

THAI AIRASIA COMPANY LIMITED

**SPECIAL PURPOSE INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2012



AUDITOR'S REPORT ON REVIEW OF SPECIAL PURPOSE INTERIM FINANCIAL INFORMATION

To the Board of Directors of Thai AirAsia Company Limited

We have reviewed the accompanying special purpose statement of financial position as at 31 March 2012, the related special purpose statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, and condensed notes to special purpose interim financial information of Thai AirAsia Company Limited. Management is responsible for the preparation and presentation of this special purpose interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this special purpose interim financial information based on our reviews.

Scope of review

We conducted our reviews 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 Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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



Special purpose statement of financial position as at 31 December 2011 presented for comparative purposes

We have audited the special purpose financial statements for the year ended 31 December 2011 of Thai AirAsia Company Limited, in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those statements in our report dated 19 March 2012. The special purpose statement of financial position as at 31 December 2011, presented for comparative purposes, are part of the special purpose financial statements. We have not performed any other auditing procedures subsequent to the date of that report.

Other matter

For the purpose of inclusion in the Asia Aviation Public Company Limited (A Joint Venturer)'s offering circular as part of the initial public offering permission to the Securities and Exchange Commission, these special purpose interim financial information have been prepared for special purpose to comply with Thai Accounting Standard 34, "Interim Financial Reporting" and the financial reporting requirements of the Securities and Exchange Commission. As a result, the special purpose interim financial information may not be suitable for other purposes.

For PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Chanchai Chaiprasit', written in a cursive style.

By Chanchai Chaiprasit
Partner
Bangkok

10 May 2012

Thai AirAsia Company Limited
Statements of Financial Position
As at 31 March 2012 and 31 December 2011

	Unaudited	Audited
	31 March	31 December
	2012	2011
Notes	Baht	Baht
Assets		
Current assets		
Cash and cash equivalents	2,407,222,507	1,359,702,567
Cash at financial institutions pledged as security	175,301,300	14,458,500
Short-term investments	35,120,280	9,120,279
Trade and other receivables	6 202,531,924	191,835,196
Amounts due from related parties	11.5 211,036,285	275,965,053
Inventories	47,819,425	51,232,834
Prepaid expenses	227,830,304	225,538,898
Value added tax receivable, net	179,607,428	689,158,323
Other current assets	22,195,301	19,339,214
Total current assets	3,508,664,754	2,836,350,864
Non-current assets		
Cash at financial institutions pledged as security	7,378,470	56,000,000
General investment	6,929,500	6,929,500
Leasehold improvements and equipment, net	7 346,386,323	302,933,748
Intangible assets, net	7 13,486,472	14,260,815
Other non-current assets	590,733,158	573,371,519
Total non-current assets	964,913,923	953,495,582
Total assets	4,473,578,677	3,789,846,446

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2012 and 31 December 2011

		Unaudited	Audited
		31 March	31 December
		2012	2011
	Notes	Baht	Baht
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable		99,033,517	105,931,528
Other accounts payable		79,207,877	66,368,776
Amounts due to related parties	11.6	363,874,474	361,092,140
Deferred revenues		3,167,940,749	2,716,364,349
Accrued expenses		564,376,203	476,097,173
Current portion of long-term borrowing from a financial institution	8	-	486,000,000
Current portion of finance lease liabilities		4,105,433	4,767,819
Other current liabilities		22,178,333	14,029,860
Total current liabilities		4,300,716,586	4,230,651,645
Non-current liabilities			
Long-term borrowing from a financial institution	8	-	13,163,251
Finance lease liabilities		8,841,078	9,254,534
Employee benefit obligations	9	88,353,964	82,752,289
Total non-current liabilities		97,195,042	105,170,074
Total liabilities		4,397,911,628	4,335,821,719

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2012 and 31 December 2011

	Unaudited	Audited
	31 March	31 December
	2012	2011
<u>Note</u>	<u>Baht</u>	<u>Baht</u>
Liabilities and shareholders' equity (Cont'd)		
Shareholders' equity		
Share capital	10	
Authorised share capital		
Ordinary shares, shares 40,000,000 shares of par Baht 10 each	<u>400,000,000</u>	<u>400,000,000</u>
Issued and paid-up share capital		
Ordinary shares, shares 40,000,000 shares of paid-up Baht 10 each	400,000,000	400,000,000
Premium on share capital	1,227,629	1,227,629
Deficits	<u>(325,560,580)</u>	<u>(947,202,902)</u>
Total shareholders' equity	<u>75,667,049</u>	<u>(545,975,273)</u>
Total liabilities and shareholders' equity	<u>4,473,578,677</u>	<u>3,789,846,446</u>

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

	2012	2011
	Baht	Baht
Revenues	4,868,108,717	4,160,248,810
Operating costs	(4,030,744,973)	(3,215,840,588)
Gross profit	837,363,744	944,408,222
Net gain on exchange rates	3,343,409	35,968,613
Other income	96,277,118	158,432,731
Profit before expenses	936,984,271	1,138,809,566
Selling expenses	(197,327,310)	(92,938,141)
Administrative expenses	(112,032,020)	(79,137,224)
Profit before finance costs and income tax	627,624,941	966,734,201
Finance costs	(5,982,619)	(75,137,667)
Profit before income tax	621,642,322	891,596,534
Income tax	-	-
Net profit for the period	621,642,322	891,596,534
Total comprehensive income for the period	621,642,322	891,596,534
Earnings per share		
Basic earnings per share	15.54	22.29

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

	<u>Note</u>	<u>Issued and paid-up share capital Baht</u>	<u>Premium on share capital Baht</u>	<u>Deficits Baht</u>	<u>Total Baht</u>
Opening balance as at 1 January 2011		400,000,000	1,227,629	(2,904,178,505)	(2,502,950,876)
Adjustment for adoption of a new accounting standard	4	-	-	(63,083,056)	(63,083,056)
Balance after adjustment		400,000,000	1,227,629	(2,967,261,561)	(2,566,033,932)
Total comprehensive income for the period		-	-	891,596,534	891,596,534
Closing balance as at 31 March 2011		<u>400,000,000</u>	<u>1,227,629</u>	<u>(2,075,665,027)</u>	<u>(1,674,437,398)</u>
Opening balance as at 1 January 2012		400,000,000	1,227,629	(947,202,902)	(545,975,273)
Total comprehensive income for the period		-	-	621,642,322	621,642,322
Closing balance as at 31 March 2012		<u>400,000,000</u>	<u>1,227,629</u>	<u>(325,560,580)</u>	<u>75,667,049</u>

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Cash Flows (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

	Notes	2012 Baht	2011 Baht
Cash flows from operating activities			
Profit before income tax		621,642,322	891,596,534
Adjustments for:			
Depreciation	7	16,703,613	14,654,928
Amortisation	7	1,001,343	3,737,650
Loss (gain) on disposals of leasehold improvements and equipment		123,074	(3,163,930)
Employee benefit expenses	9	5,601,675	4,692,716
Unrealised gain on exchange rates		(23,138,599)	(12,695,095)
Finance costs		5,982,619	75,137,667
Interest income		(3,989,581)	(48,141,422)
		623,926,466	925,819,048
Changes in operating assets and liabilities:			
- Cash at financial institutions pledged as security		(112,221,270)	2,351,700
- Trade and other receivables		(10,696,728)	(24,355,429)
- Amounts due from related parties		64,928,768	(1,571,965,682)
- Inventories		3,413,409	(557,388)
- Prepaid expenses		(2,291,406)	27,633,604
- Value added tax receivable		509,550,895	7,192,451
- Other current assets		(2,856,087)	1,025,845
- Other non-current assets		(17,361,639)	(25,351,290)
- Trade accounts payable		(6,898,011)	29,349,254
- Other accounts payable		12,839,101	37,972,341
- Amounts due to related parties		2,782,334	720,839,642
- Deferred revenues		451,576,400	206,012,644
- Accrued expenses		65,035,968	(110,918,524)
- Other current liabilities		8,148,473	(3,437,146)
		1,589,876,673	221,611,070
Cash generated from operation		1,589,876,673	221,611,070
Interest paid		-	(74,821,906)
Interest received		1,781,384	47,705,189
		1,591,658,057	194,494,353
Net cash generated from operating activities		1,591,658,057	194,494,353

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2012 and 2011

	Note	2012 Baht	2011 Baht
Cash flows from investing activities			
Short-term loan granted to a director		-	(25,436,233)
Payments for short-term investments		(26,000,000)	-
Proceeds from disposals of leasehold improvements and equipment		1,200,000	3,167,438
Payments for leasehold improvements and equipment		(38,236,201)	(15,783,020)
Payments for intangible assets		(227,000)	(2,167,831)
Interest received		2,208,197	436,233
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(61,055,004)</u>	<u>(39,783,413)</u>
Cash flows from financing activities			
Repayments of short-term borrowings from a financial institution		-	(100,000,000)
Repayments of finance lease		(1,075,842)	(421,375)
Repayments of long-term borrowing from a financial institution	8	(499,163,251)	-
Interest paid		(5,982,619)	(315,761)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(506,221,712)</u>	<u>(100,737,136)</u>
		<u> </u>	<u> </u>
Net increase in cash and cash equivalents		1,024,381,341	53,973,804
Cash and cash equivalents at the beginning of the period		1,359,702,567	507,821,793
Effect of exchange rates		23,138,599	12,695,095
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the period		<u><u>2,407,222,507</u></u>	<u><u>574,490,692</u></u>

Non-cash transactions

Significant non-cash transactions during the periods ended 31 March 2012 and 2011 are as follows:

Purchase of leasehold improvements and equipment which have not been paid	23,243,061	-
--	------------	---

The accompanying notes are an integral part of these special purpose interim financial information.

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

1 General information

Thai AirAsia Company Limited (“the Company”) is a limited company and incorporated in Thailand. The address of the Company’s registered office is as follows:

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

The principal business operation of the Company is to provide low-fare airline service.

The Company is jointly controlled by Asia Aviation Public Company Limited, incorporated in Thailand and AirAsia Investment Ltd., incorporated in Malaysia, which own 51% and 49% of the Company’s shares, respectively.

The special purpose interim financial information were approved by the Board of Directors on 10 May 2012.

These special purpose interim financial information have been reviewed, not audited.

2 Basis of preparation

These special purpose interim 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. 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 special purpose 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. for the purpose of inclusion in the Asia Aviation Public Company Limited’s offering circular as part of the Asia Aviation Public Company Limited’s initial public offering of shares to investors.

An English version of the special purpose interim financial information has been prepared from the special purpose 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 special purpose interim financial information shall prevail.

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

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

3 Significant accounting policies

The accounting policies used in the preparation of the special purpose interim financial information are consistent with those used in the special purpose financial statements for the year ended 31 December 2011.

New accounting standards, amendments to accounting standards and new financial reporting standards

The new accounting standards, amendments to accounting standards and new financial reporting standards are currently mandatory for the accounting periods beginning on or after 1 January 2013, which are relevant to the Company but the Company has not early adopted them are as follow:

TAS 12	Income taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The Company's management has assessed and determined that the new accounting standards, amendments to accounting standards and new financial reporting standards will not significantly impact the special purpose interim financial information being presented, except for TAS 12 which the management is currently assessing the impact of applying this standard.

4 New accounting policies

The Company applied Thai Accounting Standard 19, which dealt with accounting for employee benefits, on 1 January 2011 by adjusting a total amount against the deficits as of 1 January 2011. The effects of the adoption of the above standards were as follows:

	<u>Baht</u>
Statement of changes in shareholders' equity	
Deficits as of 1 January 2011 increased	63,083,056

5 Segment information

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

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

6 Trade and other receivables

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Trade accounts receivable	170,922,971	155,797,194
Accrued revenues	26,794,546	32,542,570
Other accounts receivable	4,814,407	3,495,432
Total trade and other receivables	<u>202,531,924</u>	<u>191,835,196</u>

Trade accounts receivable can be analysed by age as follows:

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Up to 3 months	156,752,484	141,043,413
3 - 6 months	440,398	7,461,857
6 - 12 months	10,595,563	5,007,647
Over 12 months	3,134,526	2,284,277
Total trade accounts receivable	<u>170,922,971</u>	<u>155,797,194</u>

7 Leasehold improvements, equipment and intangible assets, net

	Unaudited	
	Leasehold improvements and equipment Baht	Intangible assets Baht
For the three-month period ended 31 March 2012		
Opening net book amount	302,933,748	14,260,815
Additions	61,479,262	227,000
Disposals, net	(1,323,074)	-
Depreciation/amortisation	(16,703,613)	(1,001,343)
Closing net book amount	<u>346,386,323</u>	<u>13,486,472</u>

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

8 Long-term borrowing from a financial institution

Maturity of long-term borrowing from a financial institution is as follows:

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Within 1 year	-	486,000,000
Over 1 year but less than 5 years	-	13,163,251
	<u>-</u>	<u>499,163,251</u>

Movements in long-term borrowing from a financial institution are summarised as follows:

	Unaudited Baht
For the three-month period ended 31 March 2012	
Opening book amount	499,163,251
Loan repayments	<u>(499,163,251)</u>
Closing book amount	<u>-</u>

9 Employee benefit obligations

	Unaudited Baht
For the three-month period ended 31 March 2012	
Opening book amount as at 1 January 2012	82,752,289
Retirement benefit expenses during the period	<u>5,601,675</u>
Closing book amount as at 31 March 2012	<u>88,353,964</u>

10 Share capital

At the Extraordinary Shareholders' Meeting of the Company held on 15 February 2012, the shareholders approved an increase in registered share capital of the Company from 40,000,000 shares to 43,555,560 shares by issuing additional ordinary shares of 3,555,560 shares with a par value of Baht 10 each in order to offer for the existing shareholders. However, as at 31 March 2012, the Company has not yet registered the additional shares with the Ministry of Commerce.

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 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.

Related party transactions were carried out on conditions as follows:

	<u>Pricing policies</u>
- Interest income	At a mutual agreed rate and equivalent to interest expenses rate paid to other related parties.
- Share of loss (gain) on fuel price swap agreements	Based on fuel consumption ratio.
- Share of staff costs for accounting services	Actual staff costs allocated by number of aircrafts.
- Aircraft rental	For aircrafts owned by AirAsia Berhad, rental charge is based on AirAsia Berhad's cost of capital. For sub-leased aircrafts, rental charge is based on master agreement that AirAsia Group has leased from a third party adjusted with some assumptions to reflect the Company's credit risk profile.
- Aircraft repair and maintenance	Based on the average of the contractual amount between AirAsia Berhad and the vendor, adjusted for annual escalation and stepped incremental rates under the master agreement.
- Purchase of merchandises and equipment	At the purchase price.
- Management fee expenses	At agreement price with AirAsia Berhad.
- Booking fee expenses	At agreement price which approximates the master agreement that AirAsia Group has agreed with third parties.
- Pilot training expenses	Under negotiation process with Asian Aviation Centre of Excellence Sdn Bhd (CAE).
- Brand license fee	At 1% of total revenues per annum.
- Interest expenses	At a rate equivalent to AirAsia Group's borrowing rate.

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

11.1) Income

	For the three-month periods ended 31 March Unaudited	
	2012	2011
	Baht	Baht
Interest income		
Other related parties	1,553,405	47,692,490
A director	-	436,233
	<u>1,553,405</u>	<u>48,128,723</u>

11.2) Purchases of goods and services

	For the three-month periods ended 31 March Unaudited	
	2012	2011
	Baht	Baht
Share of gain from fuel price swap agreements		
Other related party	<u>(39,897,202)</u>	<u>(11,320,591)</u>
Share of staff costs for accounting services		
Other related parties	<u>(8,873,538)</u>	<u>(8,113,149)</u>
Aircraft rental		
Other related party	<u>753,072,017</u>	<u>655,156,467</u>
Aircraft repair and maintenance		
Other related party	<u>291,358,589</u>	<u>240,601,175</u>
Purchase of merchandises and equipment		
Other related party	<u>46,075,628</u>	<u>18,804,350</u>
Management fee expenses		
Other related party	<u>3,702,332</u>	<u>3,699,004</u>
Booking fee expenses		
Other related party	<u>17,798,069</u>	<u>15,130,761</u>
Pilot training expenses		
Other related party	<u>35,327,277</u>	<u>-</u>

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 Related party transactions (Cont'd)

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

11.2) Purchases of goods and services (Cont'd)

	For the three-month periods ended 31 March Unaudited	
	2012	2011
	Baht	Baht
Brand license fee		
Other related party	48,831,467	-
Interest expenses		
Other related party	-	74,821,906

11.3) Management remunerations

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

	For the three-month periods ended 31 March Unaudited	
	2012	2011
	Baht	Baht
Salaries and other short-term employee benefits	10,811,731	16,994,110
Retirement benefits	580,891	524,062
	<u>11,392,622</u>	<u>17,518,172</u>

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 Related party transactions (Cont'd)

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

11.4) Passenger revenues and expenses received and paid on behalf

	For the three-month periods ended 31 March Unaudited	
	2012	2011
	Baht	Baht
- Passenger revenues received on behalf of the Company by other related parties	662,316,559	1,527,027,113
- Cash received on behalf of other related party	122,986,871	132,658,744
- Expenses paid on behalf of the Company by other related parties	150,338,981	117,185,420
- Advance payment on behalf of other related parties	47,067,617	158,057,242

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

11.5) Amounts due from related parties

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Amounts due from related parties		
Other related parties	200,486,033	275,965,053
A joint venturer	10,550,252	-
	<u>211,036,285</u>	<u>275,965,053</u>

Amounts due from related parties comprise trade accounts receivable and advance payments. Trade accounts receivable have been charged the interest for overdue amount at 6.00% per annum (2011: 6.00% per annum).

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 Related party transactions (Cont'd)

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

11.6) Amounts due to related parties

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Amounts due to related parties		
Other related parties	<u>363,874,474</u>	<u>361,092,140</u>

Amounts due to related parties are mainly denominated in US Dollars and have been charged the interest for overdue amount at 6.00% per annum (2011: 6.00% per annum).

11.7) Other non-current assets

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Aircraft rental deposits		
Other related party	<u>526,772,532</u>	<u>497,866,890</u>
Fuel price swap deposits		
Other related party	<u>15,348,850</u>	<u>15,775,250</u>

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

11 Related party transactions (Cont'd)

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

11.8) Accrued expenses

	Unaudited 31 March 2012 Baht	Audited 31 December 2011 Baht
Accrued brand license fee		
Other related party	56,311,172	-
Accrued pilot training expenses		
Other related party	35,327,277	-

12 Net fair value of financial instruments

Fuel price swap agreements

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

	Unaudited 31 March 2012 US Dollars	Audited 31 December 2011 US Dollars
Favourable fuel price swap agreements	1,372,603	1,611,554

13 Commitments

For the three-month period ended 31 March 2012, there were no significant changes in commitments or contingent liabilities, including significant contracts from the year ended 31 December 2011 (please see the special purpose financial statements for the year ended 31 December 2011).

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

13 Commitments (Cont'd)

As at 31 March 2012, the Company had outstanding commitments in respect of non-cancellable aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company, which cover rental and insurance agreements of the 24 aircrafts (As at 31 December 2011: 22 aircrafts) as follows:

	Unaudited		Audited	
	31 March 2012		31 December 2011	
	Rental	Insurance	Rental	Insurance
	US Dollars	agreement	US Dollars	agreement
	US Dollars	US Dollars	US Dollars	US Dollars
Within 1 year	100,620,000	201,488	89,700,977	805,951
Later than 1 year but not later than 5 years	402,480,000	-	116,267,650	-
Later than 5 years	467,540,814	-	46,039,785	-
Total	970,640,814	201,488	252,008,412	805,951

14 Guarantee

As at 31 March 2012, there was a commitment related to guarantees issued by banks in respect of pilot trainees' loans in accordance with their professional pilot courses amounting to Baht 26.9 million (31 December 2011: Baht 26.9 million).

15 Letters of guarantee

The Company 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:

	Unaudited			Audited		
	31 March 2012			31 December 2011		
	Baht	US	India	Baht	US	India
	million	Dollars	Rupee	million	Dollars	Rupee
	million	million	million	million	million	million
Guarantees relating to flight operating activities	5.60	0.39	30.83	5.60	0.09	27.83
Guarantees relating to value added tax refund process	631.11	-	-	-	-	-
Total	636.71	0.39	30.83	5.60	0.09	27.83

Thai AirAsia Company Limited
Condensed Notes to Special Purpose Interim Financial Information (Unaudited)
For the three-month periods ended 31 March 2012 and 2011

15 Letters of guarantee (Cont'd)

The Company also used its fixed-deposit accounts and bills of exchange as collateral for these letters of guarantee as follows:

	Unaudited		Audited	
	31 March 2012		31 December 2011	
	Baht	India Rupee	Baht	India Rupee
	million	million	million	million
Fixed-deposit accounts	8.40	31.13	6.00	27.83
Bills of exchange	158.00	-	-	-
Total	166.40	31.13	6.00	27.83

17 Subsequent events

On 14 February 2012, the Company entered into an “Amended and Restated Shareholders’ Agreement” with AirAsia Investment Ltd. (a subsidiary of AirAsia Berhad), AirAsia Berhad and Asia Aviation Public Company Limited pursuant to which the parties set out their respective rights and obligations with respect to the Company. According to the “Amended and Restated Shareholders’ Agreement,” Asia Aviation Public Company Limited will have control over the Company. Therefore, the Company will be considered as a subsidiary of Asia Aviation Public Company Limited instead of a joint venture. The “Amended and Restated shareholders’ Agreement” will be effective from the date that the Securities and Exchange Commission (“SEC”) issues a letter to Asia Aviation Public Company Limited notifying that it has commenced counting the period of effectiveness of the draft prospectus filed by Asia Aviation Public Company Limited in relation to an initial public offering.

On 4 May 2012, SEC issued a letter to Asia Aviation Public Company Limited notifying that SEC has commenced counting the period of effectiveness of the draft prospectus filed by Asia Aviation Public Company Limited in relation to an initial public offering. Therefore, the Company changed from a joint venture to a subsidiary of Asia Aviation Public Company Limited from 4 May 2012 onwards.