

ASIA AVIATION PUBLIC COMPANY LIMITED

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

30 JUNE 2014

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 statement of financial position as at 30 June 2014, the related consolidated and company statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-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".

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

Bangkok
7 August 2014

Asia Aviation Public Company Limited
Statement of Financial Position
As at 30 June 2014

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Notes	Baht	Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents	2,198,151,724	1,958,637,392	1,795,724	2,082,971
Cash at financial institutions pledged as security	-	13,356,900	-	-
Short-term investments	2,732,892,718	3,448,628,170	-	-
Investments in private funds	60,143,179	1,032,551,182	-	-
Trade and other receivables, net	5 712,114,869	723,504,686	160,500	-
Amounts due from related parties	10.5 403,001,888	87,240,764	6,250,000	-
Inventories	92,331,902	90,210,619	-	-
Prepaid expenses	350,358,740	343,887,487	111,574	918,387
Value added tax receivable	130,386,895	78,686,650	239,325	-
Other current assets	47,146,804	40,144,187	202,877	12,340
Total current assets	6,726,528,719	7,816,848,037	8,760,000	3,013,698
Non-current assets				
Cash at financial institutions pledged as security	177,395,890	339,189,114	-	-
Long-term investments	1,285,582,600	1,312,007,600	-	-
Investment in a subsidiary	-	-	3,067,114,370	3,067,114,370
Aircraft, leasehold improvements and equipment, net	6 12,027,446,803	10,956,024,359	24	24
Intangible assets, net	6 14,870,575,004	14,868,736,837	1	1
Goodwill	8,824,825,803	8,824,825,803	-	-
Deferred tax assets	-	-	3,097,859	-
Other non-current assets	791,247,414	817,647,640	-	-
Total non-current assets	37,977,073,514	37,118,431,353	3,070,212,254	3,067,114,395
Total assets	44,703,602,233	44,935,279,390	3,078,972,254	3,070,128,093

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2014

		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		166,905,500	152,951,492	-	-
Other accounts payable		132,115,225	124,132,639	-	-
Amounts due to related parties	10.6	446,052,046	506,830,215	622,988	-
Deferred revenues		3,821,544,565	4,299,163,449	-	-
Accrued expenses		1,193,962,165	1,390,467,580	400,000	444,376
Current portion of finance lease liabilities	7	695,327,454	615,065,684	-	-
Income tax payable		-	150,473,336	-	-
Other current liabilities		34,324,005	32,484,297	8,442,715	8,120,597
Total current liabilities		6,490,230,960	7,271,568,692	9,465,703	8,564,973
Non-current liabilities					
Finance lease liabilities	7	8,155,122,421	7,545,773,009	-	-
Deferred tax liabilities, net		3,306,285,032	3,309,661,779	-	-
Employee benefit obligations		151,115,280	132,997,460	-	-
Total non-current liabilities		11,612,522,733	10,988,432,248	-	-
Total liabilities		18,102,753,693	18,260,000,940	9,465,703	8,564,973

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2014

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Liabilities and shareholders' equity (Cont'd)				
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
Retained earnings (Deficits)	16,223,717,438	16,261,079,344	(15,301,723)	(23,245,154)
Equity attributable to owners of the parent	19,308,525,712	19,345,887,618	3,069,506,551	3,061,563,120
Non-controlling interests	7,292,322,828	7,329,390,832	-	-
Total shareholders' equity	26,600,848,540	26,675,278,450	3,069,506,551	3,061,563,120
Total liabilities and shareholders' equity	44,703,602,233	44,935,279,390	3,078,972,254	3,070,128,093

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Revenues		5,460,934,461	5,359,788,795	6,250,000	-
Operating costs		(5,583,553,214)	(4,632,312,048)	-	-
Gross profit (loss)		(122,618,753)	727,476,747	6,250,000	-
Net gain on exchange rates		40,504,831	131,898,024	-	400
Other income		209,454,832	142,797,211	593,972	761,219
Profit before expenses		127,340,910	1,002,171,982	6,843,972	761,619
Selling expenses		(292,055,274)	(195,145,152)	-	-
Administrative expenses		(192,798,058)	(133,966,026)	(5,668,537)	(4,745,844)
Profit (loss) before finance costs and income tax		(357,512,422)	673,060,804	1,175,435	(3,984,225)
Finance costs		(64,569,277)	(36,181,954)	-	-
Profit (loss) before income tax		(422,081,699)	636,878,850	1,175,435	(3,984,225)
Income tax	8	100,708,304	(151,041,993)	(235,087)	-
Net profit (loss) for the period		(321,373,395)	485,836,857	940,348	(3,984,225)
Total comprehensive income (expense) for the period		(321,373,395)	485,836,857	940,348	(3,984,225)
Net profit (loss) for the period attributable to:					
Owners of the parent		(176,332,210)	264,625,213	940,348	(3,984,225)
Non-controlling interests		(145,041,185)	221,211,644	-	-
		(321,373,395)	485,836,857	940,348	(3,984,225)
Earnings (loss) per share					
Basic earnings (loss) per share	9	(0.0364)	0.0546	0.0002	(0.0008)

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 30 June 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Revenues		11,920,808,727	11,388,746,936	12,500,000	-
Operating costs		(11,449,209,528)	(9,373,097,980)	-	-
Gross profit		471,599,199	2,015,648,956	12,500,000	-
Net gain on exchange rates		23,920,970	132,287,747	-	1,416
Other income		383,090,576	238,256,386	593,972	761,219
Profit before expenses		878,610,745	2,386,193,089	13,093,972	762,635
Selling expenses		(510,606,945)	(477,133,204)	-	-
Administrative expenses		(362,191,543)	(287,931,298)	(8,240,228)	(7,659,741)
Net loss on exchange rates		-	-	(8,172)	-
Profit (loss) before finance costs and income tax		5,812,257	1,621,128,587	4,845,572	(6,897,106)
Finance costs		(118,539,858)	(63,568,553)	-	-
Profit (loss) before income tax		(112,727,601)	1,557,560,034	4,845,572	(6,897,106)
Income tax	8	38,297,691	(345,717,562)	3,097,859	-
Net profit (loss) for the period		(74,429,910)	1,211,842,472	7,943,431	(6,897,106)
Total comprehensive income (expense) for the period		(74,429,910)	1,211,842,472	7,943,431	(6,897,106)
Net profit (loss) for the period attributable to:					
Owners of the parent		(37,361,906)	661,909,159	7,943,431	(6,897,106)
Non-controlling interests		(37,068,004)	549,933,313	-	-
		(74,429,910)	1,211,842,472	7,943,431	(6,897,106)
Earnings (loss) per share					
Basic earnings (loss) per share	9	(0.0077)	0.1365	0.0016	(0.0014)

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited

Statement of Changes in Shareholders' Equity (Unaudited)

For the six-month period ended 30 June 2014

	Consolidated						Total shareholders' equity Baht
	Attributable to owners of the parent					Non- controlling interests Baht	
	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	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	-	-	661,909,159	-	661,909,159	549,933,313	1,211,842,472
Closing balance as at 30 June 2013	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>15,873,218,217</u>	<u>-</u>	<u>18,958,026,491</u>	<u>7,008,678,617</u>	<u>25,966,705,108</u>
Opening balance as at 1 January 2014	485,000,000	2,599,808,274	16,261,079,344	-	19,345,887,618	7,329,390,832	26,675,278,450
Total comprehensive expense for the period	-	-	(37,361,906)	-	(37,361,906)	(37,068,004)	(74,429,910)
Closing balance as at 30 June 2014	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>16,223,717,438</u>	<u>-</u>	<u>19,308,525,712</u>	<u>7,292,322,828</u>	<u>26,600,848,540</u>

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the six-month period ended 30 June 2014

	Company			Total Baht
	Issued and paid-up share capital Baht	Premium on share capital Bath	Deficits Baht	
Opening balance as at 1 January 2013	485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Total comprehensive expense for the period	-	-	(6,897,106)	(6,897,106)
Closing balance as at 30 June 2013	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>(19,124,686)</u>	<u>3,065,683,588</u>
Opening balance as at 1 January 2014	485,000,000	2,599,808,274	(23,245,154)	3,061,563,120
Total comprehensive income for the period	-	-	7,943,431	7,943,431
Closing balance as at 30 June 2014	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>(15,301,723)</u>	<u>3,069,506,551</u>

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2014

	Note	Consolidated		Company	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash flows from operating activities					
Profit (loss) before income tax		(112,727,601)	1,557,560,034	4,845,572	(6,897,106)
Adjustments for:					
Depreciation	6	355,119,199	160,852,346	-	-
Amortisation	6	2,780,775	2,300,698	-	-
(Gain) loss on disposals of leasehold improvements and equipment		(276,139)	1,080,923	-	-
Employee benefit expenses		18,117,820	23,378,737	-	-
Amortisation of share-based payment		-	33,712,692	-	-
Net (gain) loss on exchange rates		(42,121,567)	(132,929,469)	8,172	-
Gain on disposals of investments in private funds		(8,606,042)	-	-	-
Unrealised gain on fair value adjustment in investments in private funds		(4,269,011)	(12,606,022)	-	-
Finance costs		118,539,858	63,568,553	-	-
Interest income		(90,145,042)	(76,329,456)	(3,785)	-
		236,412,250	1,620,589,036	4,849,959	(6,897,106)
Changes in operating assets and liabilities :					
- Cash at financial institutions pledged as security		13,356,900	(55,094,670)	-	-
- Trade and other receivables		22,807,854	(267,012,981)	(160,500)	-
- Amounts due from related parties		(313,518,304)	55,189,983	(6,250,000)	-
- Inventories		(2,121,283)	296,595	-	-
- Prepaid expenses		(6,471,253)	(75,389,630)	806,813	789,955
- Value added tax receivable		(51,700,245)	78,616,463	(239,325)	-
- Other current assets		(7,002,617)	(8,674,379)	(190,537)	(12,215)
- Other non-current assets		26,400,226	(37,680,354)	-	-
- Trade accounts payable		13,954,008	9,116,099	-	-
- Other accounts payable		7,982,586	6,068,556	-	-
- Amounts due to related parties		(60,778,169)	(173,830,527)	622,988	-
- Deferred revenues		(477,618,884)	352,418,353	-	-
- Accrued expenses		(196,505,415)	344,161,569	(44,376)	223,253
- Other current liabilities		1,839,708	12,873,246	322,118	7,989,430
Cash generated from (used in) operating activities		(792,962,638)	1,861,647,359	(282,860)	2,093,317
Income tax paid		(121,337,624)	(61,399,571)	-	-
Interest received		13,166,977	19,150,973	3,785	-
Net cash generated from (used in) operating activities		(901,133,285)	1,819,398,761	(279,075)	2,093,317

The accompanying notes on pages 11 to 26 form part of this interim financial information.

Asia Aviation Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the six-month period ended 30 June 2014

	Consolidated		Company	
	2014	2013	2014	2013
Note	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Decrease in cash at financial institutions pledged as security	161,793,224	-	-	-
Decrease (increase) in short-term investments	715,735,452	(1,567,556,116)	-	-
Decrease (increase) in investments in private funds	985,283,056	(1,000,000,000)	-	-
Decrease in long-term investments	26,425,000	-	-	-
Proceeds from disposals of leasehold improvements and equipment	357,230	408,145	-	-
Payments for aircraft, leasehold improvements and equipment	(372,438,428)	(469,652,753)	-	-
Payments for intangible assets	6 (4,618,942)	(1,764,251)	-	-
Interest received	63,201,673	40,440,435	-	-
Net cash generated from (used in) investing activities	1,575,738,265	(2,998,124,540)	-	-
Cash flows from financing activities				
Repayments of finance leases	(293,565,786)	(112,959,080)	-	-
Interest paid	(128,263,477)	(62,143,325)	-	-
Net cash used in financing activities	(421,829,263)	(175,102,405)	-	-
Net increase (decrease) in cash and cash equivalents	252,775,717	(1,353,828,184)	(279,075)	2,093,317
Cash and cash equivalents at the beginning of the period	1,958,637,392	3,852,838,996	2,082,971	5,051,471
Exchange gain (loss) on cash and cash equivalents	(13,261,385)	144,332,761	(8,172)	-
Cash and cash equivalents at the end of the period	2,198,151,724	2,643,343,573	1,795,724	7,144,788

Non-cash transactions

Significant non-cash transactions during the periods ended 30 June 2014 and 2013 are as follows:

Purchase of aircraft spare parts which have not been paid	616,306	18,505,391	-	-
Purchase of aircraft under finance lease agreement	1,051,990,107	2,026,097,151	-	-

The accompanying notes on pages 11 to 26 form part of this interim financial information.

1 General information

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

222, Don Mueang International Airport, 3rd floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin district, Don Mueang, Bangkok, 10210.

The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiary 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% (2013: 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 August 2014.

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

2 Accounting policies

2.1) Basis of preparation

These interim consolidated and company financial information were 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. 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 the Securities and Exchange Commission. 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 the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the consolidated and company financial statements for the year ended 31 December 2013.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the consolidated and company financial statements for the year ended 31 December 2013.

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

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

2 Accounting policies (Cont'd)

2.2) Revised accounting standards, revised financial reporting standards, and related interpretations

The following amendments and related interpretations are effective for the periods begin on or after 1 January 2014 are as follows:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based payment
TFRS 3 (revised 2012)	Business combinations
TFRS 5 (revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Website costs

The Group's management has assessed and determined that the amendments and related interpretations do not have impact to the financial information being presented, except TFRIC 13 which 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 management has assessed and determined that the impact is immaterial to the financial information.

Asia Aviation Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2014

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and company financial statements for the year ended 31 December 2013.

4 Segment information

Financial information by business segments

	Consolidated				
	For the three-month period ended 30 June 2014 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues	5,264,276,589	196,657,872	6,250,000	(6,250,000)	5,460,934,461
Profit (loss) from operation	(592,924,700)	(9,249,101)	581,464	-	(601,592,337)
Unallocated costs					(5,879,748)
Net gain on exchange rates					40,504,831
Other income					209,454,832
Finance costs					(64,569,277)
Loss before income tax					(422,081,699)
Income tax					100,708,304
Net loss for the period					<u>(321,373,395)</u>
Consolidated total assets					44,703,602,233

	Consolidated				
	For the three-month period ended 30 June 2013 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues	5,090,234,461	269,554,334	-	-	5,359,788,795
Profit (loss) from operation	418,838,487	(6,827,025)	(4,745,844)	-	407,265,618
Unallocated costs					(8,900,049)
Net gain on exchange rates					131,898,024
Other income					142,797,211
Finance costs					(36,181,954)
Profit before income tax					636,878,850
Income tax					(151,041,993)
Net profit for the period					<u>485,836,857</u>
Consolidated total assets					38,738,153,774

Asia Aviation Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2014

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

	Consolidated				
	For the six-month period ended 30 June 2014 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues	11,535,832,584	384,976,143	12,500,000	(12,500,000)	11,920,808,727
Profit (loss) from operation	(414,887,190)	21,201,379	4,259,772	-	(389,426,039)
Unallocated costs					(11,773,250)
Net gain on exchange rates					23,920,970
Other income					383,090,576
Finance costs					(118,539,858)
Loss before income tax					(112,727,601)
Income tax					38,297,691
Net loss for the period					(74,429,910)
Consolidated total assets					44,703,602,233

	Consolidated				
	For the six-month period ended 30 June 2013 (Unaudited)				
	Scheduled flight operations Baht	Charter flight operations Baht	Other business Baht	Elimination Baht	Total Baht
Revenues	10,842,584,368	546,162,568	-	-	11,388,746,936
Profit (loss) from operation	1,263,396,718	14,330,909	(7,659,741)	-	1,270,067,886
Unallocated costs					(19,483,432)
Net gain on exchange rates					132,287,747
Other income					238,256,386
Finance costs					(63,568,553)
Profit before income tax					1,557,560,034
Income tax					(345,717,562)
Net profit for the period					1,211,842,472
Consolidated total assets					38,738,153,774

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

The operations of the Group's reporting segments are described as follows:

- Scheduled flight operations: The Group provides passenger air transportation services to routine destinations based on scheduled flights. The Group sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Charter flight operations: The Group provides passenger air transportation services to non-routine destinations. Flights are operated when there is a hiring from customers who normally are tourist agency companies.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial information. Net gain (loss) on exchange rates, other income, finance costs and income tax are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segments. Hence, they are not allocated to each reporting segment.

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5 Trade and other receivables, net

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Trade accounts receivable	259,175,515	317,179,582	-	-
<u>Less</u> Allowance for doubtful account	-	(2,220,250)	-	-
Trade accounts receivable, net	259,175,515	314,959,332	-	-
Accrued income	419,308,539	392,443,008	-	-
Other receivables	33,630,815	16,102,346	160,500	-
Total trade and other receivables, net	<u>712,114,869</u>	<u>723,504,686</u>	<u>160,500</u>	<u>-</u>

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

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Up to 3 months	204,822,899	269,321,178	-	-
3 - 6 months	9,224,644	3,902,087	-	-
6 - 12 months	21,634,111	34,573,329	-	-
Over 12 months	23,493,861	9,382,988	-	-
Total trade accounts receivable	259,175,515	317,179,582	-	-
<u>Less</u> Allowance for doubtful account	-	(2,220,250)	-	-
Total trade accounts receivable, net	<u>259,175,515</u>	<u>314,959,332</u>	<u>-</u>	<u>-</u>

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

	Consolidated				Company	
	Aircraft, leasehold improvements and equipment Baht	Intangible assets			Leasehold improvements and equipment Baht	Computer software Baht
		Computer software and computer software under installation Baht	Landing rights Baht	Total Baht		
For the six-month period ended 30 June 2014 (Unaudited)						
Opening net book amount	10,956,024,359	12,736,837	14,856,000,000	14,868,736,837	24	1
Additions	1,426,622,734	4,618,942	-	4,618,942	-	-
Disposals, net	(81,091)	-	-	-	-	-
Depreciation/amortisation	(355,119,199)	(2,780,775)	-	(2,780,775)	-	-
Closing net book amount	12,027,446,803	14,575,004	14,856,000,000	14,870,575,004	24	1

Significant additions in consolidated financial information for the six-month period ended 30 June 2014 are aircraft acquired under finance lease and related spare parts of Baht 1,377.82 million.

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7 Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Within 1 year	942,912,111	840,034,332	-	-
Later than 1 year but not later than 5 years	3,764,511,374	3,733,718,639	-	-
Later than 5 years	5,655,580,618	5,006,647,324	-	-
<u>Less</u> Future finance charges on finance leases	(1,512,554,228)	(1,419,561,602)	-	-
	<u>8,850,449,875</u>	<u>8,160,838,693</u>	-	-
Representing lease liabilities:				
- Current portion	695,327,454	615,065,684	-	-
- Non-current portion	8,155,122,421	7,545,773,009	-	-
	<u>8,850,449,875</u>	<u>8,160,838,693</u>	-	-

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Within 1 year	926,643,019	825,903,954	-	-
Later than 1 year but not later than 5 years	3,430,196,066	3,417,297,611	-	-
Later than 5 years	4,493,610,790	3,917,637,128	-	-
	<u>8,850,449,875</u>	<u>8,160,838,693</u>	-	-

On 6 February 2014, the Group 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. The Group has a purchase option of the aircraft from the lessor at the end of the lease term.

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8 Income tax

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax:				
Current tax on profit (loss) for the period	(41,107,510)	120,373,110	-	-
Total current tax	(41,107,510)	120,373,110	-	-
Deferred tax:				
Origination and reversal of temporary differences:				
- Deferred tax assets	(61,764,557)	(118,582,773)	235,087	-
- Deferred tax liabilities	2,163,763	149,251,656	-	-
Total deferred tax	(59,600,794)	30,668,883	235,087	-
Total income tax	(100,708,304)	151,041,993	235,087	-
	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax:				
Current tax on profit (loss) for the period	(34,920,944)	297,263,547	-	-
Total current tax	(34,920,944)	297,263,547	-	-
Deferred tax:				
Origination and reversal of temporary differences:				
- Deferred tax assets	(144,999,944)	(254,631,458)	(3,097,859)	-
- Deferred tax liabilities	141,623,197	303,085,473	-	-
Total deferred tax	(3,376,747)	48,454,015	(3,097,859)	-
Total income tax	(38,297,691)	345,717,562	(3,097,859)	-

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8 Income tax (Cont'd)

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

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deferred tax				
Share-based payment	-	1,760,348	-	-
	-	1,760,348	-	-
	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deferred tax				
Share-based payment	-	3,334,452	-	-
	-	3,334,452	-	-

9 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.

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	(176,332,210)	264,625,213	940,348	(3,984,225)
Weighted average number of paid-up ordinary shares outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings (loss) per share (Baht per share)	(0.0364)	0.0546	0.0002	(0.0008)

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9 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)

	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
Net profit (loss) for the period attributable to ordinary shareholders of the parent (Baht)	(37,361,906)	661,909,159	7,943,431	(6,897,106)
Weighted average number of paid-up ordinary shares Outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings (loss) per share (Baht per share)	(0.0077)	0.1365	0.0016	(0.0014)

10 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 the management of the Company. The remaining shares are widely held.

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

The following significant transactions were carried out with related parties:

10.1) Income

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Interest income				
Other related party	1,217,004	699,055	-	-
Management fee				
Subsidiary	-	-	6,250,000	-

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10 Related party transactions (Cont'd)

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

10.1) Income (Cont'd)

	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Interest income				
Other related party	2,358,356	1,241,084	-	-
Management fee				
Subsidiary	-	-	12,500,000	-

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

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Share of (gain) loss from fuel price swap agreements	(14,186,795)	50,306,698	-	-
Share of staff costs for accounting services	7,417,900	(6,004,263)	-	-
Aircraft rental	939,507,312	789,143,400	-	-
Aircraft repair and maintenance	383,011,245	349,150,017	-	-
Purchases of merchandises and equipment	29,952,325	47,233,291	-	-
Management fee expenses	3,918,852	3,640,800	-	-
Booking fee expenses	23,819,548	19,867,479	-	-
Pilot training expenses	8,898,612	21,162,970	-	-
Brand license fee expenses	56,974,597	53,087,690	-	-

	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Share of (gain) loss from fuel price swap agreements	(22,057,190)	50,306,698	-	-
Share of staff costs for accounting services	12,199,452	(18,101,163)	-	-
Aircraft rental	1,874,867,028	1,563,755,873	-	-
Aircraft repair and maintenance	777,893,190	696,682,121	-	-
Purchases of merchandises and equipment	68,702,187	59,992,153	-	-
Management fee expenses	7,830,764	7,213,764	-	-
Booking fee expenses	51,023,880	40,520,699	-	-
Pilot training expenses	37,934,267	55,115,142	-	-
Brand license fee expenses	122,820,958	113,941,591	-	-

10 Related party transactions (Cont'd)

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

10.3) Management remunerations

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

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Salaries and other short-term employee benefits	19,864,275	13,697,258	1,750,000	910,000
Retirement benefits	1,252,550	1,262,774	-	-
	<u>21,116,825</u>	<u>14,960,032</u>	<u>1,750,000</u>	<u>910,000</u>

	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Salaries and other short-term employee benefits	54,768,453	27,567,433	2,790,000	1,820,000
Retirement benefits	2,505,102	3,142,244	-	-
	<u>57,273,555</u>	<u>30,709,677</u>	<u>2,790,000</u>	<u>1,820,000</u>

10.4) Passenger revenues and expenses received and paid on behalf

	Consolidated		Company	
	For the three-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Passenger revenues received on behalf of the Group by other related parties	692,631,477	770,000,854	-	-
Cash received on behalf of other related parties	257,235,744	149,605,609	-	-
Expenses paid on behalf of the Group by other related parties	110,679,775	60,642,192	-	-
Advance payments on behalf of other related parties	220,401,796	59,689,617	-	-

10 Related party transactions (Cont'd)

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

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

	Consolidated		Company	
	For the six-month periods ended 30 June (Unaudited)			
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Passenger revenues received on behalf of the Group by other related parties	1,333,055,608	1,449,233,044	-	-
Cash received on behalf of other related parties	488,423,021	275,782,879	-	-
Expenses paid on behalf of the Group by other related parties	200,314,881	180,698,481	-	-
Advance payments on behalf of other related parties	351,917,392	107,443,236	-	-

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

10.5) Amounts due from related parties

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Other related parties	403,001,888	87,240,764	-	-
Subsidiary	-	-	6,250,000	-
	<u>403,001,888</u>	<u>87,240,764</u>	<u>6,250,000</u>	<u>-</u>

Amounts due from related parties have been charged with the interest for overdue amount at 6.00% per annum (2013: 6.00% per annum).

10 Related party transactions (Cont'd)

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

10.6) Amounts due to related parties

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Other related parties	446,052,046	506,830,215	622,988	-

10.7) Other non-current assets

	Consolidated		Company	
	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht	(Unaudited) 30 June 2014 Baht	(Audited) 31 December 2013 Baht
Aircraft rental deposits				
Other related party	620,195,754	605,152,224	-	-
Fuel price swap deposit				
Other related party	16,155,700	16,338,900	-	-

11 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) 30 June 2014 US Dollars	(Audited) 31 December 2013 US Dollars	(Unaudited) 30 June 2014 US Dollars	(Audited) 31 December 2013 US Dollars
Favourable fuel price swap agreements	2,370,212	309,928	-	-

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12 Commitments

For the six-month period ended 30 June 2014, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2013 (please see consolidated and company financial statements for the year ended 31 December 2013).

As at 30 June 2014, 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 for 28 aircraft (as at 31 December 2013: 27 aircraft) and insurance agreements for 37 aircraft (as at 31 December 2013: 35 aircraft) as follows:

	Consolidated			
	(Unaudited)		(Audited)	
	30 June 2014		31 December 2013	
	Rental	Insurance	Rental	Insurance
	US Dollars	agreements	US Dollars	agreements
	US Dollars	US Dollars	US Dollars	US Dollars
Within 1 year	115,260,000	883,494	111,480,000	893,590
Later than 1 year but not later than 5 years	461,040,000	-	445,920,000	-
Later than 5 years	332,534,795	-	362,093,589	-
Total	908,834,795	883,494	919,493,589	893,590

13 Guarantees

As at 30 June 2014, there was a commitment related to guarantees issued by bank in respect of pilot trainees' loans in accordance with its professional pilot courses amounting to Baht 99.29 million (as at 31 December 2013: Baht 34.75 million). Normally, a guarantee is terminated when the pilot trainee earns a commercial pilot's license and is assigned as a co-pilot or when the pilot trainee settles all outstanding debts with the bank. However, the Group can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Group.

14 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 including maintenance reserve fund in the ordinary course of business as follows:

	Consolidated					
	(Unaudited)			(Audited)		
	30 June 2014			31 December 2013		
	Baht	US	Indian	Baht	US	Indian
	million	Dollars	Rupee	million	Dollars	Rupee
	million	million	million	million	million	million
Guarantees relating to flight operating activities	7.75	0.09	12.38	6.75	0.09	3.38
Guarantees relating to maintenance reserve fund	-	9.59	-	-	9.59	-
Total	7.75	9.68	12.38	6.75	9.68	3.38

14 Letters of guarantee (Cont'd)

The Group also used its saving and current accounts as collateral for these letters of guarantee as follows:

	Consolidated			
	(Unaudited)		(Audited)	
	30 June 2014		31 December 2013	
	Baht million	Indian Rupee million	Baht million	Indian Rupee million
Saving account	171.01	-	337.37	-
Current account	-	12.68	-	3.68
Total	171.01	12.68	337.37	3.68

15 Promotional privileges

On 13 March 2013, a 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. The conditions require that the subsidiary’s authorised and paid-up share capital shall not less than Baht 435.5 million.

As at 30 June 2014, the subsidiary had received 9 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2013: 7 aircraft).

16 Subsequent events

On 11 July 2014 and 13 July 2014, 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.