

**ASIA AVIATION PUBLIC COMPANY LIMITED**

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

**30 SEPTEMBER 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 30 September 2013, the related consolidated and company statements of comprehensive income for the three-month and nine-month period then ended, changes in shareholders' equity, and cash flows for the nine-month period then ended, and condensed notes to interim financial information of Asia Aviation Public Company Limited and its subsidiary, 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 horizontal line.

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

Bangkok  
7 November 2013

**Asia Aviation Public Company Limited**  
**Statement of Financial Position**  
**As at 30 September 2013**

	Notes	Consolidated		Company	
		(Unaudited) 30 September 2013 Baht	(Audited) 31 December 2012 Baht	(Unaudited) 30 September 2013 Baht	(Audited) 31 December 2012 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,618,908,091	3,852,838,996	3,295,009	5,051,471
Cash at financial institutions pledged as security		76,721,250	17,383,211	-	-
Short-term investments		4,369,776,531	2,295,900,960	-	-
Investments in private funds	7	1,020,493,006	-	-	-
Trade and other receivables	8	812,405,169	378,777,465	-	-
Amounts due from related parties	14.5	214,274,659	210,772,034	-	-
Inventories		81,088,828	79,587,903	-	-
Prepaid expenses		394,558,135	201,047,982	1,518,944	901,529
Value added tax receivable, net		1,230,316	99,289,077	-	-
Other current assets		29,510,311	13,436,177	12,215	-
<b>Total current assets</b>		<b>9,618,966,296</b>	<b>7,149,033,805</b>	<b>4,826,168</b>	<b>5,953,000</b>
<b>Non-current assets</b>					
Cash at financial institutions pledged as security		6,588,263	7,714,350	-	-
Investment in a subsidiary		-	-	3,067,114,370	3,067,114,370
General investment		10,412,600	10,228,300	-	-
Aircraft, leasehold improvements and equipment, net	9	6,792,874,535	3,075,440,519	24	24
Intangible assets, net	9	14,869,193,730	14,868,845,064	1	1
Goodwill	10	8,824,825,803	8,824,825,803	-	-
Other non-current assets		720,259,741	673,281,007	-	-
<b>Total non-current assets</b>		<b>31,224,154,672</b>	<b>27,460,335,043</b>	<b>3,067,114,395</b>	<b>3,067,114,395</b>
<b>Total assets</b>		<b>40,843,120,968</b>	<b>34,609,368,848</b>	<b>3,071,940,563</b>	<b>3,073,067,395</b>

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 30 September 2013**

		<b>Consolidated</b>		<b>Company</b>	
		<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
		<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Notes</b>		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable		131,348,676	70,988,769	-	-
Other accounts payable		175,607,861	105,991,639	41,369	-
Amounts due to related parties	14.6	392,613,102	427,725,470	-	-
Deferred revenues		4,371,878,841	3,582,160,385	-	-
Accrued expenses		1,231,649,243	552,349,337	500,000	376,747
Current portion of finance lease liabilities	11	339,152,106	137,142,871	-	-
Income tax payable		117,901,783	66,819,634	-	-
Other current liabilities		30,650,326	19,274,771	8,047,075	109,954
<b>Total current liabilities</b>		<b>6,790,801,938</b>	<b>4,962,452,876</b>	<b>8,588,444</b>	<b>486,701</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	11	4,518,151,495	1,783,112,423	-	-
Deferred tax liabilities, net		3,134,885,610	3,034,141,674	-	-
Employee benefit obligations		142,750,213	111,846,384	-	-
<b>Total non-current liabilities</b>		<b>7,795,787,318</b>	<b>4,929,100,481</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>14,586,589,256</b>	<b>9,891,553,357</b>	<b>8,588,444</b>	<b>486,701</b>

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 30 September 2013**

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>
<b>Liabilities and shareholders' equity (Cont'd)</b>				
<b>Shareholders' equity</b>				
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	-	(37,047,145)	-	-
Retained earnings (Deficits)	16,031,573,688	15,211,309,058	(21,456,155)	(12,227,580)
<b>Equity attributable to owners of the parent</b>	19,116,381,962	18,259,070,187	3,063,352,119	3,072,580,694
Non-controlling interests	7,140,149,750	6,458,745,304	-	-
<b>Total shareholders' equity</b>	26,256,531,712	24,717,815,491	3,063,352,119	3,072,580,694
<b>Total liabilities and shareholders' equity</b>	40,843,120,968	34,609,368,848	3,071,940,563	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 30 September 2013**

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Revenues		5,595,067,967	4,426,438,338	-	-
Operating costs		(4,914,537,431)	(4,000,041,444)	-	-
<b>Gross profit</b>		680,530,536	426,396,894	-	-
Net gain on exchange rates		37,424,259	6,447,877	-	-
Other income		144,529,538	117,297,266	-	-
<b>Profit before expenses</b>		862,484,333	550,142,037	-	-
Selling expenses		(288,869,746)	(180,147,175)	-	-
Administrative expenses		(133,852,450)	(126,881,088)	(2,331,469)	(1,786,031)
<b>Profit (loss) before finance costs and income tax</b>		439,762,137	243,113,774	(2,331,469)	(1,786,031)
Finance costs		(50,045,823)	(148,784)	-	-
<b>Profit (loss) before income tax</b>		389,716,314	242,964,990	(2,331,469)	(1,786,031)
Income tax	12	(99,889,710)	(64,556,738)	-	-
<b>Net profit (loss) for the period</b>		289,826,604	178,408,252	(2,331,469)	(1,786,031)
<b>Total comprehensive income (expense) for the period</b>		289,826,604	178,408,252	(2,331,469)	(1,786,031)
<b>Profit (loss) attributable to:</b>					
Owners of the parent		158,355,471	99,822,672	(2,331,469)	(1,786,031)
Non-controlling interests		131,471,133	78,585,580	-	-
		289,826,604	178,408,252	(2,331,469)	(1,786,031)
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share	13	0.0327	0.0206	(0.0005)	(0.0004)

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) (Cont'd)**  
**For the nine-month period ended 30 September 2013**

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Revenues		16,983,814,903	10,481,343,265	-	-
Operating costs		(14,287,635,411)	(9,486,870,941)	-	-
<b>Gross profit</b>		2,696,179,492	994,472,324	-	-
Net gain on exchange rates		169,712,006	51,171,504	1,416	-
Gain on fair value of previously held equity interests		-	14,676,608,801	-	-
Other income		382,785,924	266,495,658	761,219	213,652
<b>Profit before expenses</b>		3,248,677,422	15,988,748,287	762,635	213,652
Selling expenses		(766,002,950)	(311,100,847)	-	-
Administrative expenses		(421,783,748)	(303,678,123)	(9,991,210)	(4,618,341)
<b>Profit (loss) before finance costs and income tax</b>		2,060,890,724	15,373,969,317	(9,228,575)	(4,404,689)
Finance costs		(113,614,376)	(3,335,296)	-	(225,173)
<b>Profit (loss) before income tax</b>		1,947,276,348	15,370,634,021	(9,228,575)	(4,629,862)
Income tax	12	(445,607,272)	(181,295,300)	-	-
<b>Net profit (loss) for the period</b>		1,501,669,076	15,189,338,721	(9,228,575)	(4,629,862)
<b>Total comprehensive income (expense) for the period</b>		1,501,669,076	15,189,338,721	(9,228,575)	(4,629,862)
<b>Profit (loss) attributable to:</b>					
Owners of the parent		820,264,630	15,139,978,364	(9,228,575)	(4,629,862)
Non-controlling interests		681,404,446	49,360,357	-	-
		1,501,669,076	15,189,338,721	(9,228,575)	(4,629,862)
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share	13	0.1691	3.4083	(0.0019)	(0.0010)

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 nine-month period ended 30 September 2013

	Consolidated							Non- controlling interests	Total shareholders' equity
	Attributable to owners of the parent						Total owners of the parent		
	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings (Deficits) Baht	Other component of equity				
					Other reserves Baht	Effect of change in proportion of investment in a joint venture Baht			
<b>Opening balance as at 1 January 2012</b>									
- as previously reported	410,000,000	-	(386,822,947)	-	(15,526,868)	7,650,185	-	7,650,185	
Adjustments from the adoption of a new accounting standard	4.1	-	87,127,663	-	-	87,127,663	-	87,127,663	
<b>Balance after adjustment</b>	410,000,000	-	(299,695,284)	-	(15,526,868)	94,777,848	-	94,777,848	
Ordinary shares issued	75,000,000	2,700,000,000	-	-	-	2,775,000,000	-	2,775,000,000	
Transaction costs	-	(97,828,351)	-	-	-	(97,828,351)	-	(97,828,351)	
Effect of change in investments from a joint venture to a subsidiary									
- as previously reported	-	-	-	-	15,526,868	15,526,868	7,450,775,505	7,466,302,373	
Effect of share-based payment	-	-	-	(78,603,823)	-	(78,603,823)	-	(78,603,823)	
Total comprehensive income for the period									
- as restated	-	-	15,139,978,364	-	-	15,139,978,364	49,360,357	15,189,338,721	
Restrospective adjustments	10	-	-	-	-	-	(1,354,426,667)	(1,354,426,667)	
<b>Closing balance as at 30 September 2012</b>	<b>485,000,000</b>	<b>2,602,171,649</b>	<b>14,840,283,080</b>	<b>(78,603,823)</b>	<b>-</b>	<b>17,848,850,906</b>	<b>6,145,709,195</b>	<b>23,994,560,101</b>	

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 nine-month period ended 30 September 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								
<b>Opening balance as at 1 January 2013</b>								
- 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
Adjustments from the adoption of a new accounting standard	4.1	-	-	(13,012,199)	(3,334,453)	(16,346,652)	(11,469,865)	(27,816,517)
Retrospective adjustments	5	-	-	(35,087,966)	-	(35,087,966)	(1,385,902,017)	(1,420,989,983)
<b>Balance after adjustments</b>		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		-	-	-	37,047,145	37,047,145	-	37,047,145
Total comprehensive income for the period		-	-	820,264,630	-	820,264,630	681,404,446	1,501,669,076
<b>Closing balance as at 30 September 2013</b>		485,000,000	2,599,808,274	16,031,573,688	-	19,116,381,962	7,140,149,750	26,256,531,712

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 nine-month period ended 30 September 2013**

	Note	Company			Total Baht
		Issued and paid-up share capital Baht	Premium on share capital Bath	Deficits Baht	
<b>Opening balance as at 1 January 2012 - as previously reported</b>		410,000,000	-	(6,086,909)	403,913,091
Adjustment from the adoption of a new accounting standard	4.1	-	-	-	-
<b>Balance after adjustment</b>		410,000,000	-	(6,086,909)	403,913,091
Ordinary shares issued		75,000,000	2,700,000,000	-	2,775,000,000
Transaction costs		-	(97,828,351)	-	(97,828,351)
Total comprehensive expense for the period - as restated		-	-	(4,629,862)	(4,629,862)
<b>Closing balance as at 30 September 2012</b>		<u>485,000,000</u>	<u>2,602,171,649</u>	<u>(10,716,771)</u>	<u>3,076,454,878</u>
<b>Opening balance as at 1 January 2013 - as previously reported</b>		485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Adjustment from the adoption of a new accounting standard	4.1	-	-	-	-
<b>Balance after adjustment</b>		485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Total comprehensive expense for the period		-	-	(9,228,575)	(9,228,575)
<b>Closing balance as at 30 September 2013</b>		<u>485,000,000</u>	<u>2,599,808,274</u>	<u>(21,456,155)</u>	<u>3,063,352,119</u>

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

**Asia Aviation Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2013**

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		1,947,276,348	15,370,634,021	(9,228,575)	(4,629,862)
Adjustments for:					
Depreciation	9	262,873,421	81,013,754	-	1,982
Amortisation	9	3,485,948	2,575,444	-	1,051
Gain on fair value of previously held equity interests		-	(14,676,608,801)	-	-
Loss on disposals and write-offs of leasehold improvements and equipment		1,064,180	14,191	-	-
Employee benefit expenses		30,903,829	21,419,447	-	-
Amortisation of share-based payment		33,712,692	36,522,083	-	-
Net gain on exchange rates		(28,190,087)	(35,058,243)	(1,416)	-
Unrealised gain on fair value adjustment in investments in private funds	7	(20,493,006)	-	-	-
Finance costs		113,614,376	3,335,296	-	225,173
Interest income		(115,206,563)	(51,202,358)	(11,219)	(213,652)
		<u>2,229,041,138</u>	<u>752,644,834</u>	<u>(9,241,210)</u>	<u>(4,615,308)</u>
<b>Changes in operating assets and liabilities:</b>					
- Cash at financial institutions pledged as security		(58,211,952)	(58,422,487)	-	-
- Trade and other receivables		(414,846,906)	(60,352,866)	-	-
- Amounts due from related parties		(742,514)	(59,171,687)	-	-
- Inventories		(1,500,925)	(5,407,154)	-	-
- Prepaid expenses		(193,510,153)	(87,124,971)	(617,415)	(1,402,723)
- Value added tax receivable		98,058,761	395,275,505	-	-
- Other current assets		(16,074,134)	844,089	(12,215)	3,530,000
- Other non-current assets		(46,978,734)	(95,180,699)	-	-
- Trade accounts payable		60,359,907	(13,467,275)	-	-
- Other accounts payable		69,616,222	90,721,228	41,369	-
- Amounts due to related parties		(35,112,368)	44,134,506	-	-
- Deferred revenues		789,718,456	510,162,322	-	-
- Accrued expenses		592,009,784	(201,501,827)	123,253	(4,147,500)
- Other current liabilities		<u>11,375,555</u>	<u>69,775</u>	<u>7,937,121</u>	<u>4,088</u>
Cash generated from (used in) operating activities		<u>3,083,202,137</u>	<u>1,213,223,293</u>	<u>(1,769,097)</u>	<u>(6,631,443)</u>
Interest paid		-	-	-	(225,173)
Income tax paid		(290,446,733)	9,255,813	-	-
Interest received		<u>16,469,051</u>	<u>(251,797,335)</u>	<u>11,219</u>	<u>213,652</u>
Net cash generated from (used in) operating activities		<u>2,809,224,455</u>	<u>970,681,771</u>	<u>(1,757,878)</u>	<u>(6,642,964)</u>

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

**Asia Aviation Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2013**

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
<b>Cash flows from investing activities</b>					
Cash received from change in investment in a joint venture to a subsidiary		-	625,297,714	-	-
Net payments for short-term investments		(2,073,875,571)	(2,964,763,583)	-	-
Payments for general investment		(184,300)	(1,839,800)	-	-
Purchases of securities in investments in private funds	7	(2,127,362,457)	-	-	-
Disposals of securities in investments in private funds	7	1,127,362,457	-	-	-
Proceeds from disposals of leasehold improvements and equipment		424,893	689,459	-	-
Payments for aircraft, leasehold improvements and equipment		(790,189,944)	(291,232,787)	-	-
Payments for intangible assets	9	(3,834,614)	(1,123,562)	-	-
Payments for investment in a subsidiary		-	-	-	(2,663,114,440)
Interest received		77,855,175	12,712,529	-	-
Net cash used in investing activities		<u>(3,789,804,361)</u>	<u>(2,620,260,030)</u>	-	<u>(2,663,114,440)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issue of ordinary shares		-	2,613,492,474	-	2,701,145,474
Repayments of finance leases		(188,293,172)	(2,278,566)	-	-
Repayments of long-term borrowing from a financial institution		-	(254,573,171)	-	-
Interest paid		(112,207,457)	(3,335,296)	-	-
Net cash generated from (used in) financing activities		<u>(300,500,629)</u>	<u>2,353,305,441</u>	-	<u>2,701,145,474</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>(1,281,080,535)</u>	<u>703,727,182</u>	<u>(1,757,878)</u>	<u>31,388,070</u>
Cash and cash equivalents at the beginning of the period		3,852,838,996	694,425,971	5,051,471	977,900
Exchange gain on cash and cash equivalents		47,149,630	35,058,243	1,416	-
<b>Cash and cash equivalents at the end of the period</b>		<u><u>2,618,908,091</u></u>	<u><u>1,433,211,396</u></u>	<u><u>3,295,009</u></u>	<u><u>32,365,970</u></u>

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

**Asia Aviation Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2013**

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<b>Consolidated</b>		<b>Company</b>	
<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>

**Non-cash transactions**

Significant non-cash transactions during the periods ended 30 September 2013 and 2012 are as follows:

Purchase of aircraft's spare parts which have not been paid	85,883,203	6,079,786	-	-
Purchase of aircraft under finance lease agreement	2,968,682,432	1,060,000,000	-	-
Unpaid liabilities from issuance of share capital	-	23,973,825	-	23,973,825
Landing rights acquired from change in investment in a joint venture to a subsidiary	-	14,856,000,000	-	-

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

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**For the nine-month period ended 30 September 2013**

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**1 General information**

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

222, Don Mueang International Airport, 3<sup>rd</sup> floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Don Mueang, Bangkok 10210.

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

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

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

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

These interim consolidated and company financial information were approved by the Board of Directors on 7 November 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.

## **2 Basis of preparation (Cont'd)**

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 have 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 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
TSIC 15	Operating leases – Incentives

The Group's management has assessed and determined that the new interpretations will not significantly impact the financial information 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**

New accounting policies are mandatory for the accounting periods beginning on or after 1 January 2013, and are relevant to the group are:

##### **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.



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**4 New accounting policies (Cont'd)**

New accounting policies are mandatory for the accounting periods beginning on or after 1 January 2013, and are relevant to the group are: (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:

	<b>Consolidated Baht</b>	<b>Company Baht</b>
	<hr/>	<hr/>
<b>Statement of financial position</b>		
Deferred tax assets as of 1 January 2012 (proportionate) increased	87,127,663	-
Deferred tax liabilities, net 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	-
<b>Statement of comprehensive income for the three-month period</b>		
Income tax expense for the period ended 30 September 2012 increased	6,629,240	-
Basic earnings per share for the period ended 30 September 2012 decreased	0.0002	-
<b>Statement of comprehensive income for the nine-month period</b>		
Income tax expense for the period ended 30 September 2012 increased	79,615,871	-
Basic earnings per share for the period ended 30 September 2012 decreased	0.0160	-

#### **4 New accounting policies (Cont'd)**

New accounting policies are mandatory for the accounting periods beginning on or after 1 January 2013, and are relevant to the group are: (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)**

New accounting policies are mandatory for the accounting periods beginning on or after 1 January 2013, and are relevant to the group are: (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 deposits, 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.

## 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 consolidated statement of financial position as at 31 December 2012 was presented as follows:

	<b>Consolidated Baht</b>
<b>Statement of financial position</b>	
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

The effect to the consolidated statement of comprehensive income for the period ended 30 September 2012 was presented as follows:

	<b>Consolidated Baht</b>
<b>Statement of comprehensive income for the three-month period</b>	
Operating costs increased	7,093,517
Administrative expenses increased	8,195,423
Income taxes expenses decreased	3,057,789
Basic earnings per share decreased	0.0013
<b>Statement of comprehensive income for the nine-month period</b>	
Operating costs increased	19,871,574
Gain on fair value of previously held equity interests decreased	13,356,428
Administrative expenses increased	18,436,454
Income taxes expenses decreased	7,661,606
Basic earnings per share decreased	0.0067

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**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.

**7 Investments in private funds**

During the period, 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 30 September 2013, the Group had securities of investments in private funds as follows:

	<u>Consolidated</u> <u>(Unaudited)</u> <b>Fair value</b> <b>Baht</b>	<u>Company</u> <u>(Unaudited)</u> <b>Fair value</b> <b>Baht</b>
Fixed deposits	155,827,899	-
Government bonds	222,842,137	-
Debt instruments	641,822,970	-
Total investments in private funds	<u>1,020,493,006</u>	<u>-</u>

The movement of investments in private funds is as follows:

	<u>Consolidated</u> <u>(Unaudited)</u> <b>Baht</b>	<u>Company</u> <u>(Unaudited)</u> <b>Baht</b>
<b>For the nine-month period ended 30 September 2013</b>		
Opening net book amount	-	-
Additions	2,127,362,457	-
Disposals	(1,127,362,457)	-
Fair value adjustment	20,493,006	-
Closing net book amount	<u>1,020,493,006</u>	<u>-</u>

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**8 Trade and other receivables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>
Trade accounts receivable	391,086,633	264,022,927	-	-
Accrued income	393,989,418	95,410,129	-	-
Other accounts receivable	27,329,118	19,344,409	-	-
Total trade and other receivables	<u>812,405,169</u>	<u>378,777,465</u>	<u>-</u>	<u>-</u>

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>
Up to 3 months	345,115,987	227,256,126	-	-
3 - 6 months	23,701,436	6,627,750	-	-
6 - 12 months	16,612,953	16,442,335	-	-
Over 12 months	5,656,257	13,696,716	-	-
Total trade accounts receivable	<u>391,086,633</u>	<u>264,022,927</u>	<u>-</u>	<u>-</u>

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

	<b>Consolidated</b>				<b>Company</b>	
	<b>Aircraft, leasehold improvements and equipment Baht</b>	<b>Computer software and computer software under installation Baht</b>	<b>Landing rights Baht</b>	<b>Intangible assets</b>		<b>Intangible assets</b>
				<b>Total Baht</b>	<b>Leasehold improvements and equipment Baht</b>	<b>Computer software Baht</b>
<b>For the nine-month period ended 30 September 2013 (Unaudited)</b>						
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	3,981,796,510	3,834,614	-	3,834,614	-	-
Disposals, net	(14,825)	-	-	-	-	-
Write-offs, net	(1,474,248)	-	-	-	-	-
Depreciation/amortisation	(262,873,421)	(3,485,948)	-	(3,485,948)	-	-
Closing net book amount	<u>6,792,874,535</u>	<u>13,193,730</u>	<u>14,856,000,000</u>	<u>14,869,193,730</u>	<u>24</u>	<u>1</u>

The significant additions in consolidated financial information for the nine-month period ended 30 September 2013 are aircraft acquired under finance lease and related spare parts of Baht 3,893.57 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:

	<b>4 May 2012</b>		
	<b>As previously reported Baht</b>	<b>Adjustments Baht</b>	<b>Fair value Baht</b>
Fair value of previously held equity interests 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)
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>



**Asia Aviation Public Company Limited**  
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**11 Finance lease liabilities**

Finance lease liabilities - minimum lease payments:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>
Within 1 year	543,209,118	207,619,284	-	-
Later than 1 year but not later than 5 years	2,240,174,431	790,765,579	-	-
Later than 5 years	3,403,737,683	1,388,409,709	-	-
<u>Less</u> Future finance charges on finance leases	<u>(1,329,817,631)</u>	<u>(466,539,278)</u>	-	-
	<u>4,857,303,601</u>	<u>1,920,255,294</u>	-	-
Representing lease liabilities:				
- Current portion	339,152,106	137,142,871	-	-
- Non-current portion	4,518,151,495	1,783,112,423	-	-
	<u>4,857,303,601</u>	<u>1,920,255,294</u>	-	-

The present value of finance lease liabilities is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>	<b>(Unaudited)</b> <b>30 September</b> <b>2013</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2012</b> <b>Baht</b>
Within 1 year	530,293,184	203,310,715	-	-
Later than 1 year but not later than 5 years	1,967,671,767	704,624,080	-	-
Later than 5 years	2,359,338,650	1,012,320,499	-	-
	<u>4,857,303,601</u>	<u>1,920,255,294</u>	-	-

During the period, Thai AirAsia Company Limited, its subsidiary, entered into Aircraft Finance Lease Agreements with lessors and accepted the delivery of aircraft on the same date. Each 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 purchase options of the aircraft from the lessors at the end of the lease term.

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**12 Income tax expense**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current tax:</b>				
Current tax on profit for the period	44,265,335	60,985,287	-	-
Total current tax	44,265,335	60,985,287	-	-
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	55,624,375	3,732,404	-	-
Impact of change in the Thai tax rate	-	(160,953)	-	-
Total deferred tax	55,624,375	3,571,451	-	-
<b>Total tax expense</b>	<b>99,889,710</b>	<b>64,556,738</b>	<b>-</b>	<b>-</b>

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current tax:</b>				
Current tax on profit for the period	341,528,882	109,341,036	-	-
Total current tax	341,528,882	109,341,036	-	-
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	104,078,390	72,551,799	-	-
Impact of change in the Thai tax rate	-	(597,535)	-	-
Total deferred tax	104,078,390	71,954,264	-	-
<b>Total tax expense</b>	<b>445,607,272</b>	<b>181,295,300</b>	<b>-</b>	<b>-</b>

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**12 Income tax expense (Cont'd)**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax</b>				
Share-based payment	-	5,559,656	-	-
	-	5,559,656	-	-
	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax</b>				
Share-based payment	3,334,452	13,397,356	-	-
	3,334,452	13,397,356	-	-

**13 Earnings (loss) per share**

Basic earnings (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.

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	158,355,471	99,822,671	(2,331,469)	(1,786,031)
Weighted average number of paid-up ordinary shares outstanding during the period (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings (loss) per share (Baht)	0.0327	0.0206	(0.0005)	(0.0004)

**Asia Aviation Public Company Limited**  
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**13 Earnings (loss) per share (Cont'd)**

Basic earnings (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. (Cont'd)

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	820,264,630	15,139,978,364	(9,228,575)	(4,629,862)
Weighted average number of paid-up ordinary shares outstanding during the period (Shares)	4,850,000,000	4,442,153,285	4,850,000,000	4,442,153,285
Basic earnings (loss) per share (Baht)	0.1691	3.4083	(0.0019)	(0.0010)

**14 Related party transactions**

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

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

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

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

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**14 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties:

**14.1) Income**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Interest income</b>				
Other related party	860,455	296,133	-	-
	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Interest income</b>				
Other related party	2,101,539	1,271,721	-	-

**14.2) Purchases of goods, services and interest expenses**

**14.2.1) Other related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Share of loss from fuel swap agreements	2,538,050	21,998,746	-	-
Share of staff costs for accounting services	(10,264,606)	(6,308,145)	-	-
Aircraft rental	826,038,434	789,900,540	-	-
Aircraft repair and maintenance	370,052,061	305,574,410	-	-
Purchase of merchandises and equipment	41,892,992	23,909,906	-	-
Management fee expenses	3,809,516	3,768,160	-	-
Booking fee expenses	21,964,390	16,657,744	-	-
Pilot training expenses	21,996,371	7,893,052	-	-
Brand license fee	58,815,605	-	-	-

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**14 Related party transactions (Cont'd)**

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

**14.2) Purchases of goods, services and interest expenses (Cont'd)**

**14.2.1) Other related parties (Cont'd)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Share of loss from fuel swap agreements	52,844,748	21,083,081	-	-
Share of staff costs for accounting services	(28,365,769)	(16,365,230)	-	-
Aircraft rental	2,389,794,307	1,842,624,724	-	-
Aircraft repair and maintenance	1,066,734,182	713,304,156	-	-
Purchase of merchandises and equipment	101,885,145	100,982,776	-	-
Management fee expenses	11,023,280	8,846,128	-	-
Booking fee expenses	62,485,089	39,381,808	-	-
Pilot training expenses	77,111,513	34,308,515	-	-
Brand license fee	172,757,196	-	-	-

**14.2.2) Subsidiary**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Interest expenses	-	-	-	-

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Interest expenses	-	-	-	225,173

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**14 Related party transactions (Cont'd)**

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

**14.3) Management remunerations**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Salaries and other short-term benefits	13,843,175	13,966,625	910,000	650,000
Retirement benefits	1,262,772	1,121,287	-	-
	<u>15,105,947</u>	<u>15,087,912</u>	<u>910,000</u>	<u>650,000</u>
	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Salaries and other short-term benefits	41,410,608	41,881,381	2,730,000	2,350,000
Retirement benefits	4,405,016	12,545,730	-	-
	<u>45,815,624</u>	<u>54,427,111</u>	<u>2,730,000</u>	<u>2,350,000</u>

**14.4) Passenger revenues and expenses received and paid on behalf**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the three-month periods ended 30 September (Unaudited)</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Passenger revenues received on behalf of the Group by other related parties	818,166,459	613,961,121	-	-
Cash received on behalf of other related parties	113,370,433	103,195,396	-	-
Expenses paid on behalf of the Group by other related parties	68,385,573	88,919,595	-	-
Advance payment on behalf of other related parties	79,888,688	31,587,156	-	-

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**14 Related party transactions (Cont'd)**

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

**14.4) Passenger revenues and expenses received and paid on behalf (Cont'd)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the nine-month periods ended 30 September (Unaudited)</b>		<b>30 September (Unaudited)</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Passenger revenues received on behalf of the Group by other related parties	2,267,399,503	1,533,664,470	-	-
Cash received on behalf of other related parties	391,784,002	252,688,933	-	-
Expenses paid on behalf of the Group and joint venture by other related parties	250,230,577	237,533,279	-	5,550,252
Advance payment on behalf of other related parties	187,331,924	86,520,902	-	-

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

**14.5) Amounts due from related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Other related parties	214,274,659	210,772,034	-	-

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



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**14 Related party transactions (Cont'd)**

Outstanding balances arising from receivables, payables, advance from a director and other non-current assets are summarised as follows: (Cont'd)

**14.6) Amounts due to related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Other related parties	392,613,102	427,725,470	-	-

**14.7) Advance from a director**

As at 30 September 2013, the advance from a director amounting to Baht 8 million was provided interest-free and due for repayment at call. The advance was granted for the Group operating purpose.

**14.8) Other non-current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Aircraft rental deposits</b>				
Other related party	561,219,468	543,255,174	-	-
<b>Fuel price swap deposits</b>				
Other related party	15,624,150	15,242,850	-	-

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**15 Commitments**

For the nine-month period ended 30 September 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 30 September 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 26 aircraft (As at 31 December 2012: 25 aircraft) and insurance agreements of the 31 aircraft (As at 31 December 2012: 27 aircraft) as follows:

	<b>Consolidated</b>			
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>30 September 2013</b>		<b>31 December 2012</b>	
	<b>Rental US Dollars</b>	<b>Insurance agreement US Dollars</b>	<b>Rental US Dollars</b>	<b>Insurance agreement US Dollars</b>
Within 1 year	107,760,000	1,563,783	104,040,000	834,791
Later than 1 year but not later than 5 years	431,040,000	-	416,160,000	-
Later than 5 years	363,916,274	-	415,725,041	-
<b>Total</b>	<b>902,716,274</b>	<b>1,563,783</b>	<b>935,925,041</b>	<b>834,791</b>

**16 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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September 2013 US Dollars</b>	<b>31 December 2012 US Dollars</b>	<b>30 September 2013 US Dollars</b>	<b>31 December 2012 US Dollars</b>
Unfavourable fuel price swap agreements	(507,433)	-	-	-

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**17 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:

	<b>Consolidated</b>					
	<b>(Unaudited)</b>			<b>(Audited)</b>		
	<b>30 September 2013</b>			<b>31 December 2012</b>		
	<b>Baht million</b>	<b>US Dollars million</b>	<b>India Rupee million</b>	<b>Baht million</b>	<b>US Dollars million</b>	<b>India Rupee million</b>
Guarantees relating to flight operating activities	6.75	0.09	12.38	5.60	0.45	30.83
Guarantees relating to maintenance reserve fund	-	1.80	-	-	-	-
<b>Total</b>	<b>6.75</b>	<b>1.89</b>	<b>12.38</b>	<b>5.60</b>	<b>0.45</b>	<b>30.83</b>

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

	<b>Consolidated</b>			
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>30 September 2013</b>		<b>31 December 2012</b>	
	<b>Baht million</b>	<b>India Rupee million</b>	<b>Baht million</b>	<b>India Rupee million</b>
Fixed-deposit accounts	68.54	12.68	8.93	31.13

**18 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 24 aircraft 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 eight 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.

During the year, Thai AirAsia Company Limited, its subsidiary, accepted three aircraft under such certificate of promotional privileges from the BOI.

**19 Subsequent events**

On 2 October 2013 and 24 October 2013, Thai AirAsia Company Limited, its subsidiary accepted the delivery of two 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 the period of 12 years.