

THAI AIRASIA COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2013



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Thai AirAsia Company Limited

I have reviewed the accompanying statements of financial position as at 30 September 2013, the related statements of comprehensive income for the three-month and nine-month period then end, changes in shareholders' equity, and cash flows for the nine-month period then ended, and condensed notes to interim financial information of Thai AirAsia Company Limited. 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 'Chan Chai', with a flourish at the end.

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

Bangkok
7 November 2013

Thai AirAsia Company Limited
Statement of Financial Position
As at 30 September 2013

		Unaudited	Audited
		30 September	31 December
		2013	2012
	Notes	Baht	Baht
Assets			
Current assets			
Cash and cash equivalents		2,615,613,082	3,847,787,525
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	6	1,020,493,006	-
Trade and other receivables	7	812,405,169	378,777,465
Amounts due from related parties	12.5	214,274,659	210,772,034
Inventories		59,846,123	58,345,198
Prepaid expenses		393,039,191	233,859,145
Value added tax receivable, net		1,230,316	99,289,077
Other current assets		29,498,096	13,436,177
Total current assets		9,592,897,423	7,155,550,792
Non-current assets			
Cash at financial institutions pledged as security		6,588,263	7,714,350
General investment		8,953,600	8,769,300
Aircraft, leasehold improvements and equipment, net	8	6,666,717,760	2,923,551,143
Intangible assets, net	8	12,351,599	11,810,335
Other non-current assets		720,259,741	673,281,007
Total non-current assets		7,414,870,963	3,625,126,135
Total assets		17,007,768,386	10,780,676,927

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2013

		Unaudited	Audited
		30 September	31 December
		2013	2012
	<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable		131,348,676	70,988,769
Other accounts payable		175,566,492	105,991,639
Amounts due to related parties	12.6	392,613,102	427,725,470
Deferred revenues		4,371,878,841	3,582,160,385
Accrued expenses		1,231,149,243	551,972,590
Current portion of finance lease liabilities	9	339,152,106	137,142,871
Income tax payable		117,901,783	66,819,634
Other current liabilities		22,603,251	19,164,817
Total current liabilities		<u>6,782,213,494</u>	<u>4,961,966,175</u>
Non-current liabilities			
Finance lease liabilities	9	4,518,151,495	1,783,112,423
Deferred tax liabilities, net		133,745,494	27,816,517
Employee benefit obligations		142,750,213	111,846,384
Total non-current liabilities		<u>4,794,647,202</u>	<u>1,922,775,324</u>
Total liabilities		<u>11,576,860,696</u>	<u>6,884,741,499</u>

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2013

	Unaudited	Audited
	30 September	31 December
	2013	2012
	Baht	Baht
	<hr/>	<hr/>
Liabilities and shareholders' equity (Cont'd)		
Shareholders' equity		
Share capital		
Authorised share capital		
Ordinary shares, 43,555,560 shares		
of par Baht 10 each	435,555,600	435,555,600
	<hr/>	<hr/>
Issued and paid-up share capital		
Ordinary shares, 43,555,560 shares		
of paid-up Baht 10 each	435,555,600	435,555,600
Premium on share capital	2,628,786,469	2,628,786,469
Retained earnings	2,366,565,621	831,593,359
	<hr/>	<hr/>
Total shareholders' equity	5,430,907,690	3,895,935,428
	<hr/>	<hr/>
Total liabilities and shareholders' equity	17,007,768,386	10,780,676,927
	<hr/>	<hr/>

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2013

	Notes	2013 Baht	2012 Baht
Revenues		5,595,067,967	4,426,438,338
Operating costs		(4,909,884,017)	(3,992,947,927)
Gross profit		685,183,950	433,490,411
Net gain on exchange rates		37,424,259	6,447,877
Other income		144,529,538	117,297,266
Profit before expenses		867,137,747	557,235,554
Selling expenses		(288,869,746)	(180,147,175)
Administrative expenses		(129,732,628)	(116,899,635)
Profit before finance costs and income tax		448,535,373	260,188,744
Finance costs		(50,045,823)	(148,784)
Profit before income tax		398,489,550	260,039,960
Income tax	10	(101,178,064)	(73,174,183)
Net profit for the period		297,311,486	186,865,777
Total comprehensive income for the period		297,311,486	186,865,777
Earnings per share			
Basic earnings per share	11	6.83	4.29

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2013

	Notes	2013 Baht	2012 Baht
Revenues		16,983,814,903	13,727,322,334
Operating costs		<u>(14,271,428,017)</u>	<u>(12,134,440,298)</u>
Gross profit		2,712,386,886	1,592,882,036
Net gain on exchange rates		169,710,590	54,605,153
Other income		<u>382,024,705</u>	<u>328,658,026</u>
Profit before expenses		3,264,122,181	1,976,145,215
Selling expenses		(766,002,950)	(440,332,206)
Administrative expenses		<u>(402,074,733)</u>	<u>(353,692,308)</u>
Profit before finance costs and income tax		2,096,044,498	1,182,120,701
Finance costs		<u>(113,614,376)</u>	<u>(6,294,107)</u>
Profit before income tax		1,982,430,122	1,175,826,594
Income tax	10	<u>(447,457,860)</u>	<u>(273,232,559)</u>
Net profit for the period		<u>1,534,972,262</u>	<u>902,594,035</u>
Total comprehensive income for the period		<u><u>1,534,972,262</u></u>	<u><u>902,594,035</u></u>
Earnings per share			
Basic earnings per share	11	<u><u>35.24</u></u>	<u><u>21.69</u></u>

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Changes in Shareholders' Equity (Unaudited)
For the nine-month period ended 30 September 2013

	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings (Deficits) Baht	Total Baht
Opening balance as at 1 January 2012 - as previously reported		400,000,000	1,227,629	(947,202,902)	(545,975,273)
Adjustments from the adoption of a new accounting standard	4.1	-	-	170,838,613	170,838,613
Balance after adjustment		400,000,000	1,227,629	(776,364,289)	(375,136,660)
Ordinary shares issued		35,555,600	2,627,558,840	-	2,663,114,440
Total comprehensive income for the period - as restated		-	-	902,594,035	902,594,035
Closing balance as at 30 September 2012		<u>435,555,600</u>	<u>2,628,786,469</u>	<u>126,229,746</u>	<u>3,190,571,815</u>
Opening balance as at 1 January 2013 - as previously reported		435,555,600	2,628,786,469	859,409,876	3,923,751,945
Adjustments from the adoption of a new accounting standard	4.1	-	-	(27,816,517)	(27,816,517)
Balance after adjustment		435,555,600	2,628,786,469	831,593,359	3,895,935,428
Total comprehensive income for the period		-	-	1,534,972,262	1,534,972,262
Closing balance as at 30 September 2013		<u>435,555,600</u>	<u>2,628,786,469</u>	<u>2,366,565,621</u>	<u>5,430,907,690</u>

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2013

	Notes	2013 Baht	2012 Baht
Cash flows from operating activities			
Profit before income tax		1,982,430,122	1,175,826,594
Adjustments for:			
Depreciation	8	237,140,820	53,863,753
Amortisation	8	3,293,350	3,080,689
Loss on disposals and write-offs of leasehold improvements and equipment		1,064,180	74,535
Employee benefit expenses		30,903,829	24,164,269
Amortisation of share-based payment		33,712,692	36,522,083
Net gain on exchange rates		(28,188,671)	(46,481,932)
Unrealised gain on fair value adjustment in investments in private funds	6	(20,493,006)	-
Finance costs		113,614,376	6,294,107
Interest income		(115,195,344)	(53,684,126)
		<u>2,238,282,348</u>	<u>1,199,659,972</u>
Changes in operating assets and liabilities:			
- Cash at financial institutions pledged as security		(58,211,952)	(113,389,202)
- Trade and other receivables		(414,846,906)	(74,736,687)
- Amounts due from related parties		(742,514)	27,856,227
- Inventories		(1,500,925)	(4,510,634)
- Prepaid expenses		(192,892,738)	(168,640,857)
- Value added tax receivable		98,058,761	681,228,992
- Other current assets		(16,061,919)	(3,448,580)
- Other non-current assets		(46,978,734)	(92,155,735)
- Trade accounts payable		60,359,907	(16,027,003)
- Other accounts payable		69,574,853	83,216,271
- Amounts due to related parties		(35,112,368)	46,150,553
- Deferred revenues		789,718,456	482,238,128
- Accrued expenses		591,886,531	(143,601,809)
- Other current liabilities		3,438,434	1,764,464
		<u>3,084,971,234</u>	<u>1,905,604,100</u>
Cash generated from operating activities		3,084,971,234	1,905,604,100
Income tax paid		(290,446,733)	(252,309,868)
Interest received		16,457,832	9,601,271
		<u>2,810,982,333</u>	<u>1,662,895,503</u>
Net cash generated from operating activities		<u>2,810,982,333</u>	<u>1,662,895,503</u>

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2013

	Notes	2013 Baht	2012 Baht
Cash flows from investing activities			
Net payments for short-term investments		(2,073,875,571)	(3,492,153,310)
Payments for general investment		(184,300)	(1,839,800)
Purchases of securities in investments in private funds	6	(2,127,362,457)	-
Disposals of securities in investments in private funds	6	1,127,362,457	-
Proceeds from disposals of leasehold improvements and equipment		424,893	1,277,461
Payments for aircraft, leasehold improvements and equipment		(790,189,944)	(342,680,614)
Payments for intangible assets	8	(3,834,614)	(1,283,791)
Interest received		77,855,175	14,057,300
Net cash used in investing activities		<u>(3,789,804,361)</u>	<u>(3,822,622,754)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	2,663,114,440
Repayments of finance lease		(188,293,172)	(3,268,904)
Repayments of long-term borrowing from a financial institution		-	(499,163,251)
Interest paid		(112,207,457)	(6,294,107)
Net cash generated from (used in) financing activities		<u>(300,500,629)</u>	<u>2,154,388,178</u>
Net decrease in cash and cash equivalents		(1,279,322,657)	(5,339,073)
Cash and cash equivalents at the beginning of the period		3,847,787,525	1,359,702,567
Exchange gain on cash and cash equivalents		47,148,214	46,481,932
Cash and cash equivalents at the end of the period		<u>2,615,613,082</u>	<u>1,400,845,426</u>

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

The accompanying notes are an integral part of this interim financial information.

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

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:

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

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

On 4 May 2012, the Company was changed from a joint venture of Asia Aviation Public Company Limited, incorporated in Thailand and AirAsia Investment Ltd., incorporated in Malaysia to a subsidiary of Asia Aviation Public Company Limited in accordance with “Amend and Restated Shareholders’ Agreement” between Asia Aviation Public Company Limited and AirAsia Investment Ltd., which own 55% and 45% of the Company’s shares, respectively (31 December 2012: 55% and 45%, respectively).

The interim financial information was approved by the Board of Directors on 7 November 2013.

This interim financial information has been reviewed, not audited.

2 Basis of preparation

These interim financial information are 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 the SEC.

This interim 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 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.

3 Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the 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 Company but the Company 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 Company'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 Company'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 to anticipate 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 Company 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.

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 Company are: (Cont'd)

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

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 operates and generates 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 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.

The Company 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:

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

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 Company are: (Cont'd)

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

	<u>Baht</u>
Statement of financial position	
Deferred tax assets as of 1 January 2012 increased	170,838,613
Deferred tax liabilities, net as of 31 December 2012 increased	27,816,517
Deficits as of 1 January 2012 decreased	170,838,613
Retained earnings as of 31 December 2012 decreased	27,816,517
Statement of comprehensive income for the three-month period	
Income tax expense for the period ended 30 September 2012 increased	12,188,896
Basic earnings per share for the period ended 30 September 2012 decreased	0.28
Statement of comprehensive income for the nine-month period	
Income tax expense for the period ended 30 September 2012 increased	163,891,523
Basic earnings per share for the period ended 30 September 2012 decreased	3.94

4.2) Foreign currency translation

(a) Functional and presentation currency

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

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 Company are: (Cont'd)

4.2) Foreign currency translation (Cont'd)

(b) Transactions and balances (Cont'd)

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.

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.

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

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 Company are: (Cont'd)

4.4) Investments in private funds (Cont'd)

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 Company'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 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.

6 Investments in private funds

During the period, the Company established private funds and engaged two local independent asset management companies to manage cash balance of the Company. As at 30 September 2013, the Company had securities of investments in private funds as follows:

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

The movement of investments in private funds is as follows:

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

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

7 Trade and other receivables

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
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>

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

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
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>

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

	Unaudited Aircraft, leasehold improvements and equipment Baht	Unaudited Intangible assets Baht
For the nine-month period ended 30 September 2013		
Opening net book amount	2,923,551,143	11,810,335
Additions	3,981,796,510	3,834,614
Disposals, net	(14,825)	-
Write-offs, net	(1,474,248)	-
Depreciation/amortisation	(237,140,820)	(3,293,350)
Closing net book amount	<u>6,666,717,760</u>	<u>12,351,599</u>

The significant additions in 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.

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

9 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
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	(1,329,817,631)	(466,539,278)
	<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:

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
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, the Company 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, the Company must comply with financial and operational covenants. The Company has purchase options of the aircraft from the lessors at the end of the lease term.

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

10 Income tax expense

	For the three-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Current tax:		
Current tax on profit for the period	44,265,335	60,985,287
Total current tax	44,265,335	60,985,287
Deferred tax:		
Origination and reversal of temporary differences	56,912,729	12,349,849
Impact of change in the Thai tax rate	-	(160,953)
Total deferred tax	56,912,729	12,188,896
Total tax expense	101,178,064	73,174,183
	For the nine-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Current tax:		
Current tax on profit for the period	341,528,882	109,341,036
Total current tax	341,528,882	109,341,036
Deferred tax:		
Origination and reversal of temporary differences	105,928,978	164,570,049
Impact of change in the Thai tax rate	-	(678,526)
Total deferred tax	105,928,978	163,891,523
Total tax expense	447,457,860	273,232,559

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

11 Earnings per share

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

	For the three-month periods ended 30 September (Unaudited)	
	2013	2012
Net profit for the period attributable to ordinary shareholders (Baht)	297,311,486	186,865,777
Weighted average number of paid-up ordinary shares outstanding during the period (Shares)	43,555,560	43,555,560
Basic earnings per share (Baht)	6.83	4.29
	For the nine-month periods ended 30 September (Unaudited)	
	2013	2012
Net profit for the period attributable to ordinary shareholders (Baht)	1,534,972,262	902,594,035
Weighted average number of paid-up ordinary shares outstanding during the period (Shares)	43,555,560	41,622,062
Basic earnings per share (Baht)	35.24	21.69

12 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.

On 30 September 2013, the Company was controlled by Asia Aviation Public Company Limited which owns 55% of the shares of the Company (31 December 2012: 55%).

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

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

12 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

12.1) Income

	For the three-month periods ended 30 September (Unaudited)	
	2013	2012
	Baht	Baht
Interest income		
Other related party	860,455	296,133
	<u>860,455</u>	<u>296,133</u>
	For the nine-month periods ended 30 September (Unaudited)	
	2013	2012
	Baht	Baht
Interest income		
Parent company	-	225,173
Other related party	2,101,539	2,063,257
	<u>2,101,539</u>	<u>2,288,430</u>

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

	For the three-month periods ended 30 September (Unaudited)	
	2013	2012
	Baht	Baht
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	-

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

12 Related party transactions (Cont'd)

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

12.2) Purchases of goods, services and interest expenses with other related parties (Cont'd)

	For the nine-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Share of (gain) loss from fuel swap agreements	52,844,748	(4,588,416)
Share of staff costs for accounting services	(28,365,769)	(21,832,390)
Aircraft rental	2,389,794,307	2,338,464,215
Aircraft repair and maintenance	1,066,734,182	907,775,828
Purchase of merchandises and equipment	101,885,145	130,814,823
Management fee expenses	11,023,280	11,265,324
Booking fee expenses	62,485,089	50,978,261
Pilot training expenses	77,111,513	54,569,698
Brand license fee	172,757,196	-

12.3) Management remunerations

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

	For the three-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Salaries and other short-term benefits	12,933,175	13,316,625
Retirement benefits	1,262,772	1,121,287
	<u>14,195,947</u>	<u>14,437,912</u>

	For the nine-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Salaries and other short-term benefits	38,680,608	45,965,315
Retirement benefits	4,405,016	12,830,367
	<u>43,085,624</u>	<u>58,795,682</u>

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

12 Related party transactions (Cont'd)

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

12.4) Passenger revenues and expenses received and paid on behalf

	For the three-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Passenger revenues received on behalf of the Company 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 Company by other related parties	68,385,573	88,919,595
Advance payment on behalf of other related parties and parent company	79,888,688	31,587,156
	For the nine-month periods ended 30 September (Unaudited)	
	2013 Baht	2012 Baht
Passenger revenues received on behalf of the Company by other related parties	2,267,399,503	1,947,381,182
Cash received on behalf of other related parties	391,784,002	327,566,836
Expenses paid on behalf of the Company by other related parties	250,230,577	321,223,814
Advance payment on behalf of other related parties and parent company	187,331,924	117,305,184

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

12 Related party transactions (Cont'd)

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

12.5) Amounts due from related parties

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
Other related parties	<u>214,274,659</u>	<u>210,772,034</u>

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

12.6) Amounts due to related parties

	Unaudited 30 September 2013 Baht	Audited 31 December 2012 Baht
Other related parties	<u>392,613,102</u>	<u>427,725,470</u>

12.7) Other non-current assets

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

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

13 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 financial statements for the year ended 31 December 2012).

As at 30 September 2013, the Company 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:

	Unaudited 30 September 2013		Audited 31 December 2012	
	Rental US Dollars	Insurance agreement US Dollars	Rental US Dollars	Insurance agreement US Dollars
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	-
Total	902,716,274	1,563,783	935,925,041	834,791

14 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:

	Unaudited 30 September 2013 US Dollars	Audited 31 December 2012 US Dollars
Unfavourable fuel price swap agreements	(507,433)	-

Thai AirAsia Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 30 September 2013

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		
	30 September 2013			31 December 2012		
	Baht	US	India	Baht	US	India
million	Dollars	Rupee	million	Dollars	Rupee	
	million	million	million	million	million	million
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	-	-	-	-
Total	6.75	1.89	12.38	5.60	0.45	30.83

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

	Unaudited		Audited	
	30 September 2013		31 December 2012	
	Baht	India	Baht	India
	million	Rupee	million	million
	million	million	million	million
Fixed-deposit accounts	68.54	12.68	8.93	31.13

16 Promotional privileges

On 13 March 2013, the Company 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 Company must comply with the conditions and restrictions provided in the promotional certificates.

During the year, the Company accepted three aircraft under such certificate of promotional privileges from the BOI.

17 Subsequent events

On 2 October 2013 and 24 October 2013, the Company accepted the delivery of two additional AIRBUS A320-200 aircraft. The expansion of the Company's fleet is to support the launch of new routes and increase the frequency of flights on the Company's existing routes. This aircraft is acquired under lease agreements for the period of 12 years.