Depreciation charges	(28,942,450)	(13,735,418)	(8,713,031)	(41,155,390)	(6,500,678)	(983,005,520)	(95,275,821)	-	(1,177,328,308)
Closing net book amount	<u>66,768,120</u>	<u>39,971,059</u>	<u>19,252,361</u>	<u>101,024,129</u>	<u>23,681,821</u>	<u>19,526,682,066</u>	<u>645,781,251</u>	<u>2,195,770</u>	<u>20,425,356,577</u>
At 31 December 2016									
Cost	180,292,905	113,093,177	65,547,274	316,845,833	124,709,087	22,427,713,050	1,073,064,108	2,195,770	24,303,461,204
Less Accumulated depreciation	(113,524,785)	(73,122,118)	(46,294,913)	(215,821,704)	(101,027,266)	(2,901,030,984)	(427,282,857)	-	(3,878,104,627)
Net book amount	<u>66,768,120</u>	<u>39,971,059</u>	<u>19,252,361</u>	<u>101,024,129</u>	<u>23,681,821</u>	<u>19,526,682,066</u>	<u>645,781,251</u>	<u>2,195,770</u>	<u>20,425,356,577</u>

12 AIRCRAFT, LEASEHOLD IMPROVEMENTS AND EQUIPMENT, NET (CONT'D)

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS
	OFFICE EQUIPMENT
At 1 January 2015	
Cost	40,687
<u>Less</u> Accumulated depreciation	(40,663)
Net book amount	<u>24</u>
For the year ended 31 December 2015	
Opening net book amount	24
Additions	21,500
Depreciation charges	(4,123)
Closing net book amount	<u>17,401</u>
At 31 December 2015	
Cost	62,187
<u>Less</u> Accumulated depreciation	(44,786)
Net book amount	<u>17,401</u>
For the year ended 31 December 2016	
Opening net book amount	17,401
Depreciation charges	(4,300)
Closing net book amount	<u>13,101</u>
At 31 December 2016	
Cost	62,187
<u>Less</u> Accumulated depreciation	(49,086)
Net book amount	<u>13,101</u>

13 INTANGIBLE ASSETS, NET

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	LANDING RIGHTS	COMPUTER SOFTWARE	COMPUTER SOFTWARE UNDER INSTALLATION	TOTAL
At 1 January 2015				
Cost	14,856,000,000	46,138,870	-	14,902,138,870
<u>Less</u> Accumulated amortisation	-	(34,155,530)	-	(34,155,530)
Net book amount	<u>14,856,000,000</u>	<u>11,983,340</u>	<u>-</u>	<u>14,867,983,340</u>
For the year ended 31 December 2015				
Opening net book amount	14,856,000,000	11,983,340	-	14,867,983,340
Additions	-	3,381,550	1,759,880	5,141,430
Transfers	-	340,000	(340,000)	-
Amortisation charges	-	(4,631,730)	-	(4,631,730)
Closing net book amount	<u>14,856,000,000</u>	<u>11,073,160</u>	<u>1,419,880</u>	<u>14,868,493,040</u>
At 31 December 2015				
Cost	14,856,000,000	49,860,420	1,419,880	14,907,280,300
<u>Less</u> Accumulated amortisation	-	(38,787,260)	-	(38,787,260)
Net book amount	<u>14,856,000,000</u>	<u>11,073,160</u>	<u>1,419,880</u>	<u>14,868,493,040</u>
For the year ended 31 December 2016				
Opening net book amount	14,856,000,000	11,073,160	1,419,880	14,868,493,040
Additions	-	4,781,163	3,310,295	8,091,458
Transfers	-	3,101,950	(3,101,950)	-
Amortisation charges	-	(5,047,879)	-	(5,047,879)
Closing net book amount	<u>14,856,000,000</u>	<u>13,908,394</u>	<u>1,628,225</u>	<u>14,871,536,619</u>
At 31 December 2016				
Cost	14,856,000,000	57,743,533	1,628,225	14,915,371,758
<u>Less</u> Accumulated amortisation	-	(43,835,139)	-	(43,835,139)
Net book amount	<u>14,856,000,000</u>	<u>13,908,394</u>	<u>1,628,225</u>	<u>14,871,536,619</u>

Landing rights is tested for impairment together with the impairment of goodwill as shown in Note 14.

13 INTANGIBLE ASSETS, NET (CONT'D)

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS
	COMPUTER SOFTWARE
At 1 January 2015	
Cost	6,420
<u>Less</u> Accumulated amortisation	<u>(6,419)</u>
Net book amount	<u>1</u>
For the year ended 31 December 2015	
Opening net book amount	1
Amortisation charges	-
Closing net book amount	<u>1</u>
At 31 December 2015	
Cost	6,420
<u>Less</u> Accumulated amortisation	<u>(6,419)</u>
Net book amount	<u>1</u>
For the year ended 31 December 2016	
Opening net book amount	1
Amortisation charges	-
Closing net book amount	<u>1</u>
At 31 December 2016	
Cost	6,420
<u>Less</u> Accumulated amortisation	<u>(6,419)</u>
Net book amount	<u>1</u>

14 GOODWILL

On 4 May 2012, the Company had gained controls over Thai AirAsia Company Limited according to an “Amended and Restated Shareholders’ Agreement”. Then the Company had determined the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited and compared it to the fair value of 51% shareholding previously held before acquisition date in Thai AirAsia Company Limited. The excess of the cost of an acquisition over the fair value of the Company’s share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition is recognised as Goodwill in the Group’s statement of financial position.

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
At 31 December				
Cost	8,824,825,803	8,824,825,803	-	-
Less Provision for impairment	-	-	-	-
Net book amount	<u>8,824,825,803</u>	<u>8,824,825,803</u>	<u>-</u>	<u>-</u>

15 OTHER NON-CURRENT ASSETS

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Aircraft rental deposits - related party	27.6	741,346,452	748,209,343	-	-
Aircraft rental deposits - others		90,296,672	-	-	-
Airport operation deposit		34,600,000	34,600,000	-	-
Fuel price swap deposit	27.6	17,829,400	17,961,650	-	-
Rental deposits		49,957,927	42,158,417	-	-
Prepaid expenses		-	9,216,373	-	-
Other deposits		106,667,732	149,675,386	-	-
Total other non-current assets		<u>1,040,698,183</u>	<u>1,001,821,169</u>	<u>-</u>	<u>-</u>

16 BORROWINGS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Current				
Current portion of long-term borrowings - Bank	560,546,132	-	-	-
<u>Less</u> Front end fee	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current borrowings	<u>559,746,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current				
Long-term borrowings - Bank	1,274,387,321	-	-	-
<u>Less</u> Front end fee	<u>(1,380,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current borrowings	<u>1,273,007,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>1,832,753,453</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the year ended 31 December 2016, the Group entered into loan agreements with local financial institutions for repayment of the remaining obligations to the existing financial institutions on behalf of the early termination of 2 aircraft finance leases and 2 aircraft engine finance leases. As the result, the Group has lower interest payment and cash flow hedges of future interest payments. The loan agreements mature in 3 years and bear interest at a fixed rate per annum. These borrowings are unsecured and denominated in Thai Baht.

Movements in long-term borrowings for the year ended 31 December 2016 are analysed as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2016	2016
Opening book amount	-	-
Proceed from long-term borrowings	2,000,000,000	-
Front end fee	(2,400,000)	-
Amortisation of front end fee	220,000	-
Payments from long-term borrowings	<u>(165,066,547)</u>	<u>-</u>
Closing book amount	<u>1,832,753,453</u>	<u>-</u>

16 LONG-TERM BORROWINGS (CONT'D)

The interest rate exposure on the borrowings is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Borrowings:				
- at fixed rates	1,832,753,453	-	-	-
- at floating rates	-	-	-	-
Total borrowings	<u>1,832,753,453</u>	<u>-</u>	<u>-</u>	<u>-</u>

The carrying amounts and fair values of certain long-term borrowings are as follows:

(Unit : Baht)

	CARRYING AMOUNTS		FAIR VALUES	
	2016	2015	2016	2015
Long-term bank borrowings	1,832,753,453	-	1,832,753,453	-
	<u>1,832,753,453</u>	<u>-</u>	<u>1,832,753,453</u>	<u>-</u>

The fair values of non-current portion of long-term borrowings are equal to their carrying amounts.

Maturity of long-term borrowings (excluding finance lease liabilities):

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Within 1 year	560,546,132	-	-	-
Later than 1 year but not later than 5 years	1,274,387,321	-	-	-
Later than 5 years	-	-	-	-
<u>Less</u> Front end fee	<u>(2,180,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,832,753,453</u>	<u>-</u>	<u>-</u>	<u>-</u>

Credit facilities

As at 31 December 2016, the Group has non-available credit facilities.

17 FINANCE LEASE LIABILITIES

Finance lease liabilities - minimum lease payments:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Within 1 year	1,679,361,046	1,709,396,605	-	-
Later than 1 year but not later than 5 years	6,717,444,182	6,765,109,949	-	-
Later than 5 years	7,703,167,381	8,033,497,105	-	-
<u>Less</u> Future finance charges on finance leases	<u>(2,477,507,690)</u>	<u>(2,471,164,925)</u>	-	-
	<u>13,622,464,919</u>	<u>14,036,838,734</u>	-	-
Finance lease liabilities:				
- Current portion	1,231,760,940	1,261,443,422	-	-
- Non-current portion	12,390,703,979	12,775,395,312	-	-
	<u>13,622,464,919</u>	<u>14,036,838,734</u>	-	-

The present value of finance lease liabilities is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Within 1 year	1,646,864,776	1,676,545,078	-	-
Later than 1 year but not later than 5 years	6,054,315,289	6,104,530,065	-	-
Later than 5 years	5,921,284,854	6,255,763,591	-	-
	<u>13,622,464,919</u>	<u>14,036,838,734</u>	-	-

18 DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method using the principal tax rate of 20%.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	966,947	1,404,795
Deferred tax assets to be recovered after more than 12 months	1,874,276,614	1,546,805,901	-	-
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	(5,164,694,705)	(5,049,343,166)	-	-
Deferred tax assets (liabilities), net	<u>(3,290,418,091)</u>	<u>(3,502,537,265)</u>	<u>966,947</u>	<u>1,404,795</u>

The gross movement and the deferred income taxes account is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
At 1 January	(3,502,537,265)	(3,345,639,796)	1,404,795	2,201,186
Charged (credited) to profit or loss	203,504,305	(151,062,286)	(437,848)	(796,391)
Charged (credited) to other comprehensive income	8,614,869	(5,835,183)	-	-
At 31 December	<u>(3,290,418,091)</u>	<u>(3,502,537,265)</u>	<u>966,947</u>	<u>1,404,795</u>

18 DEFERRED INCOME TAXES (CONT'D)

The movement in deferred tax assets and liabilities during the year is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	TAX LOSS	RETIREMENT BENEFIT	FINANCE LEASE	TOTAL
Deferred tax assets				
At 1 January 2015	188,861,816	29,326,077	1,133,975,770	1,352,163,663
Charged (credited) to profit or loss	(54,048,048)	9,180,160	245,345,309	200,477,421
Credited to other comprehensive income	-	(5,835,183)	-	(5,835,183)
At 31 December 2015	<u>134,813,768</u>	<u>32,671,054</u>	<u>1,379,321,079</u>	<u>1,546,805,901</u>
At 1 January 2016	134,813,768	32,671,054	1,379,321,079	1,546,805,901
Charged to profit or loss	89,555,497	7,441,400	221,858,947	318,855,844
Charged to other comprehensive income	-	8,614,869	-	8,614,869
At 31 December 2016	<u>224,369,265</u>	<u>48,727,323</u>	<u>1,601,180,026</u>	<u>1,874,276,614</u>

Deferred income tax assets are recognised for tax loss carried forward only to the extent to which the realisation of the related tax benefit through the future taxable profits is probable.

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		
	GAIN ON FAIR VALUE OF PREVIOUSLY HELD EQUITY INTERESTS	FINANCE LEASE	TOTAL
Deferred tax liabilities			
At 1 January 2015	(2,996,028,747)	(1,701,774,712)	(4,697,803,459)
Charged (credited) to profit or loss	4,034,764	(355,574,471)	(351,539,707)
At 31 December 2015	<u>(2,991,993,983)</u>	<u>(2,057,349,183)</u>	<u>(5,049,343,166)</u>
At 1 January 2016	(2,991,993,983)	(2,057,349,183)	(5,049,343,166)
Charged (credited) to profit or loss	8,039,516	(123,391,055)	(115,351,539)
At 31 December 2016	<u>(2,983,954,467)</u>	<u>(2,180,740,238)</u>	<u>(5,164,694,705)</u>

19 INCOME TAXES

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Current tax:				
Adjustment in respect of prior year	12,007,877	-	-	-
Deferred taxes:				
- Deferred tax assets	(318,855,844)	(200,477,421)	437,848	796,391
- Deferred tax liabilities	115,351,539	351,539,707	-	-
Total income taxes	<u>(191,496,428)</u>	<u>151,062,286</u>	<u>437,848</u>	<u>796,391</u>

Income taxes on the Group's profit before taxes differ from the theoretical amount based on the basic tax rate of the Group due to the following:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2016	2015
Profit before income taxes	3,206,104,177	2,109,322,631
Tax calculated at a tax rate of 20%	641,220,835	421,864,526
Tax effects of:		
Profit exempted from corporate income taxes due to promotional privileges under BOI	(627,297,401)	(430,193,999)
Expenses not deductible for tax purpose	7,507,862	14,399,886
Effect from early termination of finance lease	(53,459,056)	-
Difference in finance leases under promotional privilege period	(98,467,892)	110,229,161
Utilisation of previously unrecognised tax losses	(73,008,653)	34,762,712
Adjustment in respect of prior year	12,007,877	-
Tax charge	<u>(191,496,428)</u>	<u>151,062,286</u>

The weighted average applicable tax rate was -5.97% (2015: 7.16%).

19 INCOME TAXES (CONT'D)

The tax (charges) credit relating to component of other comprehensive income are as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016			2015		
	BEFORE TAX	TAX CREDIT	AFTER TAX	BEFORE TAX	TAX CREDIT	AFTER TAX
Remeasurement of employee benefit obligations	(43,074,344)	8,614,869	(34,459,475)	29,175,913	(5,835,183)	23,340,730
Other comprehensive income	(43,074,344)	8,614,869	(34,459,475)	29,175,913	(5,835,183)	23,340,730
Current taxes		-			-	
Deferred taxes		8,614,869			(5,835,183)	
		8,614,869			(5,835,183)	

20 EMPLOYEE BENEFIT OBLIGATIONS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	Statement of financial position			
Retirement benefits	254,950,594	168,945,620	-	-
Statement of comprehensive income				
Retirement benefits	44,530,630	42,178,576	-	-
Remeasurement for retirement benefits recognised in the statement of comprehensive income	43,074,344	(29,175,913)	-	-
Cumulative remeasurement for retirement benefits recognised in the statement of comprehensive income	(9,461,437)	(52,535,781)	-	-

20 EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

Movements in the retirement benefit obligations during the year are as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Opening book amount	168,945,620	157,547,925	-	-
Current service costs	39,597,214	36,916,484	-	-
Interest costs	4,933,416	5,262,092	-	-
Remeasurements:				
(Gain) loss from exchange in demographic assumptions	30,126,184	(26,765,080)	-	-
(Gain) loss from change in financial assumptions	(5,638,465)	10,206,386	-	-
Experience (gain) loss	18,586,625	(12,617,219)	-	-
Benefits paid	(1,600,000)	(1,604,968)	-	-
Closing book amount	254,950,594	168,945,620	-	-

The amounts recognised in the statement of comprehensive income are as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Current service costs	39,597,214	36,916,484	-	-
Interest costs	4,933,416	5,262,092	-	-
Total, included in staff costs	44,530,630	42,178,576	-	-

The principal actuarial assumptions used are as follows:

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Discount rate	% per annum	3.09	2.92	-	-
Salary incremental rate	% per annum	5.59 - 10.00	5.59 - 10.00	-	-
Staff turnover rate	% per annum	0.00 - 10.00	0.00 - 12.00	-	-

20 EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

	IMPACT ON DEFINED BENEFIT OBLIGATION					
	CHANGE IN ASSUMPTIONS		INCREASE IN ASSUMPTIONS		DECREASE IN ASSUMPTIONS	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 12.72%	Decrease by 12.27%	Increase by 15.43%	Increase by 14.78%
Salary incremental rate	1%	1%	Increase by 14.50%	Increase by 14.27%	Decrease by 12.23%	Decrease by 12.13%
Staff turnover rate	1%	1%	Decrease by 13.78%	Decrease by 13.38%	Increase by 12.06%	Increase by 11.42%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change from the previous period.

21 SHARE CAPITAL

	PAR VALUE Baht	NUMBER OF AUTHORISED ORDINARY SHARES Shares	ISSUED AND PAID-UP ORDINARY SHARES Shares	ISSUED AND PAID-UP ORDINARY SHARES Baht	SHARE PREMIUM Baht	TOTAL Baht
At 1 January 2015	0.10	4,850,000,000	4,850,000,000	485,000,000	2,599,808,274	3,084,808,274
Issue of shares	-	-	-	-	-	-
At 31 December 2015	0.10	4,850,000,000	4,850,000,000	485,000,000	2,599,808,274	3,084,808,274
Issue of shares	-	-	-	-	-	-
At 31 December 2016	0.10	4,850,000,000	4,850,000,000	485,000,000	2,599,808,274	3,084,808,274

The total number of authorised ordinary shares is 4,850,000,000 shares (2015: 4,850,000,000 shares) with a par value of Baht 0.10 per share (2015: Baht 0.10 per share). All issued shares are fully paid.

22 DIVIDENDS PAID

The Board of Directors Meeting held on 9 November 2016, approved the payment of interim dividends in respect of the operating result for the year 2016 of Baht 0.15 per share (2015: Baht 0.10 per share) for 4,815,841,522 eligible ordinary shares, totalling Baht 722.38 million (2015: Baht 483.14 million). The dividends were paid to the shareholders on 7 December 2016.

23 LEGAL RESERVE

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
At 1 January	26,510,386	-	26,510,386	-
Appropriation during the year	21,989,614	26,510,386	21,989,614	26,510,386
At 31 December	48,500,000	26,510,386	48,500,000	26,510,386

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

24 REVENUES FROM SALES AND SERVICES

Revenues from sales and services are as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Passenger service revenues	24,993,481,284	22,091,893,669	-	-
Baggage handling and other service fees	4,828,815,716	4,811,362,443	-	-
Charter flight revenues	1,963,343,895	2,081,089,616	-	-
In-flight revenues	403,129,319	322,959,745	-	-
Freight revenues	211,798,417	200,000,000	-	-
Management fee	-	-	25,000,000	25,000,000
Total revenues	32,400,568,631	29,507,305,473	25,000,000	25,000,000

25 EXPENSES BY NATURE

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

(Unit : Baht)

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Depreciation and amortisation	12, 13	1,182,376,187	1,126,900,791	4,300	4,123
Staff costs		4,508,779,686	3,377,679,708	-	-
Fuel costs		8,257,545,785	9,830,407,370	-	-
Aircraft rental - related party	27.2	4,464,646,976	4,147,355,311	-	-
Aircraft rental - others		409,573,954	-	-	-
Repair and maintenance		2,907,840,055	2,337,954,895	-	-
Ramp and airport operating costs		3,727,582,587	3,362,626,401	-	-

26 EARNINGS PER SHARE

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Net profit attributable to shareholders of the parent (Baht)	1,869,462,906	1,078,476,693	739,570,084	530,207,730
Weighted average number of paid-up ordinary shares outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings per share (Baht)	0.3855	0.2224	0.1525	0.1093

The Group does not have dilutive ordinary shares as at 31 December 2016 and 2015.

27 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 13 June 2016, the Company changed its major shareholder from the Bijleveld family, also the Company's management, to the Srivaddhanaprabha family, the new major shareholder and management of the King Power Group. The remaining shares are widely held. The shareholding structure change caused new related party transactions: commission from sales of duty free goods, passenger service revenue and sponsorship fee paid to Leicester City Football Club because the Company and the King Power Group have the same major shareholder from 13 June 2016 onwards.

For reporting purpose, AirAsia Berhad who held 45% of the shares of Thai AirAsia Company Limited, a subsidiary, and AirAsia Berhad's related parties are referred to as other related parties.

The following significant transactions were carried out with related parties:

27.1 INCOME

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Other related parties				
Interest income	13,236,477	14,442,708	-	-
Other administrative fees	40,179,762	44,443,238	-	-
Commission from sales of duty free goods	4,535,865	-	-	-
Passenger service revenue	542,641	-	-	-
Subsidiary				
Management fee	-	-	25,000,000	25,000,000
Dividend income	-	-	737,831,032	527,022,166

27 RELATED PARTY TRANSACTIONS (CONT'D)

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

27.2 PURCHASES OF GOODS, SERVICES AND EXPENSES

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Other related parties				
Share of loss from fuel price swap agreements	312,271,224	1,298,054,586	-	-
Share of staff costs for accounting and other services	36,699,725	37,644,887	-	-
Aircraft rental	4,464,646,976	4,147,355,311	-	-
Aircraft repair and maintenance	2,075,044,788	1,527,210,017	-	-
Purchases of merchandises and equipment	94,646,211	244,699,899	-	-
Management fee expenses	17,012,300	16,595,132	-	-
Booking fee expenses	161,996,712	133,141,805	-	-
Pilot training expenses	140,718,558	119,707,049	-	-
Brand license fee expenses	329,957,862	307,867,500	-	-
Sponsorship fee paid to Leicester City Football Club	31,788,130	-	-	-

27.3 MANAGEMENT REMUNERATION

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Salaries and other short-term employee benefits	123,976,996	85,252,036	11,017,500	10,172,499
Retirement benefits	5,122,690	6,073,888	-	-
	<u>129,099,686</u>	<u>91,325,924</u>	<u>11,017,500</u>	<u>10,172,499</u>

27 RELATED PARTY TRANSACTIONS (CONT'D)

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

27.4 AMOUNTS DUE FROM RELATED PARTIES

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	Other related parties	804,788,351	326,208,917	-
Subsidiary	-	-	6,687,500	-
	<u>804,788,351</u>	<u>326,208,917</u>	<u>6,687,500</u>	<u>-</u>

Amounts due from related parties have been charged with the interest for overdue amount at 6.00% per annum (2015: 6.00% per annum).

27.5 AIRCRAFT MAINTENANCE RESERVES

AirAsia Berhad, a related party, had entered into an Aircraft maintenance services agreement with the Group. Under this agreement, the Group will make prepayments for the aircraft maintenance reserves based on the number of aircraft, number of engines and number of hours flown. These aircraft maintenance reserves are managed by AirAsia Berhad for future maintenance/overhaul deemed necessary to be performed once the aircraft reaches certain engine hours/hours flown.

As at 31 December 2016, the Group had commitment from an Aircraft maintenance services agreement amounting to US Dollars 4,742,878 (as at 31 December 2015: US Dollars 21,960,368).

27.6 OTHER NON-CURRENT ASSETS

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	Other related parties			
Aircraft rental deposits	741,346,452	748,209,343	-	-
Fuel price swap deposit	17,829,400	17,961,650	-	-
	<u>759,175,852</u>	<u>766,170,993</u>	<u>-</u>	<u>-</u>

27 RELATED PARTY TRANSACTIONS (CONT'D)

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

27.7 AMOUNTS DUE TO RELATED PARTIES

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Other related parties	430,781,485	917,878,501	-	-

28 COMMITMENTS**OPERATING LEASE COMMITMENTS**

As at 31 December, the Group had outstanding commitments in respect of the non-cancellable office leases and others as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Within 1 year	28,610,722	47,449,315	-	-
Later than 1 year but not later than 5 years	26,792,147	4,958,386	-	-
Total	55,402,869	52,407,701	-	-

As at 31 December, the Group had the future aggregate minimum lease payments in respect of non-cancellable operating aircraft lease agreements made with AirAsia (Mauritius) Limited, which is a related company, and other third party lessors, and insurance agreements of aircraft and aircraft engines as follows:

(Unit : US Dollars)

	CONSOLIDATED FINANCIAL STATEMENTS			
	2016		2015	
	RENTAL	INSURANCE AGREEMENT	RENTAL	INSURANCE AGREEMENT
Within 1 year	141,613,445	1,668,900	126,647,808	1,003,906
Later than 1 year but not later than 5 years	500,694,439	-	481,391,232	-
Later than 5 years	189,148,559	-	220,655,835	-
Total	831,456,443	1,668,900	828,694,875	1,003,906

29 GUARANTEES

As at 31 December 2016, there was a commitment related to guarantees issued by bank in respect of pilot trainees' loans in accordance with its professional pilot courses amounting to Baht 215.66 million (as at 31 December 2015: Baht 178.17 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.

30 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 STATEMENTS							
	2016					2015		
	BAHT MILLION	US DOLLARS MILLION	MALAYSIA RINGGIT MILLION	SINGAPORE DOLLARS MILLION	INDIAN RUPEE MILLION	BAHT MILLION	US DOLLARS MILLION	INDIAN RUPEE MILLION
Guarantees relating to flight operating activities	7.90	0.09	1.00	1.81	57.42	7.90	0.09	23.58
Guarantees relating to maintenance reserve fund	-	38.78	-	-	-	-	27.62	-
Total	7.90	38.87	1.00	1.81	57.42	7.90	27.71	23.58

The Group also used its saving and current accounts as collaterals for these letters of guarantee as follows:

	CONSOLIDATED FINANCIAL STATEMENTS							
	2016					2015		
	BAHT MILLION	US DOLLARS MILLION	MALAYSIA RINGGIT MILLION	SINGAPORE DOLLARS MILLION	INDIAN RUPEE MILLION	BAHT MILLION	US DOLLARS MILLION	INDIAN RUPEE MILLION
Saving account	-	-	-	-	-	85.38	-	-
Current account	-	-	-	-	3.30	-	7.61	12.68
Total	-	-	-	-	3.30	85.38	7.61	12.68

31 PROMOTIONAL PRIVILEGES

On 13 March 2013, a subsidiary received a certificate of promotional privileges from the Board of Investment (“BOI”) for 24 aircraft for air transportation business. The main privileges include exemption from payment of import duty on aircraft and related spare parts and exemption from corporate income taxes for the promoted activities for a period of eight years starting from the date on which the Group started earning income from the promoted activities. To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. The conditions are that the subsidiary’s authorised and paid-up share capital is not less than Baht 435.50 million.

As at 31 December 2016, the subsidiary had received 23 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2015: 17 aircraft).

บัตรเครดิต แอร์เอเชียธนาคารกรุงเทพ บัตรสำหรับคนชอบบิน



รับคะแนน AIRASIA BIG POINTS สูงสุดถึง 3 เท่า ให้คุณบินฟรีได้เร็วขึ้น
หรือบินได้ง่ายขึ้นกับการผ่อน 0% 3 เดือน



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สมัครบัตรได้ที่ พนักงานต้อนรับบนเครื่องบิน และธนาคารกรุงเทพ ทุกสาขา
โปรดตรวจสอบรายละเอียดเพิ่มเติมที่ www.bangkokbank.com/creditcard โทร. 0 2638 4000

Q

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GENERAL INFORMATION

ข้อมูลทั่วไป

ชื่อบริษัท

บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน) (ชื่อย่อ "AAV")

ประเภทธุรกิจ

ประกอบธุรกิจด้านการลงทุนโดยการถือหุ้นในบริษัท (Holding Company) ที่ประกอบธุรกิจสายการบิน ราคาประหยัด หรือธุรกิจอื่นที่เกี่ยวข้องกับสายการบิน

คะแนนการกำกับดูแลกิจการ : ดีมาก

ที่ตั้งสำนักงานใหญ่

222 ท่าอากาศยานดอนเมือง อาคารส่วนกลาง ชั้น 3
ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต แขวงสนามบิน เขตดอนเมือง กรุงเทพฯ 10210

โทรศัพท์ : 02-562-5700 โทรสาร : 02-562-5705

เว็บไซต์ : www.aavplc.com

เลขทะเบียนบริษัท : 0107554000313

ทุนจดทะเบียนและทุนที่ออกและชำระแล้ว

ณ วันที่ 31 ธันวาคม 2559

หุ้นสามัญ จำนวน 4,850,000,000 หุ้น มูลค่าที่ตราไว้หุ้นละ 0.10 บาท
รวมมูลค่า 485,000,000 บาท

ข้อมูลทั่วไปของบริษัทย่อย : บริษัท ไทยแอร์เอเชีย จำกัด

ประเภทธุรกิจ

ประกอบธุรกิจสายการบินราคาประหยัด หรือธุรกิจอื่นที่เกี่ยวข้องกับสายการบิน

ที่ตั้งสำนักงานใหญ่

222 ท่าอากาศยานดอนเมือง อาคารส่วนกลาง ชั้น 3
ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต แขวงสนามบิน
เขตดอนเมือง กรุงเทพฯ 10210

โทรศัพท์ : 02-562-5700 โทรสาร : 02-562-5705

ทุนจดทะเบียนและทุนที่ออกและชำระแล้ว

ณ วันที่ 31 ธันวาคม 2559

หุ้นสามัญจำนวน 43,555,560 หุ้น มูลค่าที่ตราไว้หุ้นละ 10 บาท
รวมมูลค่า 435,555,600 บาท

สัดส่วนการถือหุ้น : 55.0%

นายทะเบียนหลักทรัพย์

บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด
อาคารตลาดหลักทรัพย์แห่งประเทศไทย

93 ถนนรัชดาภิเษก เขตดินแดง กรุงเทพฯ 10400

โทรศัพท์ : 02-009-9999 โทรสาร : 02-009-9991

เว็บไซต์ : www.tsd.co.th

ผู้สอบบัญชี

บริษัท ไพรซ์วอเตอร์เฮาส์คูเปอร์ส เอบีเอส จำกัด
ชั้น 15 บางกอกซิตีทาวเวอร์ 179/74-80

ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพฯ 10120

โทรศัพท์ : 02-286-9999, 02-344-1000 โทรสาร : 02-286-5050

เว็บไซต์ : www.pwc.com/th

อนึ่ง ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัทที่แสดงไว้ www.sec.co.th หรือ www.aavplc.com

COMPANY NAME

Asia Aviation Public Company Limited (AAV)

TYPE OF BUSINESS

A holding company investing in business of low-fares airline or relevant business in relation to airline operation

CORPORATE GOVERNANCE SCORING : Very Good

HEAD OFFICE

222, Don Mueang International Airport, 3rd Fl., Central Office Bldg.,
Room no. 3200, Vibhavadee Rangsit Road, Don Mueang, Bangkok 10210

Tel : 02-562-5700 Fax : 02-562-5705

Website : www.aavplc.com

REGISTRATION NUMBER : 0107554000313

AUTHORISED AND PAID-UP CAPITAL

As at December 31, 2016

Common stock of 4,850,000,000 shares at the par value of Baht 0.10
amounted Baht 485,000,000

SUBSIDIARY NAME : Thai AirAsia Company Limited

TYPE OF BUSINESS

A low-fares airline or relevant business in relation to airline operation

HEAD OFFICE

222, Don Mueang International Airport, 3rd Fl., Central Office Bldg.,
Room no.3200, Vibhavadee Rangsit Rd., Sanambin,
Don Mueang, Bangkok 10210

Tel : 02-562-5700 Fax : 02-562-5705

AUTHORISED AND PAID-UP CAPITAL

As at December 31, 2016

Common stock of 43,555,560 shares at the par value of Baht 10
amounted Baht 435,555,600

SHAREHOLDING : 55.0%

REGISTRAR

Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building

93 Rachadapisek Road, Dindaeng, Bangkok 10400

Tel : 02-009-9999 Fax : 02-009-9991

Website : www.tsd.co.th

AUDITOR

PricewaterhouseCoopers ABAS Ltd.

15th Floor, Bangkok City Tower, 179/74-80

South Sathorn Road, Bangkok 10120

Tel : 02-286-9999, 02-344-1000 Fax : 02-286-5050

Website : www.pwc.com/th

"Investors can study more information from the company's annual registration statement (From 56-1) from www.sec.or.th or www.aavplc.com"



บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน)

222 ท่าอากาศยานดอนเมือง อาคารส่วนกลาง
ชั้น 3 ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต
แขวงสนามบิน เขตดอนเมือง กรุงเทพฯ 10210
โทรศัพท์ : 02-562-5700
โทรสาร : 02-562-5705

ASIA AVIATION PUBLIC COMPANY LIMITED

222 Don Mueang International Airport, Central Office Building,
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Sanambin, Don Mueang, Bangkok 10210
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