

ASIA AVIATION PUBLIC COMPANY LIMITED

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

31 MARCH 2013



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Asia Aviation Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2013, the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information of Asia Aviation Public Company Limited and its subsidiaries, and of Asia Aviation Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in blue ink, appearing to read "Chanchai Chaiprasit", is written over a faint, illegible stamp or watermark.

Chanchai Chaiprasit
Certified Public Accountant (Thailand) No.3760
PricewaterhouseCoopers ABAS Ltd.

Bangkok
10 May 2013

Asia Aviation Public Company Limited
Statement of Financial Position
As at 31 March 2013

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Notes	Baht	Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents	3,332,638,649	3,852,838,996	2,677,447	5,051,471
Cash at financial institutions pledged as security	74,753,564	17,383,211	-	-
Short-term investments	2,852,952,497	2,295,900,960	-	-
Investments in private funds	7 1,005,595,743	-	-	-
Trade and other receivables	8 546,262,081	378,777,465	-	-
Amounts due from related parties	15.5 203,214,309	210,772,034	-	-
Inventories	75,412,127	79,587,903	-	-
Prepaid expenses	323,049,551	201,047,982	563,562	901,529
Value added tax receivable, net	-	99,289,077	-	-
Other current assets	21,501,182	13,436,177	3,103	-
Total current assets	8,435,379,703	7,149,033,805	3,244,112	5,953,000
Non-current assets				
Cash at financial institutions pledged as security	6,225,488	7,714,350	-	-
Investment in a subsidiary	-	-	3,067,114,370	3,067,114,370
General investment	10,228,300	10,228,300	-	-
Aircraft, leasehold improvements, and equipment, net	9 4,318,477,234	3,075,440,519	24	24
Intangible assets, net	9 14,868,856,680	14,868,845,064	1	1
Goodwill	10 8,824,825,803	8,824,825,803	-	-
Other non-current assets	667,644,271	673,281,007	-	-
Total non-current assets	28,696,257,776	27,460,335,043	3,067,114,395	3,067,114,395
Total assets	37,131,637,479	34,609,368,848	3,070,358,507	3,073,067,395

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

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2013

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March 2013 Baht	31 December 2012 Baht	31 March 2013 Baht	31 December 2012 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		77,602,008	70,988,769	-	-
Other accounts payable		126,885,278	105,991,639	394,205	-
Amounts due to related parties	15.6	383,599,162	427,725,470	-	-
Deferred revenues		4,012,690,921	3,582,160,385	-	-
Accrued expenses		693,425,278	552,349,337	257,500	376,747
Current portion of finance lease liabilities	11	199,395,688	137,142,871	-	-
Income tax payable		242,825,899	66,819,634	-	-
Other current liabilities		27,122,855	19,274,771	38,989	109,954
Total current liabilities		5,763,547,089	4,962,452,876	690,694	486,701
Non-current liabilities					
Finance lease liabilities	11	2,724,414,851	1,783,112,423	-	-
Deferred tax liabilities, net	12	3,050,352,702	3,034,141,674	-	-
Employee benefit obligations		127,700,013	111,846,384	-	-
Total non-current liabilities		5,902,467,566	4,929,100,481	-	-
Total liabilities		11,666,014,655	9,891,553,357	690,694	486,701

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

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2013

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Liabilities and				
shareholders' equity (Cont'd)				
Shareholders' equity				
Share capital				
Authorised share capital				
Ordinary shares,				
4,850,000,000 shares				
of par Baht 0.1 each	485,000,000	485,000,000	485,000,000	485,000,000
Issued and paid-up share capital				
Ordinary shares,				
4,850,000,000 shares				
of paid-up Baht 0.1 each	485,000,000	485,000,000	485,000,000	485,000,000
Premium on share capital	2,599,808,274	2,599,808,274	2,599,808,274	2,599,808,274
Other component of equity				
Other reserves	(15,245,427)	(37,047,145)	-	-
Retained earnings (Deficits)	15,608,593,004	15,211,309,058	(15,140,461)	(12,227,580)
Equity attributable to owners				
of the parent	18,678,155,851	18,259,070,187	3,069,667,813	3,072,580,694
Non-controlling interests	6,787,466,973	6,458,745,304	-	-
Total shareholders' equity	25,465,622,824	24,717,815,491	3,069,667,813	3,072,580,694
Total liabilities and				
shareholders' equity	37,131,637,479	34,609,368,848	3,070,358,507	3,073,067,395

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

Asia Aviation Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2013

	Notes	Proportionate		Company	
		Consolidated 2013 Baht	consolidated 2012 Baht	2013 Baht	2012 Baht
Revenues		6,028,958,141	2,482,734,594	-	-
Operating costs		(4,740,785,932)	(2,055,679,231)	-	-
Gross profit		1,288,172,209	427,055,363	-	-
Net gain on exchange rates		389,723	1,705,138	1,016	-
Other income		95,459,175	49,101,313	-	-
Profit before expenses		1,384,021,107	477,861,814	1,016	-
Selling expenses		(281,988,052)	(100,636,893)	-	-
Administrative expenses		(153,965,272)	(57,681,628)	(2,913,897)	(545,318)
Profit (loss) before finance costs and income tax		948,067,783	319,543,293	(2,912,881)	(545,318)
Finance costs		(27,386,599)	(3,051,135)	-	-
Profit (loss) before income tax		920,681,184	316,492,158	(2,912,881)	(545,318)
Income tax	13	(194,675,569)	(73,498,413)	-	-
Net profit (loss) for the period		726,005,615	242,993,745	(2,912,881)	(545,318)
Total comprehensive income (expense) for the period		726,005,615	242,993,745	(2,912,881)	(545,318)
Profit (loss) attributable to:					
Owners of the parent		397,283,946	242,993,745	(2,912,881)	(545,318)
Non-controlling interests		328,721,669	-	-	-
		726,005,615	242,993,745	(2,912,881)	(545,318)
Earnings (loss) per share					
Basic earnings (loss) per share	14	0.0819	0.0593	(0.0006)	(0.0001)

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

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited)
For the three-month period ended 31 March 2013

	Note	Proportionate consolidated			Total Baht
		Issued and paid-up share capital Baht	Deficits Baht	Other component of equity Effect on additional proportion of investment in a joint venture Baht	
Opening balance as at 1 January 2012 - as previously reported		410,000,000	(386,822,947)	(15,526,868)	7,650,185
Adjustment from adoption of a new accounting standard	4.1	-	87,127,663	-	87,127,663
Balance after adjustment		410,000,000	(299,695,284)	(15,526,868)	94,777,848
Total comprehensive income for the period - as previously reported		-	316,492,158	-	316,492,158
Adjustment from adoption of a new accounting standard	4.1	-	(73,498,413)	-	(73,498,413)
Total comprehensive income for the period - as restated		-	242,993,745	-	242,993,745
Closing balance as at 31 March 2012		<u>410,000,000</u>	<u>(56,701,539)</u>	<u>(15,526,868)</u>	<u>337,771,593</u>

The accompanying notes are an integral part of these special purpose interim proportionate consolidated and company financial information.

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the three-month period ended 31 March 2013

	Consolidated							
	Attributable to owners of the parent					Non- controlling interests	Total shareholders' equity	
	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings Baht	Other component of equity			Total owners of the parent Baht
					Other reserves Baht			
Opening balance as at 1 January 2013								
- as previously reported		485,000,000	2,599,808,274	15,259,409,223	(33,712,692)	18,310,504,805	7,856,117,186	26,166,621,991
Adjustment from adoption of a new accounting standard	4.1	-	-	(13,012,199)	(3,334,453)	(16,346,652)	(11,469,865)	(27,816,517)
Restrospective adjustments	5	-	-	(35,087,966)	-	(35,087,966)	(1,385,902,017)	(1,420,989,983)
Balance after adjustments		485,000,000	2,599,808,274	15,211,309,058	(37,047,145)	18,259,070,187	6,458,745,304	24,717,815,491
Effect of share-based payment		-	-	-	21,801,718	21,801,718	-	21,801,718
Total comprehensive income for the period		-	-	397,283,946	-	397,283,946	328,721,669	726,005,615
Closing balance as at 31 March 2013		<u>485,000,000</u>	<u>2,599,808,274</u>	<u>15,608,593,004</u>	<u>(15,245,427)</u>	<u>18,678,155,851</u>	<u>6,787,466,973</u>	<u>25,465,622,824</u>

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

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the three-month period ended 31 March 2013

	Note	Company			Total Baht
		Issued and paid-up share capital Baht	Premium on share capital Baht	Deficits Baht	
Opening balance as at 1 January 2012 - as previously reported		410,000,000	-	(6,086,909)	403,913,091
Adjustment from adoption of a new accounting standard	4.1	-	-	-	-
Balance after adjustment		410,000,000	-	(6,086,909)	403,913,091
Total comprehensive expense for the period - as previously reported		-	-	(545,318)	(545,318)
Adjustment from adoption of a new accounting standard	4.1	-	-	-	-
Total comprehensive expense for the period - as restated		-	-	(545,318)	(545,318)
Closing balance as at 31 March 2012		<u>410,000,000</u>	<u>-</u>	<u>(6,632,227)</u>	<u>403,367,773</u>
Opening balance as at 1 January 2013 - as previously reported		485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Adjustment from adoption of a new accounting standard	4.1	-	-	-	-
Balance after adjustment		485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Total comprehensive expense for the period		-	-	(2,912,881)	(2,912,881)
Closing balance as at 31 March 2013		<u>485,000,000</u>	<u>2,599,808,274</u>	<u>(15,140,461)</u>	<u>3,069,667,813</u>

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

Asia Aviation Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 31 March 2013

	Notes	Consolidated	Proportionate consolidated	Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from operating activities					
Profit (loss) before income tax		920,681,184	316,492,158	(2,912,881)	(545,318)
Adjustments for:					
Depreciation	9	68,968,519	8,520,822	-	1,982
Amortisation	9	1,120,107	511,328	-	643
Loss on disposals and write-offs of leasehold improvements and equipment	9	1,474,248	62,767	-	-
Employee benefit expenses		15,853,629	2,856,853	-	-
Share-based payment		20,227,615	-	-	-
Net gain on exchange rates		(23,084,286)	(11,800,682)	-	-
Unrealised gain on fair value adjustment in investments in private funds	7	(5,595,743)	-	-	-
Finance costs		27,386,599	3,051,135	-	-
Interest income		(35,083,769)	(2,034,686)	-	-
		991,948,103	317,659,695	(2,912,881)	(542,693)
Changes in operating assets and liabilities					
- Cash at financial institutions pledged as security		(55,881,491)	(57,232,826)	-	-
- Trade and other receivables		(151,027,130)	(5,455,330)	-	-
- Amounts due from related parties		7,913,384	38,494,287	-	-
- Inventories		4,175,776	1,740,838	-	-
- Prepaid expenses		(122,001,569)	(1,168,617)	337,967	-
- Value added tax receivable		99,289,077	259,870,867	-	-
- Other current assets		(8,065,005)	(6,502,611)	(3,103)	(5,046,007)
- Other non-current assets		5,636,736	(8,854,433)	-	-
- Trade accounts payable		6,613,239	(3,517,985)	-	-
- Other accounts payable		20,893,639	6,547,939	394,205	-
- Amounts due to related parties		(44,126,308)	6,588,615	-	10,550,252
- Deferred revenues		430,530,536	230,303,885	-	-
- Accrued expenses		132,516,158	32,645,832	(119,247)	(522,500)
- Other current liabilities		7,848,084	4,143,239	(70,965)	(12,481)
Cash generated from (used in) operating activities		1,326,263,229	815,263,395	(2,374,024)	4,426,571
Income tax paid		(884,172)	-	-	-
Interest received		1,575,856	908,506	-	-
Net cash generated from (used in) operating activities		1,326,954,913	816,171,901	(2,374,024)	4,426,571

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

Asia Aviation Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2013

	Notes	Consolidated	Proportionate consolidated	Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from investing activities					
Net payments for					
short-term investments		(557,051,537)	(13,259,995)	-	-
Purchase of securities in investments					
in private funds	7	(1,748,621,911)	-	-	-
Disposals of securities in investments					
in private funds	7	748,621,911	-	-	-
Proceeds from disposals of leasehold					
improvements and equipment		-	612,000	-	-
Payments for aircraft, leasehold					
improvements and equipment		(210,600,009)	(19,500,455)	-	-
Payments for intangible assets	9	(1,131,723)	(115,770)	-	-
Interest received		16,508,398	1,126,180	-	-
Net cash used in investing activities		<u>(1,752,274,871)</u>	<u>(31,138,040)</u>	-	-
Cash flows from financing activities					
Repayments of finance lease		(53,099,607)	(548,680)	-	-
Repayments of long-term borrowing					
from a financial institution		-	(254,573,171)	-	-
Interest paid		(24,982,927)	(3,051,135)	-	-
Net cash used in financing activities		<u>(78,082,534)</u>	<u>(258,172,986)</u>	-	-
Net increase (decrease) in cash and cash equivalents		(503,402,492)	526,860,875	(2,374,024)	4,426,571
Cash and cash equivalents					
at the beginning of the period		3,852,838,996	694,425,971	5,051,471	977,900
Exchange gain (loss) on					
cash and cash equivalents		<u>(16,797,855)</u>	<u>11,800,682</u>	-	-
Cash and cash equivalents at the end of the period		<u>3,332,638,649</u>	<u>1,233,087,528</u>	<u>2,677,447</u>	<u>5,404,471</u>

Non-cash transactions

Significant non-cash transactions during the periods ended 31 March 2013 and 2012 are as follows:

Purchase of aircraft spare parts					
which have not been paid		13,358,280	11,853,957	-	-
Purchase of aircraft under finance					
lease agreement		1,079,944,867	-	-	-

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

Asia Aviation Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the three-month period ended 31 March 2013

1 General information

Asia Aviation Public Company Limited (“the Company”) is a public company and incorporated in Thailand. The address of the Company’s registered office is as follows:

99 OSC Building 1st floor, Moo 5, Kingkaew Road, Rachatewa, Bangplee, Samutprakarn 10540.

The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The principal business operations of the Company and its subsidiary are summarised below:

The Company’s principal business operation is to invest in low-fare airline business company which is Thai AirAsia Company Limited. The Company’s shareholding interest is 55% (2012: 55%).

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

These interim consolidated and company financial information were approved by the Board of Directors on 10 May 2013.

These interim consolidated and company financial information have been reviewed, not audited.

2 Basis of preparation

These interim consolidated and company financial information have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”) under the Securities and Exchange Act. The primary financial information (i.e., statement of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by SEC. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” and additional notes are presented as required by SEC.

These interim consolidated and company financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

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

3 Significant accounting policies

The accounting policies used in the preparation of the interim consolidated and company financial information are consistent with those used in the consolidated and company financial statements for the year ended 31 December 2012 except as described in Note 4.

New interpretations

New interpretations are mandatory for the accounting periods beginning on or after 1 January 2014, which are currently relevant to the Group but the Group has not early adopted them are as follows:

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes

The Group's management has assessed and determined that the new interpretations will not significantly impact the financial statements being presented except the new interpretation as disclosed below:

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The Group's management is currently assessing the impact of applying this interpretation.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate or defer such costs at the end of the financial year.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4 New accounting policies

4.1) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Asia Aviation Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the three-month period ended 31 March 2013

4 New accounting policies (Cont'd)

4.1) Current and deferred income taxes (Cont'd)

The Group has applied Thai Accounting Standard 12, which dealt with accounting for current and deferred income taxes since 1 January 2013 by retrospective adjusting. The effects of the adoption of the above standard were as follows:

	Consolidated Baht	Company Baht
Statement of financial position		
Deferred tax assets as of 1 January 2012 (proportionate) increased	87,127,663	-
Deferred tax liabilities as of 31 December 2012 increased	27,816,517	-
Deficits as of 1 January 2012 (proportionate) decreased	87,127,663	-
Other component of equity - other reserves as of 31 December 2012 decreased	3,334,453	-
Retained earnings as of 31 December 2012 decreased	13,012,199	-
Non - controlling interests as of 31 December 2012 decreased	11,469,865	-
Statement of comprehensive income for the three-month period		
Income taxes expenses for the period ended 31 March 2012 (proportionate) increased	73,498,413	-
Basic earnings per share for the period ended 31 March 2012 (proportionate) decreased	0.02	-

4 New accounting policies (Cont'd)

4.2) Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

4 New accounting policies (Cont'd)

4.3) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

4.4) Investments in private funds

Investments in private funds comprise fixed deposit, government bonds and debt instruments which are classified as trading investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Trading investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are included in current assets.

The investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in profit or loss in the statement of comprehensive income.

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

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5 Restatement

During the first quarter of 2013, the Company completely measured the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited to comply with the measurement period for a business combination referred in TFRS 3 (Revised 2009) “Business combinations” that the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date and the measurement period shall not exceed one year from the acquisition date.

The effect to the consolidate statement of financial position as at 31 December 2012 was presented as follows:

	Consolidated Baht
Statement of financial position	
Inventories increased	21,242,705
General investment increased	1,459,000
Leasehold improvements and equipment, net increased	151,889,352
Intangible assets, net increased	1,034,728
Goodwill increased	1,409,709,389
Deferred tax liabilities, net increased	3,006,325,157
Non-controlling interests decreased	1,385,902,017
Retained earnings decreased	35,087,966

6 Segment information

The Group does not disclose the segment information because there is no significant business segment other than the provision of air transportation services.

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7 Investments in private funds

In the first quarter of 2013, Thai AirAsia Company Limited, a subsidiary, established private funds and engaged two local independent asset management companies to manage cash balance of the Group. As at 31 March 2013, the Group has securities of investments in private funds as follows:

	<u>Consolidated</u> <u>(Unaudited)</u> Fair value Baht	<u>Company</u> <u>(Unaudited)</u> Fair value Baht
Fixed-deposits	143,234,976	-
Government bond	187,882,099	-
Debt instrument	674,478,668	-
Total investments in private funds	<u>1,005,595,743</u>	<u>-</u>

The movement of investments in private funds is as follows:

	<u>Consolidated</u> <u>(Unaudited)</u> Baht	<u>Company</u> <u>(Unaudited)</u> Baht
For the period ended 31 March 2013		
Opening net book amount	-	-
Additions	1,748,621,911	-
Disposals	(748,621,911)	-
Fair value adjustment	5,595,743	-
Closing net book amount	<u>1,005,595,743</u>	<u>-</u>

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8 Trade and other receivables

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Trade accounts receivable	307,806,324	264,022,927	-	-
Accrued income	218,440,751	95,410,129	-	-
Other accounts receivable	20,015,006	19,344,409	-	-
Total trade and other receivables	<u>546,262,081</u>	<u>378,777,465</u>	<u>-</u>	<u>-</u>

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

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Up to 3 months	261,582,723	227,256,126	-	-
3-6 months	10,078,251	6,627,750	-	-
6-12 months	13,019,116	16,442,335	-	-
Over 12 months	23,126,234	13,696,716	-	-
Total trade accounts receivable	<u>307,806,324</u>	<u>264,022,927</u>	<u>-</u>	<u>-</u>

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

	Consolidated				Company	
	Aircraft, leasehold improvements and equipment Baht	Computer software and computer software under installation Baht	Intangible assets		Intangible assets	
Landing rights Baht			Total Baht	Leasehold improvements and equipment Baht	Computer software Baht	
For the three-month period ended 31 March 2013 (Unaudited)						
Opening net book amount	2,923,551,167	11,810,336	14,856,000,000	14,867,810,336	24	1
Adjustment of net fair value of assets from investment in a subsidiary (Note 5)	151,889,352	1,034,728	-	1,034,728	-	-
Additions	1,313,479,482	1,131,723	-	1,131,723	-	-
Write-offs, net	(1,474,248)	-	-	-	-	-
Depreciation/amortisation	(68,968,519)	(1,120,107)	-	(1,120,107)	-	-
Closing net book amount	<u>4,318,477,234</u>	<u>12,856,680</u>	<u>14,856,000,000</u>	<u>14,868,856,680</u>	<u>24</u>	<u>1</u>

The significant additions in consolidated financial information for the three-month period ended 31 March 2013 are aircraft acquired under finance lease and related spare parts amount of Baht 1,290.27 million.

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10 Goodwill

On 4 May 2012, the Company had gained controls over Thai AirAsia Company Limited according to an “Amended and Restated Shareholders’ Agreement” and the Company completely measured the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited during the first quarter of 2013. In consideration of fair value of assets, the Company determined the measurement of the identifiable assets and liabilities and considered the possibility that the Company received economic benefit reasonably. The impact is as follows:

	As previously reported Baht	Adjustments Baht	Fair value Baht
	<u> </u>	<u> </u>	<u> </u>
Fair value of previously held equity interest in Thai AirAsia Company Limited	15,170,005,205	-	15,170,005,205
	<u>15,170,005,205</u>	<u>-</u>	<u>15,170,005,205</u>
Recognised amounts of identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	1,276,117,328	-	1,276,117,328
Short-term investments	1,085,425,460	-	1,085,425,460
Trade and other receivables and amounts due from related parties	321,162,427	-	321,162,427
Inventories and other current assets	392,801,737	21,242,705	414,044,442
Cash at financial institutions pledged as security	182,635,426	-	182,635,426
General investment	6,929,500	1,459,000	8,388,500
Leasehold improvements and equipment, net	384,130,782	202,143,731	586,274,513
Landing rights	14,856,000,000	-	14,856,000,000
Intangible assets, net	13,254,382	1,248,143	14,502,525
Deferred tax assets	-	26,189,081	26,189,081
Other non-current assets	567,198,126	-	567,198,126
Trade accounts payable and amounts due to related parties	(465,914,117)	-	(465,914,117)
Deferred revenues	(2,659,376,219)	-	(2,659,376,219)
Accrued expenses and other current liabilities	(654,345,317)	-	(654,345,317)
Finance lease liabilities	(12,001,255)	-	(12,001,255)
Deferred tax liabilities	-	(3,016,418,716)	(3,016,418,716)
Employee benefit obligations	(88,353,964)	-	(88,353,964)
	<u>15,205,664,296</u>	<u>(2,764,136,056)</u>	<u>12,441,528,240</u>
Identifiable net assets acquired	15,205,664,296	(2,764,136,056)	12,441,528,240
Non-controlling interests	(7,450,775,505)	1,354,426,667	(6,096,348,838)
Goodwill	7,415,116,414	1,409,709,389	8,824,825,803
	<u>15,170,005,205</u>	<u>-</u>	<u>15,170,005,205</u>

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11 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Within one year	319,729,211	207,619,284	-	-
Later than 1 year but not later than 5 years	1,348,389,579	790,765,579	-	-
Later than 5 years	2,059,892,579	1,388,409,709	-	-
<u>Less</u> Future finance charges on finance leases	<u>(804,200,830)</u>	<u>(466,539,278)</u>	-	-
	<u>2,923,810,539</u>	<u>1,920,255,294</u>	-	-
Representing lease liabilities:				
- Current portion	199,395,688	137,142,871	-	-
- Non-current portion	2,724,414,851	1,783,112,423	-	-
	<u>2,923,810,539</u>	<u>1,920,255,294</u>	-	-

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Within one 1 year	312,183,535	203,310,715	-	-
Later than 1 year but not later than 5 years	1,184,405,490	704,624,080	-	-
Later than 5 years	1,427,221,514	1,012,320,499	-	-
	<u>2,923,810,539</u>	<u>1,920,255,294</u>	-	-

On 1 February 2013, Thai AirAsia Company Limited, its subsidiary, entered into an Aircraft Finance Lease Agreement with a lessor and accepted the delivery of aircraft on that date. The agreement has period of 12 years. According to conditions of the agreements, Thai AirAsia Company Limited must comply with financial and operational covenants. Thai AirAsia Company Limited has a purchase option of the aircraft from the lessor at the end of the lease term.

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12 Deferred tax liabilities, net

The analysis of deferred tax assets and deferred tax liabilities is as follow:

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Deferred tax assets	405,732,200	269,683,514	-	-
Deferred tax liabilities	(3,456,084,902)	(3,303,825,188)	-	-
Deferred tax liabilities, net	<u>(3,050,352,702)</u>	<u>(3,034,141,674)</u>	<u>-</u>	<u>-</u>

The gross movement and the deferred tax liabilities, net is as follows:

	Consolidated (Unaudited) Baht	Company (Unaudited) Baht
At 1 January 2013	3,034,141,674	-
Charged to the statement of comprehensive income (Note 13)	17,785,132	-
Credited directly to other reserves (Note 13)	(1,574,104)	-
At 31 March 2013	<u>3,050,352,702</u>	<u>-</u>

The movement in deferred tax assets and liabilities during the period is as follows:

	Consolidated			
	Accelerated tax depreciation Baht	Employee benefit obligations Baht	Finance lease Baht	Total Baht
Deferred tax assets				
At 1 January 2013	110,862	22,219,821	247,352,831	269,683,514
(Charged)/credited to the statement of comprehensive income	(54,528)	3,147,712	132,955,502	136,048,686
At 31 March 2013	<u>56,334</u>	<u>25,367,533</u>	<u>380,308,333</u>	<u>405,732,200</u>

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12 Deferred tax liabilities, net (Cont'd)

The movement in deferred tax assets and liabilities during the period is as follows: (Cont'd)

	Consolidated			
	Fair value gains Baht	Share-based payment Baht	Finance lease Baht	Total Baht
Deferred tax liabilities				
At 1 January 2013	3,006,325,157	6,062,640	291,437,391	3,303,825,188
Charged/(credited) to the statement of comprehensive income	(2,116,678)	(1,287,902)	157,238,398	153,833,818
Credited directly to equity	-	(1,574,104)	-	(1,574,104)
At 31 March 2013	<u>3,004,208,479</u>	<u>3,200,634</u>	<u>448,675,789</u>	<u>3,456,084,902</u>

13 Income tax expense

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Current tax:				
Current tax on profit for the period	176,890,437	-	-	-
Total current tax	<u>176,890,437</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 12):				
Origination and reversal of temporary differences	17,785,132	73,582,709	-	-
Impact of change in the Thai tax rate	-	(84,296)	-	-
Total deferred tax	<u>17,785,132</u>	<u>73,498,413</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>194,675,569</u>	<u>73,498,413</u>	<u>-</u>	<u>-</u>

The tax credited directly to equity during the year is as follows:

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Deferred tax (Note 12)				
Share-based payment	<u>1,574,104</u>	<u>-</u>	<u>-</u>	<u>-</u>

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1,574,104 - - -

14 Earnings (loss) per share

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

	Proportionate		Company	
	Consolidated	Consolidated	For the three-month periods ended 31 March (Unaudited)	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	397,283,946	242,993,745	(2,912,881)	(545,318)
Weighted average number of paid-up ordinary shares outstanding during the period (Shares)	4,850,000,000	4,100,000,000	4,850,000,000	4,100,000,000
Basic earnings (loss) per share (Baht)	0.0819	0.0593	(0.0006)	(0.0001)

15 Related party transactions

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

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

Major shareholders of the Company are management of the Company. The remaining is widely held.

For reporting purposed, AirAsia Berhad who held 45% of the shares of Thai AirAsia Company Limited, a subsidiary, and AirAsia Berhad's subsidiaries are referred to as the other related parties.

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15 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

15.1) Income

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest income				
Other related parties	542,029	792,236	-	-

15.2) Purchases of goods, services and interest expenses with other related parties

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Share of gain from fuel price swap agreements	-	(20,347,566)	-	-
Share of staff costs for accounting services	(12,096,900)	(4,525,503)	-	-
Aircraft rental	774,612,473	384,066,597	-	-
Aircraft repair and maintenance	347,532,104	148,592,829	-	-
Purchase of merchandises and equipment	12,758,861	23,498,562	-	-
Management fee expenses	3,572,964	1,888,189	-	-
Booking fee expenses	20,653,220	9,077,012	-	-
Pilot training expenses	33,952,173	18,016,905	-	-
Brand license fee	60,853,901	24,904,040	-	-

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15 Related party transactions (Cont'd)

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

15.3) Management remunerations

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

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Salaries and other short-term benefits	16,240,175	5,733,981	3,280,000	220,000
Retirement benefits	1,879,470	296,254	-	-
	18,119,645	6,030,235	3,280,000	220,000

15.4) Passenger revenues and expenses received and paid on behalf

	Consolidated	Proportionate Consolidated	Company	
	For the three-month periods ended 31 March (Unaudited)			
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Passenger revenues received on behalf of the Group by other related parties and joint venture	679,232,190	337,781,329	-	-
Cash received on behalf of other related parties	126,177,269	62,723,283	-	-
Expenses paid on behalf of the Group and joint venture by other related parties	120,056,289	79,392,478	-	5,550,252
Advance payments on behalf of other related parties	47,753,619	21,173,849	-	-

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15 Related party transactions (Cont'd)

Outstanding balances arising from receivables, payables and other non-current assets are summarised as follows:

15.5) Amounts due from related parties

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Other related parties	<u>203,214,309</u>	<u>210,772,034</u>	<u>-</u>	<u>-</u>

Amounts due from related parties have been charged with the interest for overdue amount at 6.00% per annum (2012: 6.00% per annum).

15.6) Amounts due to related parties

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Other related parties	<u>383,599,162</u>	<u>427,725,470</u>	<u>-</u>	<u>-</u>

Amounts due to related parties are mainly denominated in US Dollars and have been charged with the interest for overdue amount at 6.00% per annum (2012: 6.00% per annum).

15.7) Other non-current assets

	Consolidated		Company	
	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 31 March 2013 Baht	(Audited) 31 December 2012 Baht
Aircraft rental deposits				
Other related party	<u>519,796,926</u>	<u>543,255,174</u>	<u>-</u>	<u>-</u>
Fuel price swap deposit				
Other related party	<u>14,584,650</u>	<u>15,242,850</u>	<u>-</u>	<u>-</u>

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16 Commitments

For the three-month period ended 31 March 2013, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2012 (please see consolidated and company financial statements for the year ended 31 December 2012).

As at 31 March 2013, the Group had the future aggregate minimum lease payments in respect of non-cancellable aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company of the 25 aircraft (As at 31 December 2012: 25 aircraft) and insurance agreements of the 28 aircraft (As at 31 December 2012: 27 aircraft) as follows:

	Consolidated			
	(Unaudited)		(Audited)	
	31 March 2013		31 December 2012	
	Rental	Insurance	Rental	Insurance
	US Dollars	agreements	US Dollars	agreements
	US Dollars	US Dollars	US Dollars	US Dollars
Within 1 year	104,040,000	208,698	104,040,000	834,791
Later than 1 year but not later than 5 years	416,160,000	-	416,160,000	-
Later than 5 years	390,014,466	-	415,725,041	-
Total	910,214,466	208,698	935,925,041	834,791

17 Net fair value of financial instruments

Fuel price swap agreements

The net fair value of fuel price swap agreements at the statement of financial position date is as follows:

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March 2013	31 December 2012	31 March 2013	31 December 2011
	US Dollars	US Dollars	US Dollars	US Dollars
Unfavourable fuel price swap agreements	(474,484)	-	-	-

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18 Letters of guarantee

The Group had commitments relating to guarantees issued by banks in respect of ground handling, technical support, and other flight operating activities in the ordinary course of business as follows:

	Consolidated					
	(Unaudited)			(Audited)		
	31 March 2013			31 December 2012		
	US	India		US	India	
	Baht	Dollars	Rupee	Baht	Dollars	Rupee
	million	million	million	million	million	million
Guarantees relating to flight operating activities	5.75	0.12	31.20	5.60	0.45	30.83
Guarantees relating to maintenance reserve fund	-	1.80	-	-	-	-
Total	5.75	1.92	31.20	5.60	0.45	30.83

The Group also used its fixed-deposit accounts as collateral for these letters of guarantee as follows:

	Consolidated					
	(Unaudited)			(Audited)		
	31 March 2013			31 December 2012		
	Baht	India	Rupee	Baht	India	Rupee
	million	million	million	million	million	million
Fixed-deposit accounts	65.19		31.50	8.93		31.13

19 Promotional privileges

On 13 March 2013, Thai AirAsia Company Limited, its subsidiary, received a certificate of promotional privileges from the Board of Investment (“BOI”) for the business of air transportation. The main privileges include exemption from payment of import duty on aircraft and related spare parts and exemption from corporate income tax for the promoted activities for a period of 8 years from the date when income is first derived. To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates.

20 Subsequent events

On 24 April 2013, Thai AirAsia Company Limited, its subsidiary, accepted the delivery of one additional AIRBUS A320-200 aircraft. The expansion of the subsidiary’s fleet is to support the launch of new routes and increase the frequency of flights on the subsidiary’s existing routes. This aircraft is acquired under lease agreements for period of 12 years.