(Translation)

Report on Opinion of Independent Financial Advisor

Regarding the Tender Offer of

Mr. Vichai Srivaddhanaprabha

Mr. Aiyawatt Srivaddhanaprabha

Mr. Apichet Srivaddhanaprabha

Ms. Voramas Srivaddhanaprabha

Ms. Aroonrung Srivaddhanaprabha

to the Shareholders of

Asia Aviation Public Company Limited

Prepared by

Thanachart Securities Public Company Limited

5 July 2016

This is translation of the original Thai document. To the extent the translated version of this report conflicts with the Thai version, the Thai version shall prevail.

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Abbreviation

Abbreviation	Descriptions / Translations
SEC	The Securities and Exchange Commision
SET	The Stock Exchange of Thailand
AAV or The Business or The Company	Asia Aviation Public Company Limited
TAA	Thai AirAsia Company Limited
IFA	Thanachart Securities Public Company Limited
Group of Seller	Mr. Tassapon Bijleveld, Mrs. Siritorn Bijleveld and Ms. Pattaree Bijleveld
Group of Tender Offeror	Mr. Vichai Srivaddhanaprabha, Mr. Aiyawatt Srivaddhanaprabha, Mr. Apichet Srivaddhanaprabha, Ms. Voramas Srivaddhanaprabha, and Ms. Aroonrung Srivaddhanaprabha
The Offeror or The Tender Offeror	Mr. Vichai Srivaddhanaprabha
Section 258	Section 258 of the Securities and Exchange Act B.E. 2535 (as amended)
Offer Price	THB 4.20 per share
Analyst research price targets	Analyst research price targets method
DCF	Discounted cash flow method
IMF	The International Monetary Fund
VWAP	Valuation using Volume weighted average price method

(Translation)

July 5, 2016

Subject Independent Financial Advisor's opinion regarding Tender Offer for shares of Asia Aviation Public Company Limited

To The Audit Committee, Board of Directors and Shareholders of Asia Aviation Public Company Limited

Due to Mr. Vichai Srivaddhanaprabha, Mr. Aiyawatt Srivaddhanaprabha, Mr. Apichet Srivaddhanaprabha, Ms. Voramas Srivaddhanaprabha, and Ms. Aroonrung Srivaddhanaprabha ("Group of Tender Offeror") accuired ordinary shares of Asia Aviation Public Company Limited ("AAV") ,on June 13, 2016 buying shares from Mr. Tassapon Bijleveld, Mrs. Siritorn Bijleveld and Ms. Pattaree Bijleveld ("Group of Seller") which was the Company's former major shareholder. As a result, the Group of Tender Offeror has acquired the total 1,891,588,286 shares (par value of THB 0.10 per shares) of the company, at a price of THB 4.20 per share, or 39% of paid-up shares of the Company.

The Group of Tender Offeror and the related person under Section 258 of the Group of Tender Offeror have acquired more than 25% of the Company's shares, which exceeds the trigger point at which a tender offer is mandatory, in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers. The Tender Offeror therefore issued to the Office of Securities and Exchange Commission (the "SEC") and other shareholders of the Company an Announcement of Intention to Make a Tender Offer (Form 247-3) on June 14, 2016 and a Tender Offer (Form 247-4) on June 23, 2016. In addition, Mr. Vichai Srivaddhanaprabha ("The Offeror") will be the sole Offeror on behalf of the Group of Tender Offerors.

The Company appoints Thanachart Securities Public Company Limited (the"Independent Financial Advisor" or the 'IFA") as an independent financial advisor to render an opinion on the tender offer for the securities of the Company by the Tender Offeror, in accordance with the Tender Offer (Form 247-4), dated June 23, 2016.

The IFA has studied the Tender Offer (Form 247-4), information and documents provided by the Company and other information publicly disclosed by the Company, such as annual reports, annual registration statements (Form 56-1), audited or reviewed financial statements and other statistical data that is available from public sources including management interview. The IFA's opinions are based on the information and documents received from the Company, together with the information obtained from management interviews and other publicly available information, which was assumed to be complete, accurate and reflective of the management's view and would not significantly alter in the future. The IFA has not audited, reviewed or valued the assets or liabilities of the Company for any specific purposes, and is not responsible for the accuracy of the aforementioned information.

The objective of the IFA's work is to provide an opinion that the Company's shareholders may take into account in deciding whether to accept the tender offer made by the Tender Offeror. A final decision on whether to accept or reject the tender offer should be made at the sole discretion of each of the shareholders.

1. Background

1.1 Transaction's detail

Key information regarding the Tender Offer (Form 247-4) dated June 23, 2016, can be summarized below;

Topic		Detail
Tender Offeror or the Offerer	:	Mr. Vichai Srivaddhanaprabha
Tender Offer Preparer	:	The Siam Commercial Bank Public Company Limited
Type of the securities	:	Ordinary share of AAV
Number of the securities to be purchased under the tender offer	:	2,918,411,714 shares or 60.17% of the total issued and paid up shares of AAV
Tender offer price	:	THB 4.20 per share The Offeree is subject to pay the Tender Offer Agent fee at the rate of 0.25% of the offer price and the value-added tax ("VAT") of 7% of the Tender Offer Agent fee, which equal to THB 4.188765 per share
Tender offer period	:	25 business days From 9.30 a.m. to 16.30 p.m. on every business day from June 24, 2016 through August 2, 2016 inclusive
Conditions for change in the tender offer	:	▪ The Offeror may reduce the offer price or extend the Tender Offer period if any event or action causing severe damage to the financial status or assets of the Business occurs during the Tender Offer Period; or ▪ The Offeror may change the offer or extend the Tender Offer period to compete with another offeror who has submitted a Tender Offer for securities of the Business during the Tender Offer Period
Conditions for cancellation of the tender offer	:	The Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events: ▪ An occurrence of any event or action after the offer document has been submitted to the Office of Securities and Exchange Commission (the "SEC") but within the Tender Offer Period which causes or may cause serious damage to the status or assets of the Business, and such events or actions do not result from the acts of the Offeror, or any act for which the Offeror is responsible. ▪ The taking of any action by the Business after the Tender Offer document has been submitted to the SEC, but during

Topic		Detail
		the Tender Offer Period, which results in a significant decrease in the share value. ▪ An occurrence of any action that may have an impact on the Tender Offer as per the Capital Market Supervisory Board No. ThorJor. 14/2554 Re Action or Restraints of Actions that may Impact the Tender Offer for the Business.
The period that the securities holders may cancel their intention to sell their shares	:	The last day that an Offeree can cancel its acceptance of the Tender Offer is the 20th business day of the Tender Offer Period, which is on July 26, 2016
Sources of funds for the tender offer	:	In the event that all the shareholders express their intention to accept the Mandatory Tender offer, the total consideration ordinary shares for the acquisition of the Company's securities in this Tender Offer at THB 4.20 per share is THB 12,257,329,198.80. The source of financing for this transaction will be bridge financing from The Siam Commercial Bank Public Company Limited, whereby such borrowing will be available for the Offeror throughout the Tender Offer Period
Name of the tender offeror agent	:	The Siam Commercial Bank Public Company Limited

Source: Tender Offer Form (Form 247-4)

2. Information of the Offeror and the Company

2.1. Information of the Tender Offeror

(1) Mr. Vichai Srivaddhanaprabha

(1.1) General Information

Name	:	Mr. Vichai Srivaddhanaprabha
Age	:	57 years
Address	:	20 Sukhumvit 64 Bang Chak Phra Khanong Bangkok 10260
Identification No.	:	3 1008 00266 22 0
Telephone	:	02-677-8888
Education	:	Honorary Degree of Doctor of Laws, University of Leicester, United Kingdom Honorary Degree of Doctor of Political Science, Kensington University, USA B.A. (Political Science), Ramkhamhaeng University

Work Experience

2010 – Present	:	Chairman of Leicester City Football Club, England
1997 – Present	:	Group Chairman of King Power Group of Companies: ▪ King Power Tax Free Co., Ltd. ▪ King Power Duty Free Co., Ltd. ▪ King Power International Co., Ltd. ▪ King Power Suvarnabhumi Co., Ltd. ▪ King Power Hotel Management Co., Ltd. ▪ King Power Marketing & Management Co., Ltd. ▪ King Power Development Co., Ltd. ▪ King Power Entertainment Co., Ltd.
1995 – 1998	:	Chairman of King Power Duty Free (Macau) Co., Ltd.
1994 – Present	:	Group Chairman of King Power International Co., Ltd. Group Chairman of V&A Holdings Co., Ltd.
1994 – 1998	:	Chairman of Hong Kong Kai Tak International Airport Duty Free Shop Co., Ltd.
1993 – Present	:	Chairman of King Power Tax Free Co., Ltd.
	:	Chairman of Capitalux Co., Ltd.
1991 – 2001	:	Chairman of TAT (Phnom Penh) Duty Free Co., Ltd.
1989 – 2003	:	Managing Director of Downtown D.F.S. (Thailand) Co., Ltd.
1989 – 1991	:	Managing Director of Europa Prince Downtown Shop Hong Kong
1989 – 1990	:	General Manager (Duty Free) of Tourism Authority of Thailand
1984 – 1997	:	Executive Director of Thai Nishikawa International Ltd.
1980 – 1994	:	Managing Director of Sriasksorn (1980) Co., Ltd.

(1.2) Information relating to criminal records

-None-

(1.3) Pending legal disputes

-None-

(2) Mr. Aiyawatt Srivaddhanaprabha

(2.1) General information

Name	:	Mr. Aiyawatt Srivaddhanaprabha
Age	:	30 Years
Address	:	20 Sukhumvit 64 Bang Chak Phra Khanong Bangkok 10260
Identification No.	:	1 1009 00033 47 6
Telephone	:	02-677-8888
Education	:	Honorary Doctor of Business Administration, De Montfort University, England
		Bachelor Degrees Faculty of Business Administration Bangkok University International College
Work Experience		
Present	:	Chief Executive Officer King Power Group
2011 – Present	:	Vice Chairman of Leicester City Football Club
2009 – 2015	:	Assistance to Group Chairman of King Power Group

(2.2) Information relating to criminal records

-None-

(2.3) Pending legal disputes

-None-

(3) Mr. Apichet Srivaddhanaprabha

(3.1) General information

Name	:	Mr. Apichet Srivaddhanaprabha
Age	:	33 years
Address	:	20 Sukhumvit 64 Bang Chak Phra Khanong Bangkok 10260
Identification No.	:	3 1022 00233 23 3
Telephone	:	02-677-8888
Education	:	Bachelor Degrees of Marketing and Psychology (Lower Division, Second Class), The University of Buckingham England

Work Experience

Present	:	Assistant Chief Operating Officer of King Power Group
2015 - Present	:	Board of Director Leicester City Football Club
2015 - 2015	:	Assistant to Group Chairman / E – Business Division
2012 - 2015		Department Manager - Human Resource Management Assistant to Group Chairman
2010 - 2012	:	Human Resource Manager, King Power International Co., Ltd
2008 - 2010	:	Assistant Human Resource Management, King Power International Co., Ltd
2008 - 2008	:	Assistant Manager – Group Deputy Chairman's Office, King Power Suvarnabhumi Co., Ltd
2007 - 2008	:	Assistant to General Manager, King Power Suvarnabhumi Co., Ltd

(3.2) Information relating to criminal records

-None-

(3.3) Pending legal disputes

-None-

(4) Ms. Voramas Srivaddhanaprabha

(4.1) General information

Name	:	Ms. Voramas Srivaddhanaprabha
Age	:	34 years
Address	:	20 Sukhumvit 64 Bang Chak Phra Khanong Bangkok 10260
Identification No.	:	3 1008 00266 27 1
Telephone	:	02-677-8888
Education	:	Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University London College of Fashion, Master of Arts in Fashion Accessories Bachelor Degree Central St Martins College of Art & Design

Work Experience

Present	:	Chief Commercial Officer of King Power Group
2010 - Present	:	Executive Vice President, Marketing of King Power Group
2007 - 2010	:	Corporate Creative Development Manager
2006 - 2007		Business Affairs Manager

(4.2) Information relating to criminal records

-None-

(4.3) Pending legal disputes

-None-

(5) Ms. Aroonrung Srivaddhanaprabha

(5.1) General information

Name	:	Ms. Aroonrung Srivaddhanaprabha
Age	:	32 years
Address	:	20 Sukhumvit 64 Bang Chak Phra Khanong Bangkok 10260
Identification No.	:	5 1006 00052 37 1
Telephone	:	02-677-8888
Education	:	Bachelor Degree, Assumption University

Work Experience

Present	:	Assistant Chief Financial Officer of King Power Group
2012	:	Assistant to Vice Chairman and CFO King Power Group Section Manager Merchandising Planning and Strategy King Power Group

(5.2) Information relating to criminal records

-None-

(5.3) Pending legal disputes

-None-

Source: Tender Offer Form (Form 247-4)

2.2. Information of the Company

2.2.1. Business overview and company history

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-cost carrier business under Thai AirAsia Company Limited ("TAA")

TAA founded on September 19, 2003 to operate a low-cost carrier business, with paid-up capital of THB 400,000,000 and 2 major shareholders including (1) AAV which held 51% and (2) AirAsia Investment ("AAI") which held 49% of paid-up capital of TAA (before IPO). AAI operates as a holding company and is held 100% of share by AirAsia Berhad ("AAB"), the Malaysia registered company, who operates air transportation services, AirAsia, in Malaysia.

On May 29, 2012, TAA increased its registered capital of THB 435,555,600, being the common shares of 43,555,560 shares at the par value of THB 10.00 per share. AAV has subscribed the newly issued shares, raising its shareholding to 55%, while AAI was diluted to 45%.

The significant development can be summarized as follow;

Year		Significant developments
2004	:	TAA began operating domestic air services under the Thai AirAsia brand from Bangkok's Don Mueang International Airport to Hat Yai District (Songkhla), Phuket and Chiang Mai with two Boeing 737 aircraft. TAA also began operating first international flight from Bangkok to Singapore.
2006	:	Asia Aviation Public Company Limited was incorporated and acquired 50% of shares in TAA
2010	:	TAA ceased operating the Boeing 737 aircraft and TAA's fleet comprised a single aircraft type, the Airbus A320
2012	:	AAV was listed its shares in the Stock Exchange of Thailand ("SET") and has 55% shareholding in TAA
	:	TAA has 27 aircraft (2 aircraft with finance lease) provides 604 flights per week to 30 destinations domestically and internationally
2013	:	TAA increase its fleet to 35 aircraft (8 aircraft with finance lease) provides 803 flights per week to 36 destinations domestically and internationally
2014	:	TAA increase its fleet to 40 aircraft (12 aircraft with finance lease) provides 912 flights per week to 36 destinations domestically and internationally
2015	:	TAA increase its fleet to 45 aircraft (14 aircraft with finance lease) provides 1,019 flights per week to 44 destinations domestically and internationally

Business Overview

AAV is a holding company who currently makes an investment only in TAA, the business overview, thus shall be deemed at the operating company TAA.

TAA operates a low-cost carrier business with a single fleet type of Airbus A320s, generating revenue from scheduled passenger services and ancillary services.

1) Scheduled Passenger Services

TAA 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. In 2015, TAA flew approximately 14.8 million passengers, 62% of which were passengers on domestic routes, while 38% of which were passengers on international routes.

TAA's Route Network and Schedules

TAA provides services focus on short-haul routes to airports that locates in dense population area and travel destinations, typically operating within radius up to 3,500 kilometers and flight duration of up to 4 hours from TAA's hub. TAA provides point-to-point route with no transit point. TAA will not schedule any aircraft to stay overnight at airport except in the TAA's hub airports including Bangkok (Don Mueang), Phuket, Chiangmai, Krabi, and Pattaya (U-Tapao).

TAA provides air transportation service cover 44 cities in 10 countries in Asia. As at December 31, 2015 TAA was covering 24 international destinations and 20 domestic destinations with 32 international routes and 27 domestic routes.

2) Ancillary Services

TAA provides various ancillary services to the passengers, starting from the services before boarding, inflight services, and other services in relation to air passenger services. Which are grouped into categories as below.

2.1. Service before boarding and fees

Through the AirAsia Group's website, call centre, sales office and over the check-in counter, TAA offers the passengers a range of products and services such as:

- *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 comparing to purchase at the airport. Moreover, additional fees will

be charged on baggage with excess weight from pre-booked option or over 15 kilograms at the check-in counter.

- *Seat Selection*: Seat selection is available with fees, passengers can choose any preferred seats on the flight with this service.

- *Checked Sports Equipment*: Passengers can check-in sports equipment including Golf Equipment, Diving Equipment, Surf Board, Bicycle, or other equipment larger in size. Pre-booking the checked sports equipment at the time of reservation will result in lower fees comparing to purchase at the airport. Moreover, additional fees will be applied on equipment with excess weight from pre-booked option or over 20 kilograms at the check-in counter.

- *Bookings and Amendments*: Bookings made via call center, sale offices, airport sales counters and TAA sales booths at Tesco Lotus are subjected to booking fee. Furthermore, 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. TAA will generate revenue from this service through fees upon using the AirAsia website in selling such insurance.

- *Fly-Thru*: Fly-Thru service is available for passengers who wish to conveniently connect flights (Domestic and International Flight). A Fly Thru 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, TAA 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 Company Limited ("KPM"), TAA 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

TAA also provides other services for example co-brand credit card with Bangkok Bank, advertising space, AirAsia Car Rental, AirAsia Cargo, and Island and city transfer.

Revenue breakdown of TAA according to the financial statements ended December 31, 2013 – 2015 is shown with details below

	For the year ended December 31					
	2013		2014		2015	
	MB	%	MB	%	MB	%
Revenues from Sales and Services						
Passenger service revenues	17,403.3	71.3	18,154.7	69.1	22,091.9	72.5
Baggage handling and other service fees	4,703.5	19.3	5,561.6	21.2	4,811.4	15.8
Charter flight revenues	971.0	4.0	1,175.9	4.5	2,081.1	6.8
In-Flight revenues	225.0	0.9	260.9	1.0	322.9	1.1
Freight revenues	182.2	0.7	202.4	0.8	200.0	0.7
Total Revenues from Sales and Services	**23,485.0**	**96.2**	**25,355.5**	**96.5**	**29,507.3**	**96.9**
Other Revenues						
Net gain on exchange rates	258.1	1.1	126.0	0.5	-	0.0
Other income	669.9	2.7	793.2	3.0	955.3	3.1
Total Other Revenues	**928.0**	**3.8**	**919.2**	**3.5**	**955.3**	**3.1**
Total Revenues	**24,413.0**	**100.0**	**26,274.7**	**100.0**	**30,462.6**	**100.0**

Source: Form 56-1 year 2015

AAV's shareholder structure

As of March 31, 2016, the Company had a registered and paid-up share capital of THB 485 million (consisting of 4,850,000,000 paid-up common shares with a par value of THB 0.10 per share). The following table represents top 10 major shareholders of the Company by shareholding percentage as at March 15, 2016 (the latest book closing date);

Rank	List of shareholders	Number of shares	%
1.	Miss Pattaree Bijleveld	921,500,000	19.00
2.	Mr. Tassapon Bijleveld	630,564,208	13.00
3.	Mrs. Siritorn Bijleveld	582,024,078	12.00
4.	Thai NVDR Company Limited	498,184,048	10.27
5.	Bualuang Long-term Equity Funds	234,682,000	4.84
6.	Bualuang Long-term Equity Funds 75/25	149,244,600	3.08
7.	Bualuang Flexible RMF	78,878,100	1.63
8.	Bualuang Top Ten Open-end Fund	61,671,500	1.27
9.	Electricity Generating Authority of Thailand Employees Provident Fund (managed by BBLAM)	56,866,100	1.17
10.	Bualuang Infrastructure RMF	47,678,900	0.98
	Total	**3,261,293,534**	**67.24**

Source: SET

The following table presents top major shareholders of the Company by shareholding percentage as at June 13, 2016 (the date the Tender Offeror acquired shares of the Company), assuming that there is no other changes of major shareholders except for the Tender Offeror and the Seller;

Rank	List of shareholders	Number of shares	%
1.	Group of tender offeror		
	1.1 Mr. Vichai Srivaddhanaprabha	679,000,000	14.00
	1.2 Mr. Aiyawatt Srivaddhanaprabha	485,088,286	10.00
	1.3 Mr. Apichet Srivaddhanaprabha	282,500,000	5.82
	1.4 Ms. Voramas Srivaddhanaprabha	242,500,000	5.00
	1.5 Ms. Aroonrung Srivaddhanaprabha	242,500,000	5.00
	Total group of tender offeror	**1,931,588,286**	**39.82**
2.	Thai NVDR Company Limited	498,184,048	10.27
3.	Mr. Tassapon Bijleveld	242,500,000	5.00
4.	Bualuang Long-term Equity Funds	234,682,000	4.84
5.	Bualuang Long-term Equity Funds 75/25	149,244,600	3.08
6.	Bualuang Flexible RMF	78,878,100	1.63
7.	Bualuang Top Ten Open-end Fund	61,671,500	1.27
8.	Electricity Generating Authority of Thailand Employees Provident Fund (managed by BBLAM)	56,866,100	1.17
9.	Bualuang Infrastructure RMF	47,678,900	0.98
10.	Bualuang Equity RMF	42,894,400	0.88
	Other shareholders	1,505,812,066	31.06
	Total	**4,850,000,000**	**100.00**

Source: Notification of the change of major shareholders and directors of the Company Dated June 13, 2016, from SET / List of major shareholders dated June 15, 2016, from www.set.or.th

AAV's Board of Directors Structure as at December 31, 2015, the details as follows;

Rank	Name	Position
1.	Mr. Arak Chonlatanon	Chairman of the Board / Chairman of the Audit Committee / Independent Director
2.	Mr. Tassapon Bijleveld	Chief Executive Officer / Director
3.	Mrs. Pattra Boosarawongse	Director
4.	Captain Tanapat Ngamplang	Director
5.	Mr. Preechaya Rasametanin	Director
6.	M.L. Bovornovadep Devakula	Director
7.	Mr. Santisuk Klongchaiya	Director
8.	Mr. Distorn Vajarodaya	Independent Director / Audit Committee
9.	Mr. Nuttawut Phowborom	Independent Director / Audit Committee

Source: Form 56-1 year 2015

Expected AAV's Board of Directors Structure after the Tender Offer, the details as follows;

Rank	Name	Position
1.	Mr. Arak Chonlatanon	Chairman of the Board / Chairman of the Audit Committee / Independent Director
2.	Mr. Tassapon Bijleveld	Chief Executive Officer / Director
3.	Mr. Sombat Dechapanichkul [1/ 2/]	Director
4.	Mr. Aiyawatt Srivaddhanaprabha [1/ 3/]	Director
5.	Mr. Apichet Srivaddhanaprabha [1/ 4/]	Director
6.	M.L. Bovornovadep Devakula	Director
7.	Mr. Santisuk Klongchaiya	Director
8.	Mr. Distorn Vajarodaya	Independent Director / Audit Committee
9.	Mr. Nuttawut Phowborom	Independent Director / Audit Committee

Source: Form 247-4 / Notification of the change of major shareholders and directors of the Company Dated June 13, 2016, from SET

Note: 1/ According to AAV's Share Sell and Purchase Agreement, the Seller shall proceed to hold the meeting of the board of directors of the Business and the subsidiary of the Business to appoint up to 6 persons to be the new directors of the Business and up to 4 persons, designated by the Purchaser, to be the new directors of the subsidiary of the Business in replacement of the resigning directors of the Business and the subsidiary of the Business. On June 13, 2016, the Closing Date, the Business appointed 3 persons, designated by the Offeror, in replacement of the 3 resigning directors of the Business as follows:

2/ Appointed Mr. Sombat Dechapanichkul to be the director in replacement of Mrs. Pattra Boosarawongse

3/ Appointed Mr. Aiyawatt Srivaddhanaprabha to be the director in replacement of Captain Tanapat Ngamplang

4/ Appointed Mr. Apichet Srivaddhanaprabha to be the director in replacement of Mr. Preechaya Rasametanin

On June 13, 2016, the Closing Date, the Business changed the authorized directors from "Mr. Tassapon Bijleveld jointly signing with any one of Captain Tanaphat Ngamplang or Mr. Preechaya Rasametanin or M.L.Bovornovadep Devakula or Mr. Santisuk Klongchaiya or Mrs. Pattra Boosarawongse with the Company's seal affixed." to be "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."

TAA's shareholder structure

As at December 31, 2015, shareholders of TAA are represented with details on the number of shares and shareholding percentage as follows;

Rank	List of shareholders	Number of shares	%
1.	AAV	23,955,553	55.00
2.	Airasia Investment Company Limited [1/2/]	19,600,000	45.00
3.	Mr. Tassapon Bijleveld	2	0.00
4.	Captain Tanapat Ngamplang	1	0.00
5.	Mr. Preechaya Rasametanin	1	0.00
6.	M.L. Bovornovadep Devakula	1	0.00
7.	Mr. Santisuk Klongchaiya	1	0.00
8.	Mrs. Hathaimas Ekkalakdilok	1	0.00
	Total	**43,555,560**	**100.00**

Source: Form 56-1 year 2015

Note: 1/ Airasia Investment Company Limited is a subsidiary of AirAsia Group. Airasia Investment Company Limited founded by the Malaysia's law and held 100% by AirAsia Berhad

2/ AirAsia Berhad operate as a holding company listed on Bursa Malaysia stock exchange. AirAsia Berhad held by major shareholders including (1) Tan Sri Dr. Anthony Francis Fernandes, and (2) Dato Kamarudin Bin Meranun that held 19.05% and 19.06% respectively.

As at December 31, 2015, the following table represents the Board of Directors Structure of TAA;

Rank	Name	Position
1.	Mr. Arak Chonlatanon	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2.	Mr. Tassapon Bijleveld	Executive Director / Director
3.	Tan Sri Dr. Anthony Francis Fernandes	Director
4.	Dato Kamarudin Bin Meranun	Director
5.	Mrs. Pattra Boosarawongse	Director
6.	Mr. Santisuk Klongchaiya	Director
7.	Mr. Nuttawut Phowborom	Independent Director / Audit Committee

Source: Form 56-1 year 2015

Expected TAA's Board of Directors after the Tender Offer are presented as follows;

Rank	Name	Position
1.	Mr. Arak Chonlatanon	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2.	Mr. Tassapon Bijleveld	Executive Director / Director
3.	Tan Sri Dr. Anthony Francis Fernandes	Director
4.	Dato Kamarudin Bin Meranun	Director
5.	Mr. Sombat Dechapanichkul [1/ 2/]	Director
6.	Mr. Aiyawatt Srivaddhanaprabha [1/ 3/]	Director

7.	Mr. Nuttawut Phowborom	Independent Director / Audit Committee

Source: Form 247-4 / Notification of the change of major shareholders and directors of the Company Dated June 13, 2016, from SET / List of major shareholders dated June 15, 2016, from www.set.or.th

Note: 1/ According to AAV's Share Sell and Purchase Agreement, the Seller shall proceed to hold the meeting of the board of directors of the Business to appoint up to 6 persons to be the new directors of the Business and up to 4 persons to be the new directors of the subsidiary of the Business in replacement of the resigning directors of the Business and the subsidiary of the Business. On June 14, and 15, 2016, the subsidiary of the Business appointed 2 persons, designated by the Offeror, in replacement of the 2 resigning directors of TAA as follows:

2/ Appointed Mr. Sombat Dechapanichkul to be the director in replacement of Mrs. Pattra Boosarawongse

3/ Appointed Mr. Aiyawatt Srivaddhanaprabha to be the director in replacement of Mr. Santisuk Klongchaiya

On June 15, 2016, the subsidiary of the Business changed the authorized directors to be " (1) Mr. Tassapon Bijleveld jointly signs with one of Mr. Sombat Dechapanichkul or Mr. Aiyawatt Srivaddhanaprabha, in an aggregation of 2 persons, together with the company's seal affixed" or "Mr. Sombat Dechapanichkul and Mr. Aiyawatt Srivaddhanaprabha jointly signs with one of Tan Sri Dr. Anthony Francis Fernandes or Dato Kamarudin Bin Meranun, in an aggregation of 3 persons, together with the company's seal affixed".

<u>List of TAA's competitors</u>

The TAA's major competitors who operate air transportation service in Thailand are as follows;

- Thai Airways including Thai Smile Airways which provide full-service air transportation and offers various services to the network.
- Bangkok Airways which also provides full-service air transportation with unique characteristic.
- Nok Air
- Orient Thai Airlines
- Thai Lion Air
- Kan Airlines

Summary of operating results and financial position

1) Summary of AAV's consolidated financial statement

AAV's Statement of comprehensive Income

	THB Million					Percentage				
	2013	2014	2015	1Q2015	1Q2016	2013	2014	2015	1Q2015	1Q2016
Revenues from sales and services	23,485.0	25,355.5	29,507.3	7,734.2	8,952.5	96.2	96.5	96.9	97.3	97.5
Costs of sales of goods and services	(19,928.4)	(23,707.7)	(25,315.1)	(6,156.0)	(6,467.1)	(81.6)	(90.2)	(83.1)	(77.5)	(70.4)
Gross profit	**3,556.7**	**1,647.9**	**4,192.2**	**1,578.2**	**2,485.4**	**14.6**	**6.3**	**13.8**	**19.9**	**27.1**
Net gain on exchange rates	258.2	126.0	-	14.7	-	1.1	0.5	-	0.2	-
Other income	670.6	793.8	956.3	198.3	230.5	2.7	3.0	3.1	2.5	2.5
Profit before expenses	**4,485.5**	**2,567.6**	**5,148.5**	**1,791.2**	**2,715.9**	**18.4**	**9.8**	**16.9**	**22.5**	**29.6**
Selling expenses	(1,147.8)	(1,180.1)	(1,494.0)	(371.0)	(390.1)	(4.7)	(4.5)	(4.9)	(4.7)	(4.2)
Administrative expenses	(607.9)	(744.8)	(883.4)	(205.6)	(273.4)	(2.5)	(2.8)	(2.9)	(2.6)	(3.0)
Net loss on exchange rates	-	-	(204.8)	-	(2.4)	-	-	(0.7)	-	(0.0)
Profit before finance costs and income taxes	**2,729.8**	**642.8**	**2,566.4**	**1,214.6**	**2,050.0**	**11.2**	**2.4**	**8.4**	**15.3**	**22.3**
Finance costs	(171.0)	(312.8)	(457.1)	(108.1)	(126.8)	(0.7)	(1.2)	(1.5)	(1.4)	(1.4)
Share of gain (loss) from investment in an associate	-	-	-	(0.1)	-	-	-	-	(0.0)	-
Profit before income tax	**2,558.8**	**330.0**	**2,109.3**	**1,106.4**	**1,923.2**	**10.5**	**1.3**	**6.9**	**13.9**	**20.9**
Income tax	(651.2)	1.3	(151.1)	(186.3)	(90.3)	(2.7)	0.0	(0.5)	(2.3)	(1.0)
Net profit for the period	**1,907.7**	**331.3**	**1,958.3**	**920.1**	**1,832.9**	**7.8**	**1.3**	**6.4**	**11.6**	**20.0**
Other comprehensive income:										
Remeasurements of employee benefit obligations	15.9	11.7	29.2	-	-	0.1	0.0	0.1	-	-
Income taxes relating to components of other comprehensive income for the year	(3.2)	(2.3)	(5.8)	-	-	(0.0)	(0.0)	(0.0)	-	-
Total comprehensive income for the year	**1,920.4**	**340.6**	**1,981.6**	**920.1**	**1,832.9**	**7.9**	**1.3**	**6.5**	**11.6**	**20.0**
Net profit attributable to:										
Owners of the parent	1,042.8	183.2	1,078.5	506.4	1,009.1	4.3	0.7	3.5	6.4	11.0
Non-controlling interests	864.9	148.1	879.8	413.7	823.8	3.5	0.6	2.9	5.2	9.0
Total comprehensive income attributable to:										
Owners of the parent	1,049.8	188.3	1,091.3	-	-	4.3	0.7	3.6	-	-
Non-controlling interests	870.6	152.3	890.3	-	-	3.6	0.6	2.9	-	-
Basic earnings per share (THB per share)	0.2150	0.0378	0.2224	0.1044	0.2081	-	-	-	-	-

Source: AAV's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

AAV's Statement of financial position

	THB Million				Percentage			
	2013	2014	2015	1Q2016	2013	2014	2015	1Q2016
Cash and cash equivalents	1,958.6	4,789.1	6,122.8	7,518.1	4.4	9.7	11.6	13.8
Cash at financial institutions pledged as security	13.4	6.1	358.7	320.7	0.0	0.0	0.7	0.6
Short-term investments	3,448.6	1,492.7	1,109.2	850.7	7.7	3.0	2.1	1.6
Investments in private funds	1,032.6	10.5	-	-	2.3	0.0	-	-
Trade and other receivables, net	723.5	631.0	439.2	441.9	1.6	1.3	0.8	0.8
Amounts due from related parties	87.2	68.2	326.2	350.8	0.2	0.1	0.6	0.6
Inventories	90.2	96.8	94.0	111.2	0.2	0.2	0.2	0.2
Prepaid expenses	343.9	271.0	315.7	371.0	0.8	0.5	0.6	0.7
Value added taxes receivable, net	78.7	86.8	-	-	0.2	0.2	-	-
Other current assets	40.2	40.3	63.3	71.6	0.1	0.1	0.1	0.1
Total current assets	**7,816.9**	**7,492.5**	**8,829.2**	**10,036.0**	**17.4**	**15.1**	**16.7**	**18.4**
Cash at financial institutions pledged as security	339.2	171.2	6.4	1.6	0.8	0.3	0.0	0.0
Long-term investments	1,312.0	1,299.3	13.3	13.3	2.9	2.6	0.0	0.0
Aircraft maintenance reserves	-	-	1,066.4	1,770.1	-	-	2.0	3.2
Aircraft, leasehold improvements and equipment, net	10,956.0	16,033.3	18,216.1	17,933.7	24.4	32.4	34.5	32.9
Intangible assets, net	14,868.7	14,868.0	14,868.5	14,870.8	33.1	30.0	28.1	27.3
Goodwill	8,824.8	8,824.8	8,824.8	8,824.8	19.6	17.8	16.7	16.2
Other non-current assets	817.6	812.7	1,001.8	1,025.3	1.8	1.6	1.9	1.9
Total non-current assets	**37,118.4**	**42,009.3**	**43,997.3**	**44,439.6**	**82.6**	**84.9**	**83.3**	**81.6**
Total assets	**44,935.3**	**49,501.8**	**52,826.5**	**54,475.6**	**100.0**	**100.0**	**100.0**	**100.0**
Trade accounts payable	153.0	175.2	335.8	338.6	0.3	0.4	0.6	0.6
Other accounts payable	124.1	192.2	194.6	236.2	0.3	0.4	0.4	0.4
Amounts due to related parties	506.8	472.7	917.9	1,141.7	1.1	1.0	1.7	2.1
Deferred revenue	4,299.2	4,629.2	4,030.2	4,020.9	9.6	9.4	7.6	7.4
Accrued expenses	1,390.5	1,372.4	1,516.6	1,431.3	3.1	2.8	2.9	2.6
Current portion of finance lease liabilities	615.1	959.0	1,261.4	1,258.0	1.4	1.9	2.4	2.3
Income tax payable	150.5	-	-	-	0.3	-	-	-
Other current liabilities	32.5	64.1	40.0	52.9	0.1	0.1	0.1	0.1
Total current liabilities	**7,271.6**	**7,864.8**	**8,296.5**	**8,479.6**	**16.2**	**15.9**	**15.7**	**15.6**
Finance lese liabilities	7,545.8	11,118.0	12,775.4	12,308.6	16.8	22.5	24.2	22.6
Deferred tax liabilities, net	3,309.7	3,345.6	3,502.5	3,592.8	7.4	6.8	6.6	6.6
Employee benefit obligations	133.0	157.5	168.9	178.5	0.3	0.3	0.3	0.3
Total non-current liabilities	**10,988.4**	**14,621.1**	**16,446.8**	**16,079.9**	**24.5**	**29.5**	**31.1**	**29.5**
Total liabilities	**18,260.0**	**22,485.9**	**24,743.3**	**24,559.5**	**40.6**	**45.4**	**46.8**	**45.1**
Equity attributable to owners of the parent	19,345.9	19,534.2	20,142.4	21,151.5	43.1	39.5	38.1	38.8
Non-controlling interests	7,329.4	7,481.7	7,940.8	8,764.6	16.3	15.1	15.0	16.1
Total shareholders' equity	**26,675.3**	**27,015.9**	**28,083.2**	**29,916.1**	**59.4**	**54.6**	**53.2**	**54.9**
Total liabilities and shareholders' equity	**44,935.3**	**49,501.8**	**52,826.5**	**54,475.6**	**100.0**	**100.0**	**100.0**	**100.0**

Source: AAV's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

AAV's Statement of Cash Flows

	THB Million				
	2013	2014	2015	1Q2015	1Q2016
Profit before income taxes	2,558.8	330.0	2,109.3	1,106.4	1,923.2
Depreciation	401.6	817.9	1,122.3	273.3	284.3
Other adjustments	1,059.5	701.1	(224.3)	(737.1)	153.7
Net cash generated from (used in) operating activities	**4,019.9**	**1,849.0**	**3,007.3**	**642.6**	**2,361.2**
Decrease (increase) in cash at financial institutions pledged as security	(327.4)	175.2	(185.3)	(247.7)	34.8
Decrease (increase) in short-term investments	(1,152.7)	1,955.9	413.1	(33.7)	250.0
Decrease (increase) in investments in private funds	(1,000.0)	1,035.4	10.5	10.5	-
Decrease (increase) in long-term investments	(1,301.8)	(1.7)	1,295.1	500.0	-
Payments for aircraft, leasehold improvements and equipment	(1,903.7)	(1,266.1)	(814.9)	(689.0)	(60.1)
Payment for aircraft maintenance reserves	-	-	-	-	(703.7)
Other adjustments	120.4	126.7	164.3	68.4	8.4
Net cash generated from (used in) investing activities	**(5,565.2)**	**2,025.4**	**882.8**	**(391.5)**	**(470.6)**
Repayments of finance leases	(269.4)	(704.5)	(1,059.1)	(223.0)	(297.2)
Interest paid	(166.8)	(326.3)	(555.6)	(109.1)	(145.8)
Dividends paid to group shareholders	-	-	(483.1)	-	-
Dividends paid to non-controlling interests	-	-	(431.2)	-	-
Net cash generated from (used in) financing activities	**(436.2)**	**(1,030.8)**	**(2,529.1)**	**(332.1)**	**(443.0)**
Net increase (decrease) in cash and cash equivalents	**(1,981.5)**	**2,843.6**	**1,361.0**	**(81.0)**	**1,447.6**

Source: AAV's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

AAV's Significant Financial Ratios

		2013	2014	2015	1Q2015	1Q2016
Gross profit margin	%	15.1	6.5	14.2	20.4	27.8
Operating profit margin[1/]	%	11.6	2.5	8.7	15.7	22.9
Net profit margin[2/]	%	4.4	0.7	3.7	6.5	11.3
Return on assets	%	2.6	0.4	2.1	1.1	3.0
Return on equity	%	5.5	0.9	5.4	2.8	7.7
Debt to Equity	Times	0.9	1.2	1.2	1.2	1.2

Note: 1/ Profit (loss) before finance costs and income taxes divided by revenues from sales and services

2/ Net profit attributable to owners of the parent divided by revenues from sales and services

2) Summary of TAA's financial statement

TAA's Statement of comprehensive income

	THB Million					Percentage				
	2013	2014	2015	1Q2015	1Q2016	2013	2014	2015	1Q2015	1Q2016
Revenues from sales and services	23,485.0	25,355.5	29,507.3	7,734.1	8,952.5	96.2	96.5	96.9	97.3	97.5
Costs of sales of goods and services	(19,907.7)	(23,694.7)	(25,298.8)	(6,151.9)	(6,463.1)	(81.5)	(90.2)	(83.0)	(77.4)	(70.4)
Gross profit	**3,577.3**	**1,660.8**	**4,208.5**	**1,582.8**	**2,489.4**	**14.7**	**6.3**	**13.8**	**19.9**	**27.1**
Net gain on exchange rates	258.1	126.0	-	14.7	-	1.1	0.5	-	0.2	-
Other income	669.9	793.2	955.3	198.3	231.9	2.7	3.0	3.1	2.5	2.5
Profit before expenses	**4,505.4**	**2,580.0**	**5,163.8**	**1,795.3**	**2,721.3**	**18.5**	**9.8**	**17.0**	**22.6**	**29.6**
Selling expenses	(1,147.8)	(1,180.1)	(1,494.0)	(370.9)	(390.1)	(4.7)	(4.5)	(4.9)	(4.7)	(4.2)
Administrative expenses	(584.7)	(747.1)	(862.7)	(206.5)	(275.3)	(2.4)	(2.8)	(2.8)	(2.6)	(3.0)
Net loss on exchange rates	-	-	(204.8)	-	(2.4)	-	-	(0.7)	-	(0.0)
Profit before finance costs and income taxes	**2,772.9**	**652.8**	**2,602.4**	**1,217.8**	**2,053.6**	**11.4**	**2.5**	**8.5**	**15.3**	**22.4**
Finance costs	(171.0)	(312.8)	(457.1)	(108.1)	(126.8)	(0.7)	(1.2)	(1.5)	(1.4)	(1.4)
Share of gain (loss) from investment in an associate	-	-	-	(0.1)	-	-	-	-	(0.0)	-
Profit before income tax	**2,601.9**	**340.1**	**2,145.3**	**1,109.7**	**1,926.7**	**10.7**	**1.3**	**7.0**	**14.0**	**21.0**
Income tax	(654.3)	(4.8)	(154.3)	(186.9)	(94.9)	(2.7)	(0.0)	(0.5)	(2.4)	(1.0)
Net profit for the period	**1,947.7**	**335.3**	**1,991.0**	**922.7**	**1,831.8**	**8.0**	**1.3**	**6.5**	**11.6**	**19.9**

Source: TAA's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

TAA's Statement of financial position

	THB Million				Percentage			
	2013	2014	2015	1Q2016	2013	2014	2015	1Q2016
Cash and cash equivalents	1,956.6	4,783.4	6,071.4	7,470.0	9.3	18.6	20.9	24.4
Cash at financial institutions pledged as security	13.4	6.1	358.7	320.7	0.1	0.0	1.2	1.0
Short-term investments	3,448.6	1,492.7	1,109.2	850.7	16.3	5.8	3.8	2.8
Investments in private funds	1,032.6	10.5	-	-	4.9	0.0	-	-
Trade and other receivables, net	723.5	631.0	439.2	441.9	3.4	2.5	1.5	1.4
Amounts due from related parties	87.2	68.2	326.2	350.8	0.4	0.3	1.1	1.1
Inventories	69.0	75.6	92.6	111.2	0.3	0.3	0.3	0.4
Prepaid expenses	343.0	270.0	314.8	370.4	1.6	1.1	1.1	1.2
Value added taxes receivable, net	78.7	86.8	-	-	0.4	0.3	-	-
Other current assets	40.1	39.4	61.7	70.1	0.2	0.2	0.2	0.2
Total current assets	**7,792.6**	**7,463.8**	**8,773.8**	**9,985.8**	**36.9**	**29.1**	**30.2**	**32.6**

	THB Million				Percentage			
	2013	2014	2015	1Q2016	2013	2014	2015	1Q2016
Cash at financial institutions pledged as security	339.2	171.2	6.4	1.7	1.6	0.7	0.0	0.0
Long-term investments	1,310.5	1,297.8	11.8	11.8	6.2	5.1	0.0	0.0
Aircraft maintenance reserves	-	-	1,066.4	1,770.1	-	-	3.7	5.8
Aircraft, leasehold improvements and equipments, net	10,835.9	15,932.4	18,135.1	17,857.4	51.3	62.0	62.5	58.2
Intangible assets, net	12.0	11.5	12.2	14.6	0.1	0.0	0.0	0.0
Other non-current assets	817.6	812.7	1,001.8	1,025.3	3.9	3.2	3.5	3.3
Total non-current assets	**13,315.3**	**18,225.5**	**20,233.8**	**20,680.9**	**63.1**	**70.9**	**69.8**	**67.4**
Total assets	**21,107.9**	**25,689.3**	**29,007.6**	**30,666.7**	**100.0**	**100.0**	**100.0**	**100.0**
Trade accounts payable	153.0	175.2	335.8	338.6	0.7	0.7	1.2	1.1
Other accounts payable	124.1	192.2	194.6	236.2	0.6	0.7	0.7	0.8
Amounts due to related parties	506.8	472.7	917.9	1,148.4	2.4	1.8	3.2	3.7
Deferred revenues	4,299.2	4,629.2	4,030.2	4,020.9	20.4	18.0	13.9	13.1
Accrued expenses	1,390.0	1,371.4	1,515.0	1,429.3	6.6	5.3	5.2	4.7
Current portion of finance lease liabilities	615.1	959.0	1,261.4	1,258.0	2.9	3.7	4.3	4.1
Income tax payable	150.5	-	-	-	0.7	-	-	-
Other current liabilities	24.4	61.3	39.2	52.3	0.1	0.2	0.1	0.2
Total current liabilities	**7,263.0**	**7,861.0**	**8,294.2**	**8,483.7**	**34.4**	**30.6**	**28.6**	**27.7**
Finance lease liabilities	7,545.8	11,118.0	12,775.4	12,308.6	35.7	43.3	44.0	40.1
Deferred tax liabilities, net	309.7	351.8	511.9	606.9	1.5	1.4	1.8	2.0
Employee benefit obligations	133.0	157.5	168.9	178.5	0.6	0.6	0.6	0.6
Total non-current liabilities	**7,988.5**	**11,627.3**	**13,456.3**	**13,094.0**	**37.8**	**45.3**	**46.4**	**42.7**
Total liabilities	**15,251.5**	**19,488.3**	**21,750.5**	**21,577.7**	**72.3**	**75.9**	**75.0**	**70.4**
Issued and paid-up share capital	435.6	435.6	435.6	435.6	2.1	1.7	1.5	1.4
Premium on share capital	2,628.8	2,628.8	2,628.8	2,628.8	12.5	10.2	9.1	8.6
Legal reserve	-	-	43.6	43.6	-	-	0.2	0.1
Retained earnings: Unappropriated	2,792.0	3,136.6	4,149.2	5,981.0	13.2	12.2	14.3	19.5
Total shareholders' equity	**5,856.4**	**6,201.0**	**7,257.1**	**9,089.0**	**27.7**	**24.1**	**25.0**	**29.6**
Total liabilities and shareholders' equity	**21,107.9**	**25,689.3**	**29,007.6**	**30,666.7**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TAA's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

TAA's Statement of Cash Flows

	THB Million				
	2013	2014	2015	1Q2015	1Q2016
Profit before income tax	2,601.9	340.1	2,145.3	1,109.7	1,926.8
Depreciation	369.8	798.7	1,102.3	268.1	279.6
Other adjustments	1,051.2	706.6	(242.3)	(730.2)	158.2
Net cash generated from (used in) operating activities	**4,022.9**	**1,845.4**	**3,005.3**	**647.6**	**2,364.6**
Decrease (increase) in cash at financial institutions pledged as security	(327.4)	175.2	(185.3)	(247.7)	34.8
Decrease (increase) in short-term investments	(1,152.7)	1,955.9	413.1	(33.7)	250.0
Decrease (increase) in investments in private funds	(1,000.0)	1,035.4	10.5	10.5	-
Decrease (increase) in long-term investments	(1,301.8)	(1.7)	1,295.1	500.0	-
Payments for aircraft, leasehold improvements and equipment	(1,903.7)	(1,266.1)	(814.9)	(689.0)	(60.1)
Payment for aircraft maintenance reserves	-	-	-	-	(703.7)
Other adjustments	120.4	126.7	164.3	68.4	8.4
Net cash generated from (used in) investing activities	**(5,565.2)**	**2,025.4**	**882.8**	**(391.5)**	**(470.6)**
Repayments of finance leases	(269.4)	(704.5)	(1,059.1)	(223.0)	(297.3)
Interest paid	(166.8)	(326.3)	(555.6)	(109.1)	(145.8)
Dividends paid	-	-	(958.2)	-	-
Net cash generated from (used in) financing activities	**(436.2)**	**(1,030.8)**	**(2,572.9)**	**(332.1)**	**(443.0)**
Net increase (decrease) in cash and cash equivalents	**(1,978.6)**	**2,840.0**	**1,315.2**	**(76.0)**	**1,451.0**

Source: TAA's financial statement year 2013-2015 and 1Q2016, form 56-1 year 2013-2015

TAA's Significant Financial Ratios

		2013	2014	2015	1Q2015	1Q2016
Gross profit margin	%	15.2	6.6	14.3	20.5	27.8
Operating profit margin[1/]	%	11.8	2.6	8.8	15.7	22.9
Net profit margin[2/]	%	8.3	1.3	6.7	11.9	20.5
Return on assets	%	12.2	1.4	7.3	4.0	9.8
Return on equity	%	39.9	5.6	29.6	15.3	35.8
Debt to Equity	Times	2.6	3.1	3.0	3.0	2.4

Note: 1/ Profit (loss) before finance costs and income taxes divided by revenues from sales and services

2/ Net profit for the period divided by revenues from sales and services

Summary of AAV's operating results and financial position

- Summary of AAV's operating results

For the year ended of 2014, AAV had revenues of THB 25,355.5 million, increased by THB 1,870.5 million or 8%, compared to the same period year 2013. Moreover, earnings before finance costs and income tax amounted to THB 642.8 million. As result in 2014, Net profit attributable to owners of the parent amounted to THB 183.2 million and earnings per share for the year ended of 2014 amounted to at THB 0.0378 per share.

For the year ended 2015, AAV had revenues of THB 29,507.3 million, increased by THB 4,151.8 million or 16% compared with the same period 2014. Moreover, profit before finance costs and income tax amounted to THB 2,566.4 million. Thus, Net profit attributable to owners of the parent for the year ended 2015 amounted to THB 1,078.5 million, having a net profit margin of 3.7% and basic earnings was at THB 0.2224 per share.

For the first quarter of 2016, AAV had revenues of THB 8,952.5 million, increased by THB 1,218.3 million or 16% compared with the same period a year before. Moreover, profit before finance costs, share of loss from investment in an associate and income tax amounted to THB 2,050.0 million, increased by THB 835.4 million or 69% compared with the same period last year. Thus, Net profit /Total comprehensive income attributable to owners of the parent in Q1/2016 amounted to THB 1,009.1 million, increased by THB 502.7 million or 99% compared with the same period a year before.

- Summary of AAV's financial position

Assets

As at December 31, 2014, total assets amounted to THB 49,501.8 million, increased by THB 4,566.5 million or 10% compared with the year ended December 31, 2013, mainly from an increase in the aircraft, leasehold improvements, and equipment – net by THB 5,077.3 million, given that 5 aircraft deliveries in 2014.

As at December 31, 2015, total assets amounted to THB 52,826.5 million, increased by THB 3,324.7 million or 7% compared with the year ended December 31, 2014 and the return on assets (ROA) was 2.1%, due to; (1) Current assets increased by THB 1,336.6 million, mainly from an increase in cash and cash equivalents of THB 1,333.7 million. (2) Non-current assets increased by THB 1,988.1 million, resulting from the aircraft, leasehold improvements and equipment-net which increased by THB 2,182.8 million, given that 2 aircraft under finance lease agreement deliveries in 2015.

As at March 31, 2016, total assets amounted to THB 54,475.6 million, increased by THB 1,649.1 million or 3% compared with the year ended December 31, 2015 and the return on assets (ROA) was 3.0%, due to; (1) Current assets increased by THB 1,206.8 million, mainly from an increase in cash and cash equivalents of THB 1,395.2 million whilst there was a decrease in short-term investments of THB 258.5 million. (2) Non-current assets increased by THB 442.3 million, resulting from the aircraft maintenance reserves which increased by THB 703.7 million whilst the aircraft, leasehold improvements and equipment-net decreased by THB 282.4 million owing to a rise in accumulated depreciation.

Liabilities

As at December 31, 2014, total liabilities amounted to THB 22,485.9 million, increased by THB 4,225.9 million or 23% compared with the year ended December 31, 2013, mainly due to finance lease liabilities and deferred revenues increased by THB 3,916.1 million and THB 330.1 million, respectively.

As at December 31, 2015, total liabilities amounted to THB 24,743.3 million, increased by THB 2,257.4 million or 10% compared with the year ended December 31, 2014, due to; (1) Current liabilities increased by THB 431.7 million, mainly from an increase in amounts due to related parties and current portion of finance lease liabilities of THB 445.2 million and THB 302.4 million, respectively. Whilst, deferred revenues decreased by THB 599.0 million according to the change of customers' behavior in order to book a ticket in advance. (2) Non-current liabilities increased by THB 1,825.7 million, mainly from finance lease liabilities which increased by THB 1,657.4 million as taking additional 2 aircraft in 2015 under finance lease agreement.

As at March 31, 2016, total liabilities amounted to THB 24,559.5 million, decreased by THB 183.8 million or 1% compared with the year ended December 31, 2015, due to; (1) Current liabilities increased by THB 183.2 million, mainly from an increase in amounts due to related parties of THB 223.8 million. (2) Non-current liabilities decreased by THB 367.0 million, mainly from finance lease liabilities which decreased by THB 466.8 million due to repayments of finance leases and interest paid.

Shareholders' Equity

As at December 31, 2014, total shareholders' equity amounted to THB 27,015.9 million, increased by THB 4,566.5 million or 1% compared with the year ended December 31, 2013, due to net profit in this period led to retained earnings increased by THB 188.3 million. Thus, as at December 31, 2014 the equity attributable to owners of the parent amounted to THB 19,534.2 million and non-controlling interests amounted to THB 7,481.7 million.

As at December 31, 2015, total shareholders' equity amounted to THB 28,083.2 million, increased by THB 1,067.3 million, or 4% compared with the year ended December 31, 2014, resulting from the operating results during the period. Nevertheless, AAV announced the interim dividend payment for the period January 1, 2015 to August 31, 2015 at the rate 0.10 THB per share, totalling THB 485.0 million and paid to the shareholders on September 29, 2015. In addition, the company recorded a legal reserve amounted to THB 26.5 million. Hence, an equity attributable to owners of the parent and non-controlling interests ended this year amounted to THB 20,142.4 million and THB 7,940.8 million, respectively, with the return on equity (ROE) was 5.4%.

As at March 31, 2016, total shareholders' equity amounted to THB 29,916.1 million, increased by THB 1,832.9 million, or 7% compared with the year ended December 31, 2015, resulting from the operating results during the period lead to an increase in retained earnings in an amount of THB 1,009.1 million. Hence, an equity attributable to owners of the parent and non-controlling interests ended this period amounted to THB 21,151.5 million and THB 8,764.6 million, respectively, with the return on equity (ROE) was 7.7%.

Summary of TAA's operating results and financial position

- Summary of TAA's operating results

For 2014, revenues of TAA amounted to THB 25,355.5 million, increased by 8% from THB 23,485.0 million in 2013, primarily due to an increase in ancillary revenues per person from THB 358 in 2013 to THB 359 in 2014. It mainly derived from an increase in connection fees (Fly-Thru) and assigned seat fees. Moreover, the number of passenger increased from 10.5 million in 2013 to 12.2 million in 2014 or 16% growth while the capacity increased by 21% compared to the same period last year. However, the average fares in 2014 amounted to THB 1,726 decreased by 8% from THB 1,885 in 2013 in line with a decrease in the load factor by 3 percentage points to 80% in 2014 due to political instability during the beginning of the year. In addition, the number of stages flown was at 85,074 flown in 2014, increasing from 70,149 flown in 2013 as flying new routes and additional frequencies of existing routes. The aircraft utilization was at 10.9 hours per day in 2014.

Net profit for the year amounted to THB 335.3 million, decreased by 83% compared with 2013. It was primarily from an increase in fuel expenses from the THB's depreciation and high fuel consumption in relation to fleet expansion, despite a decrease in the global fuel price. Moreover, ramp and airport operation, and depreciation expenses increased in relation to larger fleet size.

For the year ended 2015, revenues of TAA amounted to THB 29,507.3 million, increased by 16% from THB 25,355.5 million in 2014, primarily due to an increase in the number of passengers carried to 14.8 million or 22% growth while the capacity grew by 19% compared with the same period last year. Whilst, the load factor was up by 1 percentage point (ppt) compared with the same period last year to at 81%. Additionally, ancillary revenues in 2015 amounted to THB 4,851.7 million, rose by 11% compared with the same period last year, mainly from the increase in baggage handling fees, connecting flight (Fly-Thru) fees and In-flight revenues, especially meals and merchandises. Nevertheless, the average fare in 2015 amounted to THB 1,667 per pax or fell by 3% compared with the same period last years, as fuel surcharge fees has been cancelled since the beginning of the year 2015. Thus, it clearly shown that the average fare excluded fuel surcharge fees in 2015 was THB 1,628 per pax, up by 3% from THB 1,583 per pax in 2014.

Net profit for the year ended 2015 amounted to THB 1,991.0 million, increased from THB 335.3 million in 2014. It was primarily due to the plummet in global fuel price, which is benefiting to TAA's operating results as fuel costs accounting for 36% of its total expenses. Nonetheless, there was an increase in finance costs from the interest payment of an additional 2 aircraft under finance leases agreements, to totally 14 aircraft by the year ended 2015. In addition, the company recorded net unrealized loss on exchange rates amounted to THB 204.8 million, since THB has been weakened against US dollar throughout the year.

In Q1/2016, revenues of TAA amounted to THB 8,952.5 million, increased by THB 1,218.3 million or 16% compared with the same period last year which was THB 7,734.2 million. The increase in revenues was driven by the 18% growth in the number of passengers carried in Q1/2016 at 4.4 million. Whereas, the load factor was a record high at 88%, or up by 5 percentage points (ppts) compared with the same period last year resulting from the momentum growth of tourism industry and it was also in the peak season of

Thailand tourism. The ancillary revenues in Q1/2016 increased from THB 1,261.0 million to THB 1,470.0 million, or up by 17% compared with the same period last year, which rose in relation to the aforementioned passenger growth. This was mainly from an increase in checked baggage fees, online processing fees and In-flight meal revenues. The average fare in Q1/2016 slightly decreased by 2% compared with the same period last year to THB 1,722 per pax. Without fuel surcharge fees, however, the average fare was THB 1,721 per pax or up by 4% from THB 1,659 per pax in Q1/2015. Thus, the aircraft utilization in Q1/2016 was at 11.9 hours per day, higher than Q1/2015 which had the aircraft utilization at 11.5 hours per day.

Gross profit in Q1/2016 amounted to THB 2,489.4 million, increased by 57% compared with the same period last year, with a gross profit margin of 28%, mainly from the plummeted jet fuel costs in relation to the global oil prices. The fuel cost per ASK decreased from THB 0.59 in Q1/2015 to THB 0.39 in Q1/2016 or declined by 34%. In Q1/2016, the company took additional 2 aircraft under operating lease, leading to an increase in aircraft rental expenses. The staff costs, ramp and airport operating costs as well as maintenance and overhaul costs increased owing to larger fleet size.

Profit before finance costs and income tax in Q1/2016 amounted to THB 2,053.6 million, increased by 69% compared with the same period last year, having an operating profit margin of 23%. While selling and administration expenses ratio was still in line with the same period a year before.

Net profit / Total comprehensive income for the period amounted to THB 1,831.8 million, or increased by 99% compared with the same period last year, having a net profit margin of 20%. TAA also has a profit exempted from corporate income taxes due to promotional privileges under the Board of Investment resulting in lower tax expense. Meanwhile, the increase of finance cost was mainly due to the THB depreciation against US dollar compared with the same period last year.

- Summary of TAA's financial position

Assets

As at December 31, 2014, total assets amounted to THB 25,689.3 million, increased by THB 4,581.5 or 22% compared with the year ended December 31, 2013, mainly due to the aircraft, leasehold improvements and equipment-net increased by THB 5,096.5 million, given that 5 aircraft deliveries in 2014.

As at December 31, 2015, total assets amounted to THB 29,007.6 million, increased by THB 3,318.3 million or 13% compared with the year ended 31 December 2014, due to; (1) Current assets increased by THB 1,310.0 million, mainly from an increase in cash and cash equivalents of THB 1,287.9 million. (2) Non-current assets increased by THB 2,008.3 million, mainly from the aircraft, leasehold improvements and equipment-net which increased by THB 2,202.7 million, given that 2 aircraft under finance lease agreement deliveries in 2015. In addition, Aircraft maintenance reserve also increased.

As at March 31, 2016, total assets amounted to THB 30,666.7 million, increased by THB 1,659.1 million or 6% compared with the year ended December 31, 2015, due to; (1) Current assets increased by THB 1,212.0 million, mainly from an increase in cash and cash equivalents of THB 1,398.7 million, whilst there was a decrease in short-term investments of THB 258.5 million. (2) Non-current assets increased by THB 447.1 million, resulting from the aircraft maintenance reserves which increased by THB 703.7 million, whilst the aircraft, leasehold improvements and equipment-net decreased by THB 277.7 million owing to a rise in accumulated depreciation.

Liabilities

As at December 31, 2014, total liabilities amounted to THB 19,488.3 million, increased by THB 4,236.8 million or 28% compared with the year ended December 31, 2013, mainly from finance lease liabilities increased by THB 3,916.2 million, as taking additional 5 aircraft in 2014. Moreover, deferred revenues increased by THB 330.1 million.

As at December 31, 2015, total liabilities amounted to THB 21,750.5 million, increased by THB 2,262.2 million or 12% compared with the year ended December 31, 2014, primarily due to; (1) Current liabilities increased by THB 433.2 million, mainly from an increase in amounts due to related parties and current portion of finance lease liabilities of THB 445.2 million and THB 302.4 million, respectively. Whilst, deferred revenues decreased by THB 599.0 million according to the change of customers' behavior in order to book a ticket in advance. (2) Non-current liabilities increased by THB 1,829.0 million, mainly from finance lease liabilities which increased by THB 1,657.4 million as taking additional 2 aircraft in 2015 under finance lease agreement.

As at March 31, 2016, total liabilities amounted to THB 21,577.7 million, decreased by THB 172.8 million or 1% compared with the year ended December 31, 2015, primarily due to; (1) Current liabilities increased by THB 189.5 million, mainly from an increase in amounts due to related parties of THB 230.5 million. (2) Non-current liabilities decreased by THB 362.3 million, mainly from finance lease liabilities which decreased by THB 466.8 million due to the repayments of finance leases and interest paid.

Shareholders' Equity

As at December 31, 2014, total shareholders' equity amounted to THB 6,201.0 million, increased by THB 344.6 million or 6% compared with the year ended December 31, 2013, resulted from net profit during the period led to an increase in retained earnings amounted to THB 344.6 million.

As at December 31, 2015, total shareholders' equity amounted to THB 7,257.1 million, increased by THB 1,056.1 million or 17% compared with the year ended December 31, 2014, resulted from the operating results during the period. However, TAA announced the interim dividend payment at the rate 22 THB per share, totalling THB 958.2 million and paid to the shareholders on August 19, 2015. In addition, the company recorded a legal reserve amounted to THB 44.0 million. TAA's Debt-to-Equity ratio (Interest bearing debt) and Net Gearing ratio as at December 31, 2015 were 1.93x and 0.94x, respectively. TAA 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.

As at March 31, 2016, total shareholders' equity amounted to THB 9,089.0 million, increased by THB 1,831.9 million or 25% compared with the year ended December 31, 2015, resulted from the operating results during the period. TAA's Debt-to-Equity ratio (Interest Bearing Debt) and Net Gearing ratio as at March 31, 2016 were 1.49x and 0.58x, respectively. TAA 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.

2.3. Economic and industry overview

Economic and industry trend

Overview of the global economy in 2015 is as follows; The International Monetary Fund (IMF) estimated global economy growth in 2015 at 3.1% in January 2016. The U.S. economy continued growing due to an increase in household consumption whilst the unemployment rate remained at a low level. Nevertheless, there was a pressure from the dollar's appreciation during the period resulting in a slowdown of industrial sector and exports. Similar to Eurozone economy that steadily recovered, resulting from the rising in household spending which supported by strengthening labor markets. Even though, the terrorist attack in France in November 2015, there was no significant affect to Eurozone economy. Japan economy recovered during the fourth quarter 2015 driven by private investment and domestic consumption. In contrast, China economy continued to slow, particularly in the industrial and manufacturing sectors resulting in the volatility in China stock market and Yuan depreciation. According to the National Bureau of Statistics of China revealed the economic growth in 2015 was at 6.9%, although the People's Bank of China (PBOC) devalued its Yuan currency while the central government had accelerated government expenditures to stimulate its economy. The average crude oil price in 2015 decreased from the prior year as a result of the oversupply of global crude oil.

The Office of the National Economics and Social Development Board revealed the Thailand economic growth for 2015 was at 2.8%. Thai economy in 2015 was sluggish mainly from continual shrink in export sector owing to the slow growth in China economy and the plummeted oil prices that dragged down the price of oil-related products. However, Tourism was the key industry driving the Thai economy and the government also spurred domestic spending via short-term measures to enhance the economic growth in late this year.

The number of international tourists travels to Thailand from January to December 2015 increased by 20% over the same period last year. The majority of international tourists are Chinese, which grew by 71% while others had a slightly increase when compared with the same period last year.

3. Reasonableness of the tender offer price

3.1 Key assumptions applied in forming IFA's opinion

The preparation of this Report is based on the following key assumptions:

- The IFA has considered all information, data supplied and otherwise made available to the public up to March 31, 2016, including the audited financial statements as at March 31, 2016, reviewed by PricewaterhouseCoopers ABAS Limited, which is the Company's auditor, and the IFA's opinion is based on the assumption that such information is correct, accurate and complete. Neither the IFA nor any of its officers or employees has independently verified any of the information or data and supporting documents, or assumes any responsibility for the accuracy or completeness of such information or data (whether arising from negligence or otherwise of the Company and/or its management) or for any omissions of information that should have been disclosed. In addition, the IFA assumes no obligation to update or revise the information in this report to reflect the impact of any future events.
- In performing the valuation, the IFA relied on the financial information of the Company as of March 31, 2016, and assumed that this was the latest publicly disclosed financial information, and that no events or facts occurring between March 31, 2016, and July 4, 2016 would materially affect the operating results of the Company, with the exception of the events and facts specified in this Report.
- Unless otherwise made explicit in this Report, none of the events that have occurred, are about to occur, or are expected to occur, including any changes to the commercial terms of AAV and TAA, would have a material effect on the earnings, operations, position (financial, legal or otherwise), or business prospects of AAV and TAA. Furthermore, the IFA has assumed that no other events have occurred that would have a material adverse effect on the AAV and TAA, including economic conditions, financial position or legal impositions except it is disclosed in this report.
- The AAV and TAA's business contracts are valid, binding, and enforceable on all parties thereto under the laws. There are no facts or circumstances that may render any business contracts or any parts thereof void or voidable or repudiated or frustrated or capable of rescission or revocation by the parties thereto.

3.2 Valuation methodologies

The IFA has analyzed data from publicly available sources, management information, and other databases in determining the fair value of the Company and has performed the valuation based on the following assumptions.

- AAV and TAA will continue to operate as a going concern, without any significant changes. In addition, the Company does not have any plans to dispose of or discard its operating assets, or cease its operations.
- The Tender Offeror does not plan to significantly change the AAV and TAA's business objectives and will continue to focus on the core business of a low cost carrier for air transportation services.

- The Tender Offeror has no plans to change the AAV and TAA's investment plans or to dispose of its assets.
- The Tender Offeror does not plan to delist AAV from the SET.

Base on the above assumptions, the following methodologies were considered by the IFA:

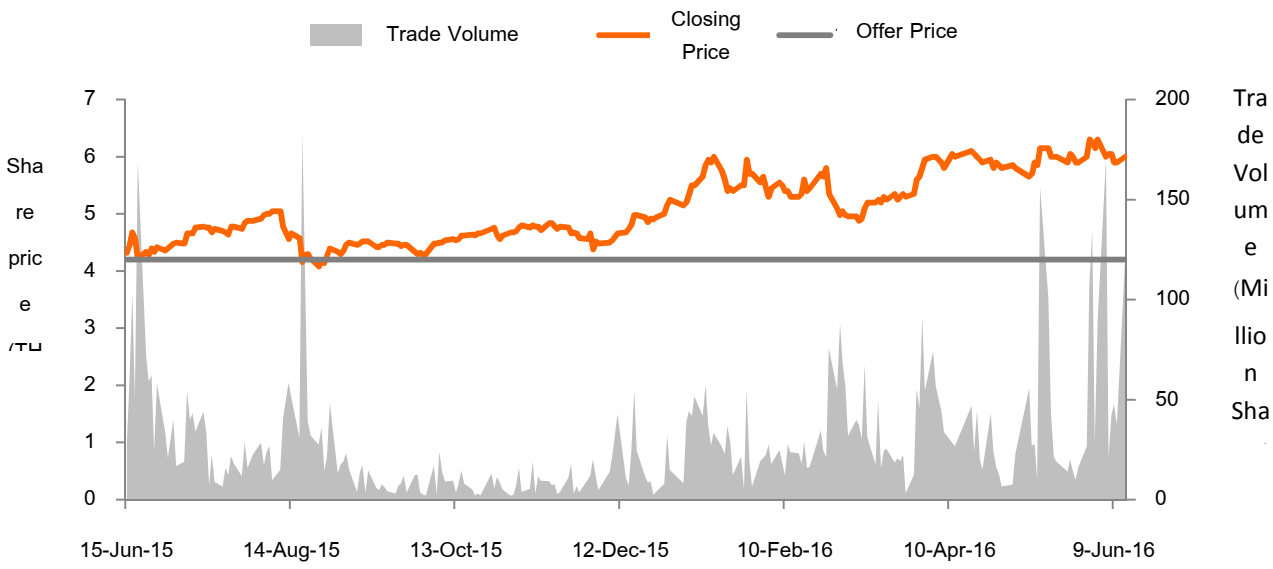
1) Historical trading price method
2) Book value method
3) Market comparable method
4) Transaction comparable method
5) Discounted cash flow method or DCF
6) Analyst research price targets

1) Historical trading price method

1.1 Closing share price

IFA monitors closing share price over 12 months prior to June 13, 2016, which was the last day before the form of statement of firm intention to make a tender offer (Form 247-3) was issued by the Tender Offeror, since, the data reflects the supply and demand for AAV's shares among investors on a stock exchange.

The closing price of AAV's shares 12 months prior can be represent as follow;



Source: Setsmart

From above information, the AAV's closing price over 12 months prior to the day before the tender offer (Form 247-3) was issued by the Tender Offeror is between THB 4.08 to 6.30 per share.

1.2 Volume weighted average price (VWAP)

IFA monitors Volume weighted average price or VWAP over 1 day 1 month 3 months 6 months and 12 months prior to June 13, 2016, which was the last day before the tender offer (Form 247-3) was issued by the Tender Offeror.

The VWAP of AAV's shares can be summarized below:

Past trading time	VWAP (THB)	Higher/(Lower) than Offer Price (%)
1 Day	5.88	40.0
1 Month	6.10	45.3
3 Months	5.95	41.6
6 Months	5.68	35.3
12 Months	5.21	24.1
AAV's share price range (THB per share)	5.21 – 6.10	24.1 – 45.3

Source: Setsmart

As the information above, the VWAP of AAV's share price is between THB 5.21 to 6.10 per share which 24.1% - 45.3% higher than the offer price of THB 4.20 per share

Liquidity Analysis of AAV's Shares

IFA analyze the liquidity of AAV's shares in stock exchange to confirm that the closing price and VWAP reflect the supply and demand for AAV's shares among investors on a stock exchange and comparable to offer price from tender offeror. IFA analyze the liquidity of AAV's shares by tracking the trade volume and trade value over 1 day 1 month 3 months 6 months and 12 months prior to June 13, 2016, which was the last day before the tender offer (Form 247-3) was issued by the Tender Offeror.

The liquidity of AAV's shares is as follows:

Past trading time	Turnover Ratio per day	
	By volume trade[1/]	By value trade[2/]
1 Day	2.50%	2.35%
1 Month	1.22%	1.19%
3 Months	0.85%	0.81%
6 Months	0.72%	0.66%
12 Months	0.59%	0.49%

Source :Setsmart

Note: 1/ Calculate by using trade volume divided by listed shares

2/ Calculate by using trade value divided by market cap

The liquidity of AAV's shares compare to the liquidity of SET100 and SET50 over 12 months prior to June 13, 2016, which was the last day before the tender offer (Form 247-3) was issued by the Tender Offeror is shown bellows;

	Free Float	Turnover Ratio per day	
		By volume trade[1/]	By value trade[2/]
AAV	54.46%	0.59%	0.49%
SET100	47.18%	0.39%	0.39%
SET50	47.30%	0.43%	0.43%

Source :Setsmart

Note: 1/ Calculate by using trade volume divided by listed shares

2/ Calculate by using trade value divided by market cap

According to the information, the liquidity of AAV's shares over 12 months prior if considering the volume traded, the turnover ratio is 0.59% which higher than the turnover ratio of SET100 at 0.39% and SET50 at 0.43%. And the liquidity of AAV's shares over 12 months prior if considering the value traded, the turnover ratio is 0.49% which higher than the turnover ratio of SET100 at 0.39% and SET50 at 0.43%. In conclusion, due to the high liquidity of AAV's shares, the closing price and VWAP of the share truly reflect the supply and demand for AAV's shares among investors on a stock exchange and comparable to offer price from tender offeror

2) Book value method

The book value method values the Company based on the book value of its net assets or shareholders' equity as reported in the AAV's financial statements at a particular date.

2.1 The valuation calculated by using TAA's book value

To calculate with this method, IFA uses the information from TAA's financial statement ended March 31, 2016, reviewed by PricewaterhouseCoopers ABAS Limited, which is TAA's auditor. The calculation is shown bellows;

	Amount (THB million)
Issued and paid-up capital of TAA (registered capital of THB 436 million at par value of THB 10 per share)	436
Share premium of TAA	2,629
Retained earnings of TAA	6,025
Total shareholders' equity of TAA (as at March 31, 2016)	**9,089**
The 55% investment value in TAA	**4,999**
Number of shares outstanding (million shares)	4,850
AAV's share value (THB per share)	**1.03**

Source : Financial statement for the period ended March 31, 2016

Under the book value method using P/BV ratio and TAA's book value, AAV's share value 1.03 per share.

2.2 The valuation calculated by using AAV's book value which included Goodwill allocated since the acquisition of TAA

To calculate with this method, IFA uses the information from AAV's financial statement ended March 31, 2016, reviewed by PricewaterhouseCoopers ABAS Limited, which is AAV's auditor. The calculation is shown bellows;

	Amount (THB million)
Issued and paid-up capital of AAV[1/] (registered capital of THB 485 million at par value of THB 0.10 per share)	485
Share premium of AAV	2,600
Retained earnings of AAV	18,067
Equity attributable to owners of the parent (as at March 31, 2016)	**21,152**
Number of shares outstanding (million shares)	4,850
AAV's share value (THB per share)	**4.36**

Source : Financial statement for the year ended December 31, 2015 and period ended March 31, 2016

Note: 1/ Reflected the valuation of identifiable assets and net received liabilities of TAA compare to the fair value on 51% of ordinary shares of TAA that AAV held before the day AAV has a control. The value reflected the portion of cost of investment that higher than the fair value of AAV's portion in net assets, defines as Goodwill from the acquisition of TAA in 2012.

Under the book value method using P/BV ratio and AAV's book value, AAV's share value is in the range of THB 4.36 per share.

3) Market comparable method

The market comparable method relies on the assumption that various financial ratios related to the market share prices of companies listed on stock markets should be comparable if their businesses have similar characteristics and they operate in a similar business environment.

The selection of financial ratios used in this case depends on the company to be valued. In valuing AAV and TAA under this method, the IFA used the following ratios;

	Ratio	Details
1	EV/EBITDA	▪ EV (Enterprise Value) is company's total value calculated by the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents ▪ EBITDA is Earning Before Interest, Taxes, Depreciation and Amortization ▪ EV/EBITDA ratio represents the market capitalization of business compare to the cash flow from operation by ignoring the different on debt level between the company and comparable peers
2	AEV/EBITDAR	▪ AEV (Adjusted Enterprise Value) is company's total vlue calculated by the

	Ratio	Details
		market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents plus 7 times of Aircraft Rental. ▪ EBITDAR is Earning Before Interest, Taxes, Depreciation and Amortization and Aircraft Rental. ▪ AEV/EBITDAR ratio represents the market capitalization of business compare to the cash flow from operation by ignoring the different on debt level and the source of fund of Aircraft between the company and comparable peers
3	P/E	▪ P is the Price of the company's share ▪ E is Earning of the company ▪ P/E ratio represents the company's share price compare to the ability to generate profit of the company. However, this method has not reflects the different of capital structure between the company and comparable peers.
4	P/BV	▪ P is the Price of the company's share ▪ BV is the Book Value of the company ▪ P/BV ratio represents the company's share price compare to the shareholders' equity of the company at a particular date. However, this method has not reflects the company future and the real value of company's assets.

Currently, the listed companies which provide air transportation service consisted of 3 companies which are Thai Airways International Public Company Limited, Bangkok Airways Public Company Limited, and Nok Airlines Public Company Limited and most of them provide air transportation with full service (Full service carriers: FSC). Nevertheless, AAV or/and TAA operate low cost air transportation service (Low cost carriers: LCC), as a result, there is only Nok Airlines Public Company Limited who service that similar to the AAV or/and TAA's business

However, ratios from only Nok Airlines Public Company Limited may not reflect the market's view of the Low cost carriers. Therefore, the IFA considered listed companies in other countries that operate Low cost carriers and provide services similar to those of AAV or/and TAA as comparable peers, which are as follows

Company	Ticker	Business	Market Capitalization (THB million)[1/2/]
Low cost carriers in South-East Asia			
AirAsia Berhad ("AirAsia")	AIRA:MK	Air Asia founded on 2001, headquarter locate in Malaysia. Air Asia provides low cost carrier service mainly in Malaysia. Air Asia operates with only Airbus A320 totaling 82 fleets, cover 68 destinations (excluded joint company). Air Asia currently holding 45% of TAA	64,972
Cebu Air Inc.	CEB:PM	Cebu Pacific provides low cost carrier service with headquarter	45,776

Company	Ticker	Business	Market Capitalization (THB million)[1/2/]
("Cebu Pacific")		locate in Philippines. Cebu Pacific provides both short haul and long haul flights that cover 58 destinations in 16 countries in North Asia, South-East Asia, Australia, and Middle East with 57 fllets.	
AirAsia X Berhad ("AirAsia X")	AAX:MK	AirAsia X provides low cost carrier service with headquarter locate in Malaysia. AirAsia X operates with only Airbus A330-330 totaling 22 fleets. AirAsia X provides long haul flights that cover 19 destinations in Asia, Australia, and Middle East.	13,239
Nok Airlines Public Company Limited ("Nokair")	NOK:TB	Nokair provides low cost carrier service with headquarter locate in Thailand. Nokair provides flight cover 27 destinations with 29 fleets. Nokair currently holding 51% in NokScoot Airlines Company Limited ("NokScoot").	5,031
Tiger Airways Holdings Limited ("Tigerair")	TGR:SP	Tigerair provides low cost carrier service with headquarter locate in Singapore. Tigerair provides flight cover 38 destinations in South-East Asia, Australia, China and India with 25 fleets. Tigerair is a subsidiary of Singapore Airlines Limited (hold 90% of Tigerair's shares)	N/A
Low cost carriers in other countries			
Southwest Airlines Co. ("Southwest Airlines")	LUV:US	Southwest Airlines provides low cost carrier service with headquarter locate in USA. Southwest Airlines provides short haul flight cover 97 destibations in USA with 717 fleets.	953,244
Ryanair Holdings ("Ryanair")	RYA:ID	Ryanair provides low cost carrier service with headquarter locate in Ireland. Ryanair provides both short haul and long haul flights that cover 192 destinations in Europe, Africa(Morocco), and Middle East (Israel) with 326 fleets	667,522
EasyJet Plc ("EasyJet")	EZJ:LN	EasyJet provides low cost carrier service with headquarter locate in England. EasyJet provides flight cover 134 destinations in 31 countries in Europe with 241 fleets	285,326
Spring Airlines Co. Ltd. ("Sping Airlines")	601021:CH	Spring Airlines provides low cost carrier service with headquarter locate in China. Spring Airlines provides both short haul and long haul flights that cover 34 destinations in China, Hong Kong, Taiwan, and countries in South-East Asia with 52 fleets	215,593
InterGlobe Aviation Limited ("Indigo")	INDIGO:NSE	Indigo provides low cost carrier service with headquarter locate in India. Indigo provides flight cover 40 destinations in India with 107 fleets.	197,431
JetBlue Airways Corporation ("JetBlue")	JBLU:US	JetBlue provides low cost carrier service with headquarter locate in USA. JetBlue provides flight cover 97 destinations in USA and countries in South Ameraica with 217 fleets.	197,414
Air Arabia PJSC	AIRARABI:UH	Air Arabia provides low cost carrier service with headquarter	59,370

Company	Ticker	Business	Market Capitalization (THB million)[1/2/]
("Air Arabia")		locate in UAE. Air Arabia provides flight cover 51 destinations in Middle East, North Africa, Asia, and Europe with 43 fleets.	
Norwegian Air Shuttle ASA ("Norwegian")	NAS:NO	Norwegian provides low cost carrier service with headquarter locate in Norway. Norwegian provides both short haul and long haul flights that cover 132 destinations in 35 countries in Europe, North Africa, and Middle East with 111 fleets.	49,590
Spicejet Ltd. ("SpiceJet")	SJET:IN	SpiceJet provides low cost carrier service with headquarter locate in India. SpiceJet provides short haul flight cover 42 destibations in India with 32 fleets.	21,144
Gol Linhas Aereas Inteligentes SA ("Gol")	GOLL4:BZ	Gol provides low cost carrier service with headquarter locate in Brazil. Gol provides flight cover 75 destinations in Brazil with 144 fleets.	8,684

Source: Bloomberg / Public sources

Note: 1/ Information as at June 13, 2016

2/ Currency exchange relied on Bank of Thailand and http://brl.fxexchangerate.com/

3.1 EV/EBITDA ratio

Valuation of AAV using EV/EBITDA ratio calculated by multiplying the EBITDA of TAA for the 12 months period ended March 31, 2016, by the EV/EBITDA ratio of the listed comparable companies. The valuation considered only the 55% share portion that AAV hold on to TAA. The following table presents the ratios in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016.

Low cost carriers	EV/EBITDA (times)			
	1 business day	30 business days	60 business days	90 business days
Low cost carriers in South-East Asia				
AirAsia	6.3	5.9	5.9	6.0
Cebu Pacific	5.3	5.2	5.2	5.3
AirAsia X	21.5	22.0	21.0	20.1
Nokair	N/A[1/]	N/A[1/]	N/A[1/]	N/A[1/]
Tigerair	N/A[1/]	N/A[1/]	N/A[1/]	N/A[1/]
Average	**11.0**	**11.0**	**10.7**	**10.5**
Median	**6.3**	**5.9**	**5.9**	**6.0**
Low cost carriers in other countries				
Southwest Airlines	5.0	5.0	5.2	5.2
Ryanair	8.7	8.9	9.0	9.2
EasyJet	6.6	6.9	6.9	6.8
JetBlue	3.7	3.9	4.1	4.4

Low cost carriers	EV/EBITDA (times)			
	1 business day	30 business days	60 business days	90 business days
Sping Airlines	28.2	28.2	27.6	27.5
Indigo	11.2	11.7	12.5	13.9
Norwegian	19.9	20.6	20.4	19.6
Air Arabia	7.8	7.6	7.6	7.7
SpiceJet	10.8	12.0	8.6	2.8
Gol	14.1	14.2	17.6	23.9
Average	**11.6**	**11.9**	**12.0**	**12.1**
Median	**9.8**	**10.3**	**8.8**	**8.5**
Overall Average	**11.5**	**11.7**	**11.7**	**11.7**
Overall Median	**8.7**	**8.9**	**8.6**	**7.7**

Source: Bloomberg

Note: 1/ Ratio is materially different from those of comparable companies

The overall average of EV/EBITDA ratio of comparable companies in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016 is in the range of 11.5 – 11.7 times

The following table presents the valuation of AAV using EV/EBITDA ratio under market comparable method.

Unit: THB million	Minimum Average	Maximum Average
Earnings before interest, taxes, depreciations and Amortization (EBITDA) of TAA[1/]	4,763	4,763
Range of average EV/EBITDA (times)	11.5	11.7
Enterprise value of TAA	**54,588**	**55,864**
Add: Cash and short-term investments of TAA[2/]	8,643	8,643
Less: Interest-bearing debt of TAA[2/]	13,567	13,567
Equity value of TAA	**49,664**	**50,940**
The 55% investment value in TAA	**27,315**	**28,017**
Add: Cash and short-term investments of AAV[2/]	48	48
Less: Interest-bearing debt of AAV[2/]	-	-
Equity value of AAV	**27,363**	**28,065**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**5.64**	**5.79**

Note: 1/ Information for the last 12 months period ended March 31, 2016

2/ Information as at March 31, 2016

Under the market comparable method using EV/EBITDA, AAV's share value is in the range of THB 5.64 – 5.79 per share.

3.2 AEV/EBITDAR ratio

Valuation of AAV using AEV/EBITDAR ratio calculated by multiplying the EBITDAR of TAA for the 12 months period ended March 31, 2016, by the AEV/EBITDAR ratio of the listed comparable companies. The valuation considered only the 55% share portion that AAV hold on to TAA. The following table presents the ratios in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016.

Low cost carriers	AEV/EBITDAR (times)			
	1 business day	30 business days	60 business days	90 business days
Low cost carriers in South-East Asia				
AirAsia	6.4	6.0	6.0	6.1
Cebu Pacific	5.7	5.6	5.6	5.7
AirAsia X	9.2	9.3	9.1	9.0
Nokair	N/A[2/]	N/A[2/]	N/A[2/]	N/A[2/]
Tigerair	N/A[2/]	N/A[2/]	N/A[2/]	N/A[2/]
Average	**7.1**	**7.0**	**6.9**	**6.9**
Median	**6.4**	**6.0**	**6.0**	**6.1**
Low cost carriers in other countries				
Southwest Airlines	5.1	5.1	5.3	5.3
Ryanair	8.6	8.8	8.9	9.1
EasyJet	6.7	6.9	6.9	6.9
JetBlue	3.9	4.1	4.3	4.6
Sping Airlines	N/A[1/]	N/A[1/]	N/A[1/]	N/A[1/]
Indigo	9.2	9.5	9.9	10.5
Norwegian	11.8	12.1	12.0	11.9
Air Arabia	7.8	7.6	7.6	7.7
SpiceJet	8.3	8.7	16.6	N/A[1/]
Gol	9.2	9.2	9.7	10.5
Average	**7.8**	**8.0**	**9.0**	**8.3**
Median	**8.3**	**8.7**	**8.9**	**8.4**
Overall Average	**7.6**	**7.7**	**8.5**	**7.9**
Overall Median	**8.0**	**8.1**	**8.2**	**7.7**

Source: Bloomberg

Note: 1/ Ratio is materially different from those of comparable companies

The overall average of AEV/EBITDAR ratio of comparable companies in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016 is in the range of 7.6 – 8.5 times

The following table presents the valuation of AAV using AEV/EBITDAR ratio under market comparable method.

Unit: THB million	Minimum Average	Maximum Average
Earnings before interest, taxes, depreciations and Amortization, and Aircraft rental (EBITDAR) of TAA[1/]	9,095	9,095
Range of average AEV/EBITDAR (times)	7.6	8.5
Enterprise value of TAA	**69,497**	**77,201**
Add: Cash and short-term investments of TAA[3/]	8,643	8,643
Less: Interest-bearing debt of TAA[3/]	13,567	13,567
Less: Estimated capitalized operating lease on aircraft of TAA[2/]	30,322	30,322
Equity value of TAA	**34,252**	**41,955**
The 55% investment value in TAA	**18,838**	**23,075**
Add: Cash and short-term investments of AAV[3/]	48	48
Less: Interest-bearing debt of AAV[3/]	0	0
Equity value of AAV	**18,886**	**23,123**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**3.89**	**4.77**

Note: 1/ Information for the last 12 months period ended March 31, 2016
2/ Estimated 7 times of aircraft rental using aircraft rental for the last 12 months period ended March 31, 2016
3/ Information as at March 31, 2016

Under the market comparable method using AEV/EBITDAR, AAV's share value is in the range of THB 3.89 – 4.77 per share.

3.3 P/E ratio

Valuation of AAV using P/E ratio calculated by multiplying the earning of AAV for the 12 months period ended March 31, 2016, by the P/E ratio of the listed comparable companies. The following table presents the ratios in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016.

Low cost carriers	P/E (times)			
	1 business day	30 business days	60 business days	90 business days
Low cost carriers in South-East Asia				
AirAsia	5.9	5.1	5.4	6.3
Cebu Pacific	9.5	9.2	9.4	10.1
AirAsia X	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Nokair	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Tigerair	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Average	**7.7**	**7.1**	**7.4**	**8.2**
Median	**7.7**	**7.1**	**7.4**	**8.2**
Low cost carriers in other countries				
Southwest Airlines	11.3	11.3	11.8	11.7
Ryanair	11.4	11.7	11.7	11.9
EasyJet	10.7	11.2	11.1	11.0
JetBlue	8.0	8.5	9.1	9.6
Sping Airlines	29.3	29.2	28.6	28.5
Indigo	16.8	17.7	17.5	17.5
Norwegian	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Air Arabia	11.8	11.5	11.3	11.4
SpiceJet	9.3	10.5	10.5	10.5
Gol	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Average	**13.6**	**13.9**	**13.9**	**14.0**
Median	**11.3**	**11.4**	**11.5**	**11.5**
Overall Average	**12.4**	**12.6**	**12.6**	**12.8**
Overall Median	**11.0**	**11.3**	**11.2**	**11.2**

Source: Bloomberg

Note: 1/ Ratio is materially different from those of comparable companies

The overall average of P/E ratio of comparable companies in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016 is in the range of 12.4 – 12.8 times.

The following table presents the valuation of AAV using P/E ratio under market comparable method;

Unit: THB million	Minimum Average	Maximum Average
Net profit attributable to owners of the parent of AAV 1/	1,581	1,581
Range of average P/E (times)	12.4	12.8
Equity value of AAV	**19,593**	**20,312**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**4.04**	**4.19**

Note: 1/ Information for the last 12 months period ended March 31, 2016

Under the market comparable method using P/E, AAV's share value is in the range of THB 4.04 – 4.19 per share.

3.4 P/BV ratio

Valuation of AAV using P/BV ratio calculated by multiplying the book value of TAA and AAV ended March 31, 2016, by the P/BV ratio of the listed comparable companies. The following table presents the ratios in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016 as presented below.

Low cost carriers	P/BV (times)			
	1 business day	30 business days	60 business days	90 business days
Low cost carriers in South-East Asia				
AirAsia	1.5	1.3	1.2	1.1
Cebu Pacific	2.0	2.0	2.0	2.0
AirAsia X	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Nokair	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Tigerair	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Average	**1.8**	**1.6**	**1.6**	**1.5**
Median	**1.8**	**1.6**	**1.6**	**1.5**
Low cost carriers in other countries				
Southwest Airlines	3.6	3.6	3.8	3.7
Ryanair	4.7	4.8	4.8	4.7
EasyJet	2.9	3.0	3.0	2.9
JetBlue	1.6	1.7	1.8	1.9
Sping Airlines	6.1	6.1	5.9	5.9
Indigo	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Norwegian	5.8	6.3	5.9	5.0
Air Arabia	1.3	1.3	1.3	1.2
SpiceJet	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Gol	N/A 1/	N/A 1/	N/A 1/	N/A 1/
Average	**3.7**	**3.8**	**3.8**	**3.6**
Median	**3.6**	**3.6**	**3.8**	**3.7**
Overall Average	**3.3**	**3.3**	**3.3**	**3.2**
Overall Median	**2.9**	**3.0**	**3.0**	**2.9**

Source: Bloomberg

Note: 1/ Ratio is materially different from those of comparable companies

The overall average of P/BV ratio of comparable companies in 1 business day, 30 business days, 60 business days, and 90 business days prior to June 13, 2016 is in the range of 3.2 – 3.3 times.

3.4.1 The valuation calculated by using TAA's book value

The following table presents the valuation of AAV calculated by using TAA's book value as at March 31, 2016, multiplying by P/BV ratio of the listed comparable companies. The valuation considered only the 55% share portion that AAV hold on to TAA.

Unit: THB million	Minimum Average	Maximum Average
Book value of TAA as at March 31, 2016	9,089	9,089
Range of average P/BV (times)	3.2	3.3
Equity value of TAA	**28,712**	**30,351**
The 55% investment value in TAA	**15,791**	**16,693**
Add: Cash and short-term investments of AAV[1/]	48	48
Less: Interest-bearing debt of AAV[1/]	-	-
Equity value of AAV	**15,839**	**16,741**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**3.27**	**3.45**

Note: 1/ Information as at March 31, 2016

Under the market comparable method using P/BV ratio and TAA's book value, AAV's share value is in the range of THB 3.27 – 3.45 per share.

3.4.2 The valuation calculated by using AAV's book value which included Goodwill allocated since the acquisition of TAA in 2012

The following table presents the valuation of AAV calculated by using AAV's book value as at March 31, 2016, multiplying by P/BV ratio of the listed comparable companies.

Unit: THB million	Minimum Average	Maximum Average
Equity attributable to owners of the parent of AAV[1/] as at March 31, 2016	21,151	21,151
Range of average P/BV (times)	3.2	3.3
Equity value of AAV	**66,817**	**70,633**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**13.78**	**14.56**

Source : Financial statement for the year ended December 31, 2015 and period ended March 31, 2016

Note: 1/ Reflected the valuation of identifiable assets and net received liabilities of TAA compare to the fair value on 51% of ordinary shares of TAA that AAV held before the day AAV has a control. The value reflected the portion of cost of investment that higher than the fair value of AAV's portion in net assets, defines as Goodwill from the acquisition of TAA in 2012.

Under the market comparable method using P/BV and AAV's book value which assessed the goodwill from the control of AAV over TAA in 2012, AAV's share value is in the range of THB 13.78 – 14.56 per share.

4) Transaction comparable method

Transaction comparable method is the comparable of financial ratio when the transaction occurred on assumption that the companies with similar business and industry should have comparable financial ratio.

The selection of financial ratios used in this case depends on the company to be valued. In valuing AAV under this method, the IFA used the same ratios as the (3rd method) market comparable method which are EV/EBITDA, AEV/EITDAR, P/E, and P/BV

IFA has studied the transactions in air transportation industry in last 3 years which the information is released to public. The selected transactions that IFA chose included companies in Asia and other continents, the information as follows;

Company Target	Transaction Date	Business of Seller	Takeover Portion
Tiger Airways Holdings Limited ("Tigerair")	6/11/2015	Tigerair provides low cost carrier service with headquarter locate in Singapore. Tigerair provides flight cover 38 destinations in South-East Asia, Australia, China and India with 25 fleets. Tigerair is a subsidiary of Singapore Airlines Limited (hold 90% of Tigerair's shares)	44.23%
China Eastern Airlines Corporation Limited ("China Eastern")	27/7/2015	China Eastern provides air transportation service with headquarter locate in China. China Eastern provides both short haul and long haul flights that cover 1,057 destinations in 179 countries worldwide with 551 fleets.	3.55%
Xiamen Airlines Co. Ltd ("Xiemen")	19/6/2015	Xiemen provides air transportation service with headquarter locate in China. Xiemen provides both short haul and long haul flights that cover 76 destinations in China, Hong Kong, Taiwan, and the country in South-East Asia with 123 fleets.	15.00%
Aer Lingus Ltd. ("Aer Lingus")	9/6/2015	Aer Lingus provides air transportation service with headquarter locate in Ireland. Aer Lingus provides both short haul and long haul flights that cover 86 destinations in Europe and Aflica with 46 fleets.	98.05%
International Airlines Group ("IAG")	30/1/2015 26/6/2013	IAG provides air transportation service with headquarter locate in England. IAG provides both short haul and long haul flights that cover 274 destinations worldwide with 533 fleets.	9.99% 12.10%
Philippine Airlines Inc. ("Philippine Airlines")	8/9/2014	Philippine Airlines provides air transportation service with headquarter locate in Philippines. Philippine Airlines provides both short haul and long haul flights that cover 41 destinations in Asia, USA, Canada, and Australia with 69 fleets.	49.00%
Hebei Airlines Co Ltd ("Hebei")	17/7/2014	Hebei provides air transportation service with headquarter locate in China. Hebei provides flights cover 17 destinations in China with 18	99.23%

Company Target	Transaction Date	Business of Seller	Takeover Portion
		fleets.	
Air New Zealand Limited ("Air New Zealand")	20/11/2013	Air New Zealand provides air transportation service with headquarter locate in New Zealand. Air New Zealand provides both short haul and long haul flights that cover 50 destinations in New Zealand, Australia, USA, England, and countries in Asia with 104 fleets.	20.00%
Virgin Australia Holdings Limited ("Virgin Australia")	24/4/2013	Virgin Australia provides air transportation service with headquarter locate in Australia. Virgin Australia provides both short haul and long haul flights that cover 60 destinations in Australia, New Zealand, and countries in South-East Asia.	9.90%

The following table represents the comparable transactions and the ratios of EV/EBITDA, EV/EBITDAR, P/E, and P/BV;

Transaction Date	Target	Buyer	Transaction Value (USD million)	Takeover portion (%)	EV/EBITDA (times)[1/]	AEV/EBITDAR (times)[1/]	P/E (times)[1/]	P/BV (times)[1/]
6/11/2015	Tigerair	Singapore Airlines Limited	326	44.23	29.6	13.8	N/A[1/]	4.7
27/7/2015	China Eastern	Delta Air Lines, Inc.	450	3.55	9.3	8.9	12.6	2.4
19/6/2015	Xiemen	Xiamen C&D Corporation Limited	359	15.00	N/A[2/]	N/A[2/]	21.1	1.2
9/6/2015	Aer Lingus	IAG	1,590	98.05	4.4	5.1	N/A[1/]	1.9
30/1/2015	IAG	Qatar Airways Company Q.C.S.C.	1,730	9.99	6.6	6.7	15.5	4.4
8/9/2014	Philippine Airlines	LT Group, Inc.	1,000	49.00	N/A[2/]	N/A[2/]	N/A[1/]	9.5
17/7/2014	Hebei	Xiemen	112	99.23	N/A[2/]	N/A[2/]	N/A[1/]	0.8
20/11/2013	Air New Zealand	Group of Investors	365	20.00	4.4	4.9	14.7	1.5
26/6/2013	IAG	Not Disclosed	767	12.10	7.2	7.1	N/A[1/]	1.3
24/4/2013	Virgin Australia	Singapore Airlines Limited	126	9.90	7.5	5.5	N/A[1/]	1.2
Average					**9.9**	**7.4**	**16.0**	**2.9**
Median					**7.2**	**6.7**	**15.1**	**1.7**
Maximum					**29.6**	**13.8**	**21.1**	**9.5**
Minimum					**4.4**	**4.9**	**12.6**	**0.8**

Source: ICF International: Aviation & Aerospace M&A / Public sources

Note: 1/ Calculated using financial information 12 months prior to transaction date

2/ Ratio is materially different from those of comparable transactions / Not able to find the financial information of Target

3/ The estimation of the ratios calculated using the Annually financial statement and Quarterly financial statement that released in public

4.1 EV/EBITDA Ratio

Valuation of AAV using EV/EBITDA ratio calculated by multiplying the EBITDA of TAA for the 12 months period ended March 31, 2016, by the EV/EBITDA ratio of the comparable transactions. The valuation considered only the 55% share portion that AAV hold in TAA in which case EV/EBITDA ratio of the comparable transactions is 9.9x. The following table represents the valuation of AAV's shares using EV/EBITDA ratio of comparable transaction;

Unit: THB million	Average	Median
Earnings before interest, taxes, depreciations and Amortization (EBITDA) of TAA[1/]	4,763	4,763
Range of average EV/EBITDA of comparable transactions (times)	9.9	7.2
Enterprise value of TAA	**47,156**	**34,296**
Add: Cash and short-term investments of TAA	8,643	8,643
Less: Interest-bearing debt of TAA	13,567	13,567
Equity value of TAA	**42,233**	**29,372**
The 55% investment value in TAA	**23,228**	**16,155**
Add: Cash and short-term investments of AAV	48	48
Less: Interest-bearing debt of AAV	0	0
Equity value of AAV	**23,276**	**16,203**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**4.80**	**3.34**

Note: 1/ Information for the last 12 months period ended March 31, 2016

Under the transaction comparable method using EV/EBITDA ratio, AAV's share value is in the range of THB 3.34 – 4.80 per share.

4.2 AEV/EBITDAR Ratio

Valuation of AAV using AEV/EBITDAR ratio calculated by multiplying the EBITDAR of TAA for the 12 months period ended March 31, 2016, by the AEV/EBITDAR ratio of the comparable transactions. The valuation considered only the 55% share portion that AAV hold in TAA in which case AEV/EBITDAR ratio of the comparable transactions is 7.4x. The following table represents the valuation of AAV's shares using AEV/EBITDAR ratio of comparable transaction;

Unit: THB million	Average	Median
Earnings before interest, taxes, depreciations and Amortization, and Aircraft rental (EBITDAR) of TAA[1/]	9,095	9,095
Range of average AEV/EBITDAR of comparable transactions (times)	7.4	6.7
Enterprise value of TAA	**67,303**	**60,937**
Add: Cash and short-term investments of TAA[3/]	8,643	8,643
Less: Interest-bearing debt of TAA[3/]	13,567	13,567
Less: Estimated capitalized operating lease on aircraft of TAA[2/]	30,322	30,322
Equity value of TAA	**32,057**	**25,691**
The 55% investment value in TAA	**17,632**	**14,130**
Add: Cash and short-term investments of AAV[3/]	48	48
Less: Interest-bearing debt of AAV[3/]	0	0
Equity value of AAV	**17,680**	**14,178**

Unit: THB million	Average	Median
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**3.65**	**2.92**

Note: 1/ Information for the last 12 months period ended March 31, 2016

2/ Estimated 7 times of aircraft rental using aircraft rental for the last 12 months period ended March 31, 2016 worth THB 4,332 million

3/ Information as at March 31, 2016

Under the transaction comparable method using AEV/EBITDAR ratio, AAV's share value is in the range of THB 2.92 – 3.65 per share.

4.3 P/E Ratio

Valuation of AAV using P/E ratio calculated by multiplying the earning of AAV for the 12 months period ended March 31, 2016, by the P/E ratio of the comparable transactions in which case P/E ratio of the comparable transactions is 16.0x. The following table represents the valuation of AAV's shares using P/E ratio of comparable transaction;

Unit: THB million	Average	Median
Net profit attributable to owners of the parent of AAV[1/]	1,581	1,581
Range of average P/E of comparable transactions (times)	16.0	15.1
Equity value of AAV	**25,298**	**23,875**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**5.22**	**4.92**

Note: 1/ Information for the last 12 months period ended March 31, 2016

Under the transaction comparable method using P/E ratio, AAV's share value is in the range of THB 4.92 – 5.22 per share.

4.4 P/BV Ratio

Valuation of AAV using P/BV ratio calculated by multiplying the book value of AAV and TAA as at March 31, 2016 by the P/BV ratio of the comparable transactions.

4.4.1 The valuation calculated by using TAA's book value

The following table presents the valuation of AAV calculated by using TAA's book value as at March 31, 2016, multiplying by P/BV ratio of the comparable transactions. The valuation considered only the 55% share portion that AAV hold in TAA.

Unit: THB million	Average	Median
Book value of TAA as at March 31, 2016	9,089	9,089
Range of average P/BV (times)	2.9	1.7
Equity value of TAA	**26,358**	**15,451**
The 55% investment value in TAA	**14,497**	**8,498**
Add: Cash and short-term investments of AAV[1/]	48	48
Less: Interest-bearing debt of AAV[1/]	0	0

Unit: THB million	Average	Median
Equity value of AAV	**14,545**	**8,498**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**3.00**	**1.76**

Note: 1/ Information as at March 31, 2016

Under the transaction comparable method using P/BV ratio and TAA's book value, AAV's share value is in the range of THB 1.76 – 3.00 per share.

4.4.2 The valuation calculated by using AAV's book value which included Goodwill allocated since the acquisition of TAA in 2012

The following table presents the valuation of AAV calculated by using AAV's book value as at March 31, 2016, multiplying by P/BV ratio of the comparable transactions;

Unit: THB million	Average	Median
Equity attributable to owners of the parent of AAV as at March 31, 2016	21,151	21,151
Range of average P/BV (times)	2.9	1.7
Equity value of AAV	**61,339**	**35,957**
Number of shares outstanding (million shares)	4,850	4,850
AAV's share value (THB per share)	**12.65**	**7.41**

Source : Financial statement for the year ended December 31, 2015 and period ended March 31, 2016

Note: 1/ Reflected the valuation of identifiable assets and net received liabilities of TAA compare to the fair value on 51% of ordinary shares of TAA that AAV held before the day AAV has a control. The value reflected the portion of cost of investment that higher than the fair value of AAV's portion in net assets, defines as Goodwill from the acquisition of TAA in 2012.

Under the transaction comparable method using P/BV ratio and AAV's book value, AAV's share value is in the range of THB 7.41 – 12.65 per share.

5) Discounted cash flow method or DCF

Valuation under DCF method is used to value a company by calculating the present value of the future cash flows from operations, using an appropriate discount rate. In valuing AAV and TAA under the DCF method, the IFA relied on cash flow projections for a period of 5 years (2016 – 2020) on the assumption that the AAV and TAA's business is operate continuously (Going concern basis) with no significant changes and within current industry situation

Since AAV operates a holding company and currently holding only in TAA, the IFA has focus mainly on the financial projection of TAA. The details of the valuation by DCF method are as follows;

Projection of cash flow and assumptions used for TAA's projection of cash flow are as follows;

- **Revenue**

Revenue of TAA consists of revenues from scheduled passenger services and ancillary services including revenue from checked baggages and other services, revenue from in-flight sale of beverages, food

and merchandise, Freight revenues, and other services for example the revenue from airport fees that collected from passengers.

Revenue of TAA generated depending on the fleet expansion plans, passenger load factor, average fare per seat, ancillary revenue per passenger, and other income. The seat capacity increases according to the increasing of aircraft in each year, thus, the IFA relied on the information and assumption from the management of TAA as follows;

Fleet expansion plans

According to the 5 years business plan of TAA, TAA will expand the fleet size by 5 aircraft per year in 2016 – 2020. Moreover, according to the interview with TAA management, IFA considers the retired aircraft on the existing fleet, as a result, there are 3 aircraft expected to retire in 2019 and 5 aircraft in 2020.

Unit: Aircraft				Estimate				
	2013	2014	2015	2016	2017	2018	2019	2020
Number of aircraft increase in each year	8	5	5	5	5	5	5	5
Number of aircraft retire in each year	-	-	-	-	-	-	3	5
Aircraft outstanding at the end of the year	35	40	45	50	55	60	62	62

Source: TAA

Load factor

TAA's load factor was between 79.7% - 83.3% in 2013 – 2015. TAA estimated that the load factor in 2016 – 2020 will be in between 81.5% - 82.0% which is in range of load factor in the past. As a result, in 2016 – 2020, the estimated passenger will be 16.6 – 21.0 million passengers

	2013	2014	2015	Estimated 2016 – 2020
Available seats (million seats)	12.6	15.3	18.2	20.3 – 25.6
Load factor (%)	83.3%	79.7%	81.3%	81.5% - 82.0%
Number of passenger (million)	10.5	12.2	14.8	16.6– 21.0

Source: TAA

Average fare per seat

TAA's average fare per seat is THB 1,885 in 2013 and decreased to THB 1,667 in 2015. Nevertheless, TAA expected that the average fare per seat will increase 0.4% - 3.5% per year in 2016 – 2020 or increase to THB 1,673 – 1,866 due to the international route expansion plan that will increase the flight time. In addition, TAA will consider all the factors to determine fare including market demand, competition, and fuel price.

	2013	2014	2015	Estimated 2016 – 2020
Average fare per seat (THB)	1,885	1,726	1,667	1,673 – 1,866
Growth rate	(4.7%)	(8.4%)	(3.4%)	0.4% - 3.5%

Source: TAA

Ancillary revenue per passenger

TAA's ancillary revenue per passenger is THB 358 in 2013 and decreased to THB 327 in 2015. TAA estimated that the ancillary revenue per passenger will increase 1.0% per year in 2016 – 2020 or increase to THB 330 – 344 derive from the international route expansion plan that will stimulate the passenger to use ancillary service due to the longer flight time.

	2013	2014	2015	Estimated 2016 – 2020
Ancillary revenue per passenger (THB)	358	359	327	330 - 344
Growth rate	1.1%	0.3%	(8.9%)	1%

Source: TAA

Other income

TAA's other income per passenger is THB 27 in 2013 and increased to THB 41 in 2015. TAA estimated that the other income per passenger will approximately be THB 41 in 2016 - 2020

	2013	2014	2015	Estimated 2016 – 2020
Other income per passenger (THB)	27	32	41	41

Source: TAA

- **Cost of operation**

TAA's cost of operation consists of fuel cost and other cost that can be separate into aircraft rental, airport using service fee, employee cost, repair and maintenance cost, customer service cost, depreciation, and selling and administrative expenses.

TAA's cost of operation relied on average fuel price, currency conversion rate, source of aircraft, and cost per available seat kilometers excluded fuel ("CASK (ex-fuel)"). The IFA relied on information and assumption from TAA's management as follow;

Average fuel price

Average fuel price is USD 122.8 per barrel in 2013 and decreased to USD 67.5 per barrel in 2015. TAA estimated that the average fuel price will approximately be USD 55 – 65 per barrel in 2016 – 2020.

	2013	2014	2015	Estimated 2016 – 2020
Average fuel price (USD per barrel)	122.8	116.5	67.5	55 - 65

Source: TAA

Average currency conversion rate

Average currency conversion rate is THB 30.9 per USD in 2013 and increased to THB 34.4 per USD in 2015. TAA estimated that the average currency conversion rate will approximately be THB 35.6 per USD in 2016 – 2020.

	2013	2014	2015	Estimated 2016 – 2020
Average currency conversion rate (THB per USD)	30.9	32.6	34.4	35.6

Source: TAA

Aircraft finance

TAA decide the aircraft finance by consider the financial cost in each methods. TAA estimated that TAA will increase its fleet plan by adding 4 aircraft on operating lease agreement each year and adding 1 aircraft on finance lease agreement each year in 2016 – 2020.

	2013	2014	2015	Estimated 2016 – 2020
Number of aircraft with operating lease agreement	2	1	3	4
Number of aircraft with finance lease agreement	6	4	2	1
Number of aircraft increased in each year	8	5	5	5

Source: TAA

In case of operating lease agreement, TAA will book the aircraft rental as expense in income statement by the agreement age, In case of finance lease agreement, TAA will book the aircraft value in statement of financial position and deduct the depreciation in straight line method on usage plan and book it as a expense in income statement each year.

Cost per available seat kilometers excluded fuel (“CASK (ex-fuel)”)

CASK (ex-fuel) is THB 0.95 per passenger-kilometers in 2013 and increased to THB 0.98 per passenger per kilometers in 2015. TAA estimated that the CASK (ex-fuel) will approximately be THB 1.00 – 1.07 per passenger- kilometers in 2016 - 2020

	2013	2014	2015	Estimated 2016 – 2020
CASK (ex-fuel) (THB / passenger-kilometers)	0.95	0.93	0.98	1.00 – 1.07

Source: TAA

- **Income tax**

Estimated Effective tax rate is 6.1% - 8.4% in 2016 – 2020 due to the exempted from corporate income taxes due to promotional privileges under the Board of Investment.

	2013	2014	2015	Estimated 2016 – 2020
Effective tax rate	25.1%	1.4%	7.2%	6.1% - 8.4%

Source: TAA

- **Working capital**

The assumptions on working capital in 2016 – 2020 according to TAA's operation in 2013 – 2015 are as follows;

	2013	2014	2015	Estimated 2016 – 2020
Average receivable collection period	13	10	9	9
Inventory collection period	1	1	1	1
Prepaid expense payment period	6	4	5	5
Average payable payment period	41	36	45	45
Advance revenue from ticket sold collection period	67	66	50	60

Source: TAA

- **The adjusting method on cash flow from operating lease**

In finance, the expense from operating lease or finance lease is a payment obligation in the future and consider as ways to find source of fund. Therefore, the expense from operating lease is considered to be financial expense that consists of principle and interest. The IFA adjusted TAA's cash flow with (1) financial cost calculated from rental in operating lease agreement and (2) the changing of present value of rental in operating lease agreement which considered as investment expense.

Source: http://people.stern.nyu.edu/adamodar/pdfiles/papers/oplev.pdf

- **Terminal growth rate**

TAA estimated that TAA could maintain the terminal growth rate of cash flow as 1% per year.

- **Discount rate**

The IFA assumed the discount rate based on WACC (Weighted average cost of capital). The calculation of WACC is presented as follow;

WACC = Ke x E / (D+E) + Kd x (1-T) x D / (D+E)

When

Ke = Cost of equity based on Capital Asset Pricing Model (CAPM) = 13.8%

Kd	=	Cost of interest bearing debt based on average interest rate of TAA's loan = 4.25%
T	=	Effective tax rate = 7.2%
Debt to equity ratio	=	Interest bearing debt to equity ratio based on average Interest bearing debt to equity ratio of peers comparative = 1.56x
WACC	=	7.8%

The IFA calculated cost of equity (Ke) using Capital Asset Pricing Model (CAPM) as details below

Ke	=	$Rf + \beta (Rm - Rf)$
When		
Rf	=	Risk-free rate determined by the IFA based on the yield to maturity of the 10-years Thai government bond as at June 13, 2016 of 2.09%
β	=	The median risk return or Beta that the IFA based on average Beta of peers comparative of 0.95
Rm	=	Market return rate that the IFA based on overall 10-years average return on SET Index of 14.44%
Ke	=	Cost of equity based on Capital Asset Pricing Model (CAPM) = 13.8%

The following table represents the peers' comparative data that used in calculation of Weighted Average Cost of Capital or WACC

Peers	Interest bearing debt to equity	Beta
Low cost carriers in South-East Asia		
AirAsia	2.83	1.17
Cebu Pacific	1.47	0.73
AirAsia X	2.03	0.99
Nokair	0.18	1.07
Tigerair	1.43	0.67
Average	**1.64**	**0.92**
Median	**1.47**	**0.99**
Low cost carriers in other countries		
Southwest Airlines	0.48	1.08
Ryanair	1.00	1.08
EasyJet	0.22	1.06
JetBlue	0.57	0.74
Sping Airlines	1.10	1.06
Indigo	1.61	0.39
Norwegian	6.60	1.15
Air Arabia	0.70	0.76
SpiceJet	0.81	0.80
Gol	2.15	1.15

Peers	Interest bearing debt to equity	Beta
Average	**1.53**	**0.96**
Median	**0.91**	**1.06**
Average	**1.56**	**0.95**
Median	**1.10**	**1.06**

Source: TAA

The following table presents the TAA's cash flow forecast according to the assumption and calculation mentioned above;

Unit: THB Million	1 Apr – 31 Dec 2016	2017	2018	2019	2020
Earning before interest and tax	3,100	5,378	5,453	6,003	6,218
Imputed interest expenses from operating lease	847	1,154	1,196	1,216	1,231
Adjusted Earning before interest and tax	**3,947**	**6,532**	**6,649**	**7,219**	**7,449**
Tax	(332)	(498)	(463)	(462)	(457)
Adjusted Earning after tax	**3,615**	**6,034**	**6,187**	**6,758**	**6,993**
Depreciation	976	1,372	1,491	1,546	1,644
Change in net working capital	979	964	951	627	287
Capital expenditure	(1,803)	(1,907)	(1,953)	(1,999)	(2,046)
Change in capitalized operating lease	80	(1,244)	(715)	(234)	(451)
Free cash flows to firm	**3,847**	**5,219**	**5,961**	**6,698**	**6,426**
Terminal value					**95,443**

According to the previous table, the discount rate of 7.8% is used by IFA in DCF valuation model to value AAV shares. The detail is shown in the table below.

Unit: THB Million	March 31, 2016
Present value of estimated cash flow of TAA	22,612
Present value of terminal value of TAA	66,804
Enterprise value of TAA	**89,417**
Add: Cash and short-term investments of AAV[1/]	8,643
Less: Interest-bearing debt of AAV[1/]	-13,567
Less: Estimated capitalized operating lease on aircraft of TAA	-26,618
Equity value of TAA	**57,875**
Portion of share AAV hold on to TAA	55%
The 55% investment value in TAA	**31,831**
Add: Cash and short-term investments of AAV [1/]	48

Unit: THB Million	March 31, 2016
Less: Interest-bearing debt of AAV [1/]	**0**
Equity value of AAV	**31,879**
Number of shares outstanding (million shares)	4,850
AAV's share value (THB per share)	**6.57**

Note: 1/ Information as at March 31, 2016

Since the valuation is based on several significant assumptions, the sensitivity analysis is conducted by IFA in order to study the effects of changing variables to enterprise's fair value.

Changing variables	**Change interval**	**Share value of AAV (THB per share)**
Load factor	+/- 1%	5.81 - 7.34
Growth in average fare per seat	+/- 0.5%	5.35 - 7.82
Average fuel price	+/- 5 USD/barrel	5.30 – 7.85
WACC	+/- 0.5%	5.87 – 7.39
Terminal growth rate	+/- 0.5%	6.02 – 7.21

According to the above table, share values of AAV derived from DCF method range between THB 5.30 -7.85 per share.

6. Analyst research price targets

IFA surveyed analyst researches of AAV, valued by analysts from several securities before June 14, 2016 , which is the date that the Company an Announcement of Intention to Make a Tender Offer (Form 247-3) issued by Tender Offeror. The survey is illustrated in the following table.

Securities	Date	Recommendation	Target price
Company A	6/6/2016	Buy	6.60
Company B	30/5/2016	Buy	7.15
Company C	18/5/2016	Buy	7.00
Company D	13/5/2016	Buy	6.90
Company E	13/5/2016	Buy	6.70
Company F	13/5/2016	Buy	6.50
Company G	12/5/2016	Hold	6.09
Average			6.71
Median			6.70
Maximum			7.15
Minimum			6.09

Source: IAA consensus / settrade.com

According to the table, the average and median of AAV's target price under Analyst research price targets is range between THB 6.70 – 6.71 per share.

3.3 Valuation of the Company's shares

The table below summaries the values of AAV's shares determined using various approaches, in comparison with the offer price of THB 4.20 per share

	Valuation method	Share price (THB per share)	Premium / (Discount) to the offer price (THB per share)	Appropriateness of valuation method
1	Historical trading price method			
1.1	Closing share price method	4.08 – 6.30	(0.12) – 2.10	Inappropriate
1.2	Volume weighted average price or VWAP	5.21 – 6.10	1.01 – 1.90	**Appropriate**
2	Book value method			Inappropriate
2.1	Calculated by using TAA's book value	1.03	(3.17)	
2.2	Calculated by using AAV's book value	4.36	0.16	
3	Market comparable method			
3.1	EV/EBITDA	5.64 – 5.79	1.44 – 1.59	Inappropriate
3.2	AEV/EBITDAR	3.89 – 4.77	(0.31) – 0.57	Inappropriate
3.3	P/E	4.04 – 4.19	(0.16) – (0.01)	Inappropriate
3.4	P/BV			Inappropriate
	3.4.1 Calculated by using TAA's book value	3.27 – 3.45	(0.93) – (0.75)	
	3.4.2 Calculated by using TAA's book value	13.78 – 14.56	9.58 – 10.36	
4	Transaction comparable method			
4.1	EV/EBITDA	3.34 – 4.80	(0.86) – (0.60)	Inappropriate
4.2	AEV/EBITDAR	2.92 – 3.65	(1.28) – (0.55)	Inappropriate
4.3	P/E	4.92 – 5.22	0.72 – 1.02	Inappropriate
4.4	P/BV			Inappropriate
	4.4.1 Calculated by using TAA's book value	1.76 – 3.00	(2.44) – (1.20)	
	4.4.2 Calculated by using TAA's book value	7.41 – 12.65	3.21 – 8.45	
5	Discounted cash flow method or DCF	5.30 – 7.85	1.10 – 3.65	Inappropriate
6	Analyst research price targets	6.70 – 6.71	2.50 – 2.51	Inappropriate

From the summary table, IFA's opinions on the appropriateness of valuation method are as follows:

- Historical trading price method

Volume weighted average price method (VWAP) is the valuation method that reflects the supply and demand of company shares. IFA noted that the AAV's average daily trading volume during the past 12 months was approximately 29 million shares per day, which is accounted for turnover ratio of 0.59% of

AAV's outstanding shares. The turnover ratio is higher comparing to turnover ratio of SET100 and SET50 which are 0.39% and 0.43% respectively. This can be perceived that AAV's shares have high liquidity.

As a result, Historical trading price method using VWAP is considered to be appropriate in company valuation since the method reflects the fair value of the company.

- Book value method

The book value method only reflects the fair value of assets and liabilities of the company at a particular date, without taking into consideration the company's profitability, future performance, company's competitiveness, and economic trend and industry overview. Therefore, this method is likely to be an inappropriate method for valuation of AAV.

- Market comparable method

The market comparable method is a method that reflects value of a company from investors' view of listed companies in the same industry. Nevertheless, this method requires listed companies who operate the business comparable to TAA's and operates within the similar industry circumstance in. There is only one company that satisfied all those conditions which is Nokair, which is may not reflects the investors' view on low cost carrier industry in Thailand.

Moreover, if take into consideration the peers in both domestically and internationally, for instance business operation, marketing plan, customer base, included the future business plan are specific and significantly different from all those peers. Therefore, this method is likely to be an inappropriate method for valuation of AAV.

- Transaction comparable method

Transaction comparable method analyses multiples from precedent comparable transactions. The valuation of each transaction is driven by various factors specific to that transaction and the prevailing circumstances, for example the proportion of shares acquisition, the ability to obtain a controlling stake, contingent liabilities resulting from the acquisition, and expected synergies. In addition, the profitability of acquired companies in precedent transactions during last 12 months prior to transaction date is significantly different from that of AAV and TAA

Moreover, if take into consideration acquired companies in precedent transactions, AAV and TAA's business operation, marketing plan, customer base, included the future business plan are specific and significantly different from all those acquired companies. Therefore, this method is likely to be an inappropriate method for valuation of AAV.

- Discounted cash flow method or DCF

DCF is method that reflects value of the company based on its projected future operating results, future profitability, and the company's future cash flow based on the performance in the past, business plan, and future economic trend. However, the valuation result under DCF method relied on various assumptions required for calculation. The forecasting of all assumptions and external factors such as fuel price or currency conversion rate may not be certain, as a result, the valuation may not reflect the fair value of AAV. Therefore, this method is likely to be an inappropriate method for valuation of AAV.

- Analyst research price targets

IFA believes that the target prices of AAV's share under Analyst research papers are the views specifically to each analyst that relied on the certain circumstances at a released date. The target prices reflect personal view of AAV and may change depend on the market trend, company's growth, and the information released in public. Therefore, this method is likely to be an inappropriate method for valuation of AAV.

Based on above rationale, the IFA concludes that the Volume weighted average price method (VWAP) is the most appropriate methods for determining AAV's value, and AAV's share value is in range of THB 5.21 – 6.10 per share.

4. Reasons to accept and/or reject the tender offer

After considering the Tender offer (form 247-4), the Tender offer price, and company information, the IFA has an opinion that AAV's shareholders should reject the Tender offer by the following reasons;

- The Offer price is inappropriate

The IFA has conducted the valuation using methods to determine an appropriate share price, as previously discussed in Section 3 of this report (on the reasonableness of the tender offer price). The IFA has an opinion that Volume weighted average price method (VWAP) is the most appropriate methods for determining AAV's value, and AAV's share value is in range of THB 5.21 – 6.10 per share. Thus, the Offer price of THB 4.20 per share is lower than the range of appropriate price determined by the IFA.

However, the valuation performed by IFA is the preliminary valuation that not considered the benefit that may receive from the Tender Offeror.

Other significant factor to be considered

- **Sale of AAV's share through the SET may realize a price higher than accepting the Tender Offer**

Shareholders may consider the trading of AAV's share on the SET, which was THB 6.20 per share as of July 4, 2016 and traded in a range of THB 6.00 per share to THB 6.25 per share during June 14, 2016, the day that the Company an Announcement of Intention to Make a Tender Offer (Form 247-3) issued by Tender Offeror, to July 4, 2016 are higher than 42.9% - 48.8% the Offer price respectively. Therefore, the shareholders may be able to sell shares through SET at a price higher than the Offer price. Moreover, a normal sale of shares through the SET will result in a faster receipt of proceeds from the sale than sale to the Tender Offeror, who will make payment within 3 working days of the end of tender offer period, which is on August 5, 2016. Nevertheless, the shareholders should take into account the risk that they may not be able to sell the desired number of shares through the SET at the desired price and within the desire timeframe.

- **Listing status and liquidity of AAV's share**

As of March 15, 2016 AAV had 16,329 minority shareholders who held 54.61% of the offered and issued shares. To remain as a publicly-traded company in the Stock Exchange of Thailand, AAV must have at least 150 individual shareholders, whom in aggregate own at least 15% of the total registered and paid-up shares of AAV. If many minority shareholders sell their shares to Tender Offeror, selling of those shares may affected the listing status of AAV.

5. Benefits or impact from the Offeror's business plans and policies as disclosed in the Tender Offer

The IFA studied the Tender Offeror's plan and policies, as disclosed in the Tender Offer (Form 247-4) dated June 23, 2016, including AAV and TAA's information and its views on the benefits and impacts on AAV are as follows;

- **The Company's status**

The Tender Offeror indicated in the Tender Offer that it has no intention to delist AAV from being the registered securities in the SET during the 12 months period after the end of the Tender Offer Period except in the case that the unless AAV is not eligible to maintain its listing status as stipulated in the regulations imposed by the Stock Exchange of Thailand and is required to delist its common stock from being the registered securities as defined by laws, regulations, and other relevant and rules that are enforced at the time.

The IFA has an opinion that the Offer price of THB 4.20 per share is significantly lower than the trading price of AAV's shares on the SET. With such Offer price below the trading price of THB 6.20 per share as of July 4, 2016 which is 47.6% higher than the Offer price. The IFA has an opinion that the shareholders may not sell a large number of shares to the Tender Offeror and there is unlikely to be an impact on the free float of AAV's shares and maintenance of its status as listed company. Nevertheless, if enough securities are sold to the Tender Offeror that there are less than 150 shareholders or the combined holdings of the minority shareholders are less than 15% of the called up shares of the Company, the Company could be at risk of maintaining the listing status.

- **Share disposition plan by the Tender Offeror**

The Tender Offeror indicated in the Tender Offer that at the date of the Tender Offer, the Offeror has no intention to sell or transfer the a significant number of the AAV's securities, which has been obtained through the Tender Offer to any party during the first 12 months period commencing from the last day of the Tender Offer Period unless either of the following occurs.

1) Offeror is obligated to do so by any relevant laws or regulations that are effective during such period or
2) For the purpose of corporate restructuring or the restructure of shareholding among Group of Tender Offerors

The IFA has an opinion that the Tender Offer has no intention to sell or transfer a significant number of the AAV's shares in the near future, there is unlikely to be an impact or changing of AAV and TAA's business operation significantly. However, the plans to sell shares of AAV by the Tender Offeror are still uncertain, therefore the analysis of the impact of such plans is unable to be carried out by the IFA.

- **Policies and plans of business operation**

The Tender Offeror indicated in the Tender Offer that in case where the Offeror is able to obtain more than 50% of the total issued and paid-up ordinary shares of AAV from this Mandatory Tender Offer, which results in the Offeror having control or influence over management policy of AAV, the Offeror will maintain the policy and the main business objective of AAV. Moreover, the Offeror has no plan to merge, change the dividend payout policy or significantly change business objectives during the 12 months period commencing from the last day of the tender offer period. However, the Offeror may amend the business plan depending on the competition in industry, the business, financial position, operating performance, and the business opportunity of the Company for the most benefit to the Company and shareholders . In addition, in order to allow flexible and efficient operation and management of AAV for the utmost benefits of AAV and shareholders, the Offeror may consider amending the list of Board of Directors of AAV or restructuring the organization structure including human resources along with the financial structure of AAV as appropriate for operation and future financial standing. Such amendment shall not contradict with the article of association of AAV, the rules and regulation of the Office of the Securities Exchange and Commission of Thailand and the Stock Exchange of Thailand or other relevant laws.

The IFA has an opinion that due to the Tender Offer as policy not to amend any policies and plans of business operation, there is unlikely to be an impact or significantly change of AAV's business operation. However, the Tender Offeror may amend the business plan depending on the competition in industry, the business, financial position, operating performance, and the business opportunity of the Company. Such policies and plans are still uncertain and the analysis of the impact of such plans is unable to be carried out by the IFA.

- **Board of Directors structure**

The Tender Offeror indicated in the Tender Offer that according to AAV's Share Sell and Purchase Agreement ("SSPA"), The Seller shall proceed to hold the meeting of the board of directors of AAV to appoint up to 6 persons, designated by the Purchaser, to be the new directors of AAV. In addition, on June 13, 2016 the Board of Directors meeting no. 3/2016, the Board of AAV appointed 3 persons, represent Offeror, in replacement of the 3 resigning directors of the AAV. After the appointment, the AAV's Board of Directors consists of 9 Directors (3 Independence Directors). However, the Offeror may consider amending the Company's Board of Directors for the most benefit of the Company and shareholders under the Company's articles of association, rule and regulation of the SEC and the SET including other related laws

The IFA has an opinion that The Offeror currently has no control in Board of Directors resolutions that required majority vote since the Board of Directors composition consists of less than half of the directors representing the Offeror. However, if AAV appoint the rest of up to 3 directors representing the Offeror in order to fulfill the SSPA, while the Board of Directors size remain unchanged, the Offeror may control the Board of Directors resolutions that required majority vote since the number of directors who represent the Offeror is exceed a half of total directors in Board of Directors Structure.

- **Related party transaction**

The Offeror and the other individuals belonging in the same group of the Offeror which are the major shareholders of King Power Marketing and Management Co., Ltd. entered into the related party transaction with respect to TAA having AAV as the major shareholder. The details of the material related party transaction, whose terms and conditions are in the ordinary course of business, are as follows:

Parties	TAA King Power Marketing and Management Company Limited (the "KPM")
Material Nature of the Agreement	Undertaking and Managing the Sale of Duty Free Goods on Board Agreement ▪ The 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.
Term of the Agreement	From July 19, 2011 to December 19, 2016

Source: Form 247-4

The Tender Offeror indicated in the Tender Offer that Within 12 months of the end of offering period, the Offeror have not planned to make any material change on type and size of the existing related party transactions under the Policy on the Related Party Transaction of a business. However, the Offeror shall carefully consider to ensure that the related party transactions, existing transactions and future transactions, will be transactions on the arm's length basis and in accordance with rules and regulations of the SET and the SEC.

However, AAV has disclosed to the IFA that, in addition to the mentioned related party transaction, TAA has other related party transaction contract as follows;

Parties	TAA King Power International Company limited
Material Nature of the Agreement	Provide the sponsorship to Leicester City International Academy for seeking Thailand's youth football player to join the skill developing program at Leicester City football club at England
Term of the Agreement	From January 1, 2015 to June 30, 2017

Source: AAV

The IFA has an opinion that the existing and future related party transactions policy between AAV and the Tender Offeror and the related person under Section 258 of the Tender whether before or after the tender offer will not significantly change within the new future. However, the related party transactions have to conduct on the arm's length basis and under rules and regulations of the SET and the SEC.

6. Summary of the IFA's opinion

The IFA has conducted a valuation of AAV and is of the opinion that the Volume weighted average price method (VWAP) is the most appropriate methods for determining AAV's value, and AAV's share value is in range of THB 5.21 – 6.10 per share. Thus, the Offer price of THB 4.20 per share is lower than the range of appropriate price determined by the IFA. According to mentioned reasons, AAV's shareholders should reject the Tender offer

Shareholders who intend to sell their shares may consider selling through the SET as the trading of AAV's share on the SET, which was THB 6.20 per share as of July 4, 2016 and traded in a range of THB 6.00 per share to THB 6.25 per share during June 14, 2016, the day that the Company an Announcement of Intention to Make a Tender Offer (Form 247-3) issued by Tender Offeror, to July 4, 2016. Therefore, the shareholders may be able to sell AAV's share at a price higher than the Offer price. Nevertheless, the shareholders should take into account the risk that they may not be able to sell the desired number of shares through the SET at the desired price and within the desire timeframe.

The IFA's opinion is based on an assumption that publicly available information received from AAV and TAA, the tender offer (Form 247-4) dated June 23, 2016 and the information received through management interviews, is complete, accurate, and reflective of the management's views towards economic conditions and other factors affecting the AAV and TAA's operations.

The shareholders' decision to accept or reject the tender offer depends on their own judgment. The shareholders should exercise discretion and study other relevant information in making their decision.

The IFA hereby certifies that the opinions expressed in this report were carefully given in accordance with professional standards and in the best interests of the shareholders.

(Translation)

Your Sincerely,

Thanachart Securities Public Company Limited

(Ms. Pimpaka Nichgaroon)

Director

(Ms. Suvabha Charoenying)

Director

(Tanasom Swasdipanich)

Supervisor

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