THAI AIRASIA COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2014



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 2014, 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".

Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

PricewaterhouseCoopers ABAS Ltd.

Bangkok

13 November 2014

	<u>Notes</u>	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Assets			
Current assets			
Cash and cash equivalents Cash at financial institutions		2,327,820,016	1,956,554,421
pledged as security		-	13,356,900
Short-term investments		2,047,324,915	3,448,628,170
Investments in private funds		40,760,771	1,032,551,182
Trade and other receivables, net	5	727,451,967	723,504,686
Amounts due from related parties	10.4	507,656,445	87,240,764
Inventories		63,431,044	68,967,914
Prepaid expenses		418,172,243	342,969,100
Value added tax receivable		166,796,894	78,686,650
Other current assets	_	45,837,964	40,131,847
Total current assets	_	6,345,252,259	7,792,591,634
Non-current assets			
Cash at financial institutions			
pledged as security		177,181,682	339,189,114
Long-term investments		1,292,844,100	1,310,548,600
Aircraft, leasehold improvements			
and equipment, net	6	15,844,163,682	10,835,933,219
Intangible assets, net	6	12,439,676	11,959,429
Other non-current assets	_	802,455,244	817,647,640
Total non-current assets	_	18,129,084,384	13,315,278,002
Total assets	=	24,474,336,643	21,107,869,636

The accompanying notes on pages 10 to 25 from part of this interim financial information.

	<u>Notes</u>	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable		122,839,224	152,951,492
Other accounts payable		201,031,563	124,132,639
Amounts due to related parties	10.5	214,000,518	506,830,215
Deferred revenues		4,791,589,893	4,299,163,449
Accrued expenses		1,237,544,947	1,390,023,204
Current portion of finance lease liabilities	7	904,530,420	615,065,684
Income tax payable		-	150,473,336
Other current liabilities	_	29,658,067	24,363,700
Total current liabilities	_	7,501,194,632	7,263,003,719
Non-current liabilities			
Finance lease liabilities	7	11,082,803,754	7,545,773,009
Deferred tax liabilities, net		328,906,240	309,747,735
Employee benefit obligations	_	160,174,228	132,997,460
Total non-current liabilities	_	11,571,884,222	7,988,518,204
Total liabilities	_	19,073,078,854	15,251,521,923

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
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
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	2,336,915,720	2,792,005,644
Total shareholders' equity	5,401,257,789	5,856,347,713
Total liabilities and shareholders' equity	24,474,336,643	21,107,869,636

Thai AirAsia Company Limited Statement of Comprehensive Income For the three-month period ended 30 September 2014

		Unaudited	Unaudited
	Notes	2014 Baht	2013 Baht
Revenues from sales and services		5,558,593,859	5,595,067,967
Cost of sales of goods and services		(5,618,664,740)	(4,909,884,017)
Gross profit (loss)		(60,070,881)	685,183,950
Net gain on exchange rates		84,424,201	37,424,259
Other income		196,763,547	144,529,538
Profit before expenses		221,116,867	867,137,747
Selling expenses		(334,335,453)	(288,869,746)
Administrative expenses		(164,696,741)	(129,732,628)
Profit (loss) before finance costs and			
income tax		(277,915,327)	448,535,373
Finance costs		(87,137,113)	(50,045,823)
Profit (loss) before income tax		(365,052,440)	398,489,550
Income tax	8	(17,082,743)	(101,178,064)
Net profit (loss) for the period		(382,135,183)	297,311,486
Total comprehensive income (expense) for the period		(382,135,183)	297,311,486
Earnings (loss) per share			
Basic earnings (loss) per share	9	(8.77)	6.83

The accompanying notes on pages 10 to 25 from part of this interim financial information.

		Unaudited 2014	Unaudited 2013
	Notes	Baht _	Baht
Revenues from sales and services		17,479,402,586	16,983,814,903
Cost of sales of goods and services	-	(17,059,421,154)	(14,271,428,017)
Gross profit		419,981,432	2,712,386,886
Net gain on exchange rates		108,353,343	169,710,590
Other income		579,260,151	382,024,705
Profit before expenses		1,107,594,926	3,264,122,181
Selling expenses		(844,942,398)	(766,002,950)
Administrative expenses	-	(527,827,920)	(402,074,733)
Profit (loss) before finance costs and			
income tax		(265,175,392)	2,096,044,498
Finance costs	-	(205,676,971)	(113,614,376)
Profit (loss) before income tax		(470,852,363)	1,982,430,122
Income tax	8	15,762,439	(447,457,860)
Net profit (loss) for the period	-	(455,089,924)	1,534,972,262
Total comprehensive income (expense)		(477 000 00 1)	4.704.070.050
for the period	=	(455,089,924)	1,534,972,262
Earnings (loss) per share			
Basic earnings (loss) per share	9	(10.45)	35.24

	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings Baht	Total Baht
Opening balance as at 1 January 2013 (Audited) Total comprehensive income for the period	435,555,600	2,628,786,469	831,593,359 1,534,972,262	3,895,935,428 1,534,972,262
Closing balance as at 30 September 2013 (Unaudited)	435,555,600	2,628,786,469	2,366,565,621	5,430,907,690
Opening balance as at 1 January 2014 (Audited) Total comprehensive expense for the period	435,555,600	2,628,786,469	2,792,005,644 (455,089,924)	5,856,347,713 (455,089,924)
Closing balance as at 30 September 2014 (Unaudited)	435,555,600	2,628,786,469	2,336,915,720	5,401,257,789

	Note	Unaudited 2014 Baht	Unaudited 2013 Baht
Cash flows from operating activities			
Profit (loss) before income tax		(470,852,363)	1,982,430,122
Adjustments for:			
Depreciation	6	558,450,846	237,140,820
Amortisation	6	4,111,208	3,293,350
(Gain) loss on disposals and write-offs of leasehold			
improvements and equipment		(304,190)	1,064,180
Employee benefit expenses		27,176,768	30,903,829
Amortisation of share-based payment		-	33,712,692
Net gain on exchange rates		(47,084,503)	(28,188,671)
Gain on disposals of investments in private funds		(8,642,444)	-
Unrealised gain on fair value adjustment in			
investments in private funds		(4,600,202)	(20,493,006)
Finance costs		205,676,971	113,614,376
Interest income		(130,193,351)	(115,195,344)
Changes in operating assets and liabilities:		133,738,740	2,238,282,348
- Trade and other receivables		(3,052,644)	(414,846,906)
- Amounts due from related parties		(417,535,416)	(742,514)
- Inventories		5,536,870	(1,500,925)
- Prepaid expenses		(75,203,143)	(192,892,738)
- Value added tax receivable		(88,110,244)	98,058,761
- Other current assets		(2,277,214)	(16,061,919)
- Other non-current assets		15,192,396	(46,978,734)
- Trade accounts payable		(30,112,268)	60,359,907
- Other accounts payable		76,898,924	69,574,853
- Amounts due to related parties		(292,829,697)	(35,112,368)
- Deferred revenues		492,426,444	789,718,456
- Accrued expenses		(160,957,980)	591,886,531
- Other current liabilities		5,294,367	3,438,434
Cash generated from (used in) operating activities		(340,990,865)	3,143,183,186
Income tax paid		(118,981,294)	(290,446,733)
Interest received		20,824,427	16,457,832
Net cash generated from (used in) operating activities		(439,147,732)	2,869,194,285

The accompanying notes on pages 10 to 25 from part of this interim financial information.

	Note	Unaudited 2014 Baht	Unaudited 2013 Baht
Cash flows from investing activities			
Decrease (increase) in cash at financial institutions			
pledged as security		175,364,332	(58,211,952)
Decrease (increase) in short-term investments		1,401,303,255	(2,073,875,571)
Decrease (increase) in investments in private funds		1,005,033,057	(1,000,000,000)
Decrease (increase) in long-term investments		17,704,500	(184,300)
Proceeds from disposals of leasehold			
improvements and equipment		385,286	424,893
Payments for aircraft, leasehold improvements			
and equipment		(1,169,295,276)	(790,189,944)
Payments for intangible assets	6	(4,591,455)	(3,834,614)
Interest received		104,824,419	77,855,175
Net cash generated from (used in) investing activities		1,530,728,118	(3,848,016,313)
Cash flows from financing activities			
Repayments of finance leases		(485,317,894)	(188,293,172)
Interest paid		(214,804,920)	(112,207,457)
Net cash used in financing activities		(700,122,814)	(300,500,629)
Net increase (decrease) in cash and			
cash equivalents		391,457,572	(1,279,322,657)
Cash and cash equivalents at the beginning			
of the period		1,956,554,421	3,847,787,525
Exchange gain (loss) on cash and cash equivalents		(20,191,977)	47,148,214
Cash and cash equivalents at the end			
of the period		2,327,820,016	2,615,613,082

Non-cash transactions

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

Purchase of aircraft spare parts which have not		
been paid	2,715,126	85,883,203
Purchase of aircraft under finance lease agreement	4,329,620,440	2,968,682,432

The accompanying notes on pages 10 to 25 from part of this interim financial information.

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, Sanam Bin district, 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 "Amended 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.

This interim financial information was approved by the Board of Directors on 13 November 2014.

This interim financial information was reviewed, not audited.

2 Accounting policies

2.1) Basis of preparation

This interim financial information was 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 financial statements for the year ended 31 December 2013.

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.

2 Accounting policies (Cont'd)

2.1) Basis of preparation (Cont'd)

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 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.

2.2) 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

2 Accounting policies (Cont'd)

2.2) Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

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

Applying the restatement approach under TAS 29
financial reporting in hyperinflationary economies
Interim financial reporting and impairment
Service concession arrangements
Customer loyalty programmes
Distributions of non-cash assets to owners
Transfers of assets from customers
Operating leases - incentives
Evaluating the substance of transactions in the legal
form of a lease
Service concession arrangements: Disclosure
Intangible assets - Website costs

The Company'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.

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 Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013.

4 Segment information

Financial information by business segments

For the three-month period ended
30 September 2014
(Unaudited)

			(Unaudited)
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues	5,310,642,549	247,951,310	5,558,593,859
Profit (loss) from operation Net gain on exchange rates Other income Finance costs	(577,469,756)	18,366,681	(559,103,075) 84,424,201 196,763,547 (87,137,113)
Loss before income tax Income tax			(365,052,440) (17,082,743)
Net loss for the period			(382,135,183)
Total assets			24,474,336,643

For the three-month period ended 30 September 2013 (Unaudited)

			(Onaudited)
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues	5,282,339,670	312,728,297	5,595,067,967
Profit from operation Net gain on exchange rates Other income Finance costs	252,026,672	14,554,904	266,581,576 37,424,259 144,529,538 (50,045,823)
Profit before income tax Income tax			398,489,550 (101,178,064)
Net profit for the period			297,311,486
Total assets			17.007.768.386

4 Segment information (Cont'd)

Financial information by business segments (Cont'd)

For the nine-month period ended 30 September 2014 (Unaudited)

			(Chaudited)
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues	16,846,475,133	632,927,453	17,479,402,586
Profit (loss) from operation Net gain on exchange rates Other income Finance costs	(992,356,946)	39,568,060	(952,788,886) 108,353,343 579,260,151 (205,676,971)
Loss before income tax Income tax			(470,852,363) 15,762,439
Net loss for the period			(455,089,924)
Total assets			24,474,336,643

For the nine-month period ended 30 September 2013 (Unaudited)

			(Onaudited)
	Scheduled flight operations Baht	Charter flight operations Baht	Total Baht
Revenues	16,124,924,038	858,890,865	16,983,814,903
Profit from operation Net gain on exchange rates Other income Finance costs	1,515,423,390	28,885,813	1,544,309,203 169,710,590 382,024,705 (113,614,376)
Profit before income tax Income tax			1,982,430,122 (447,457,860)
Net profit for the period			1,534,972,262
Total assets			17,007,768,386

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 **Segment information** (Cont'd)

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

- Scheduled flight operations: The Company provides passenger air transportation services to routine destinations based on scheduled flights. The Company sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Charter flight operations: The Company 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 Company 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 Company's total assets are joint assets that are used among segments. Hence, they are not allocated to each reporting segment.

5 Trade and other receivables, net

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Trade accounts receivable <u>Less</u> Allowance for doubtful account	328,584,285	317,179,582 (2,220,250)
Trade accounts receivable, net Accrued income Other receivables	328,584,285 384,819,675 14,048,007	314,959,332 392,443,008 16,102,346
Total trade and other receivables, net	727,451,967	723,504,686

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

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Up to 3 months	272,007,650	269,321,178
3 - 6 months	9,575,210	3,902,087
6 - 12 months	22,595,249	34,573,329
Over 12 months	24,406,176	9,382,988
Total trade accounts receivable	328,584,285	317,179,582
<u>Less</u> Allowance for doubtful account		(2,220,250)
Total trade accounts receivable, net	328,584,285	314,959,332

6 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 2014		
Opening net book amount (Audited)	10,835,933,219	11,959,429
Additions	5,566,762,405	4,591,455
Disposals, net	(81,096)	-
Depreciation/amortisation	(558,450,846)	(4,111,208)
Closing net book amount (Unaudited)	15,844,163,682	12,439,676

Significant additions in financial information for the nine-month period ended 30 September 2014 are aircraft acquired under finance lease and related spare parts of Baht 5,458.41 million.

7 Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Within 1 year	1,307,473,215	840,034,332
Later than 1 year but not later than 5 years	5,222,359,302	3,733,718,639
Later than 5 years	7,997,463,131	5,006,647,324
<u>Less</u> Future finance charges on finance leases	(2,539,961,474)	(1,419,561,602)
	11,987,334,174	8,160,838,693
Representing lease liabilities:		
- Current portion	904,530,420	615,065,684
- Non-current portion	11,082,803,754	7,545,773,009
	11,987,334,174	8,160,838,693

7 Finance lease liabilities (Cont'd)

The present values of finance lease liabilities are as follows:

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Within 1 year Later than 1 year but not later than 5 years Later than 5 years	1,281,582,119 4,686,047,876 6,019,704,179	825,903,954 3,417,297,611 3,917,637,128
	11,987,334,174	8,160,838,693

During the third quarter of 2014, the Company entered into three Aircraft Finance Lease Agreements. The lease period of each agreement is 12 years with a purchase option of the aircraft from the lessor at the end of the lease period.

8 Income tax

	For the three-month period and Septem (Unaudit	
	2014 Baht	2013 Baht
Current tax: Current tax on profit for the period		44,265,335
Total current tax		44,265,335
Deferred tax: Origination and reversal of temporary differences: - Deferred tax assets - Deferred tax liabilities	(405,337,705) 422,420,448	(59,054,836) 115,967,565
Total deferred tax	17,082,743	56,912,729
Total income tax	17,082,743	101,178,064

8 Income tax (Cont'd)

	For the nine-month periods ended 30 September	
		(Unaudited)
	2014	2013
	Baht	Baht
Current tax:		
Current tax on profit for the period	-	341,528,882
Adjustment in respect of prior year	(34,920,944)	
Total current tax	(34,920,944)	341,528,882
Deferred tax:		
Origination and reversal of temporary differences:		
- Deferred tax assets	(547,239,790)	(313,686,294)
- Deferred tax liabilities	566,398,295	419,615,272
Total deferred tax	19,158,505	105,928,978
Total income tax	(15,762,439)	447,457,860

9 Earnings (loss) per share

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

during the period.	For the three- ended	month periods 1 30 September (Unaudited)
	2014	2013
Net profit (loss) for the period (Baht) Weighted average number of paid-up ordinary	(382,135,183)	297,311,486
shares outstanding (Shares)	43,555,560	43,555,560
Basic earnings (loss) per share (Baht per share)	(8.77)	6.83
		month periods 1 30 September (Unaudited)
		30 September
Net profit (loss) for the period (Baht) Weighted average number of paid-up ordinary	ended	30 September (Unaudited)
Net profit (loss) for the period (Baht) Weighted average number of paid-up ordinary shares outstanding (Shares)	2014	Unaudited) 2013

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.

On 30 September 2014, the Company are controlled by Asia Aviation Public Company Limited which owns 55% of the shares of the Company (31 December 2013: 55%).

For reporting purposed, AirAsia Berhad who held 45% of the Company's shares 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

	ended 30	For the three-month periods ended 30 September (Unaudited)	
	2014	2013	
	Baht	Baht	
Other related party			
Interest income	1,291,513	860,455	
		September (Unaudited)	
	2014	2013	
	Baht	Baht	
Other related party	2 640 960	2 101 520	
Interest income	3,649,869	2,101,539	

10 Related party transactions (Cont'd)

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

10.2) Purchases of goods, services and expenses

	For the three-month periods ended 30 September (Unaudited)		
	2014	2013	
	Baht	Baht	
Other related parties			
Share of loss from fuel swap agreements	22,411,088	2,538,050	
Share of staff costs for accounting services	7,587,440	(10,264,606)	
Aircraft rental	931,965,466	826,038,434	
Aircraft repair and maintenance	333,245,672	370,052,061	
Purchases of merchandises and equipment	114,463,034	41,892,992	
Management fee expenses	3,869,756	3,809,516	
Booking fee expenses	24,182,705	21,964,390	
Pilot training expenses	40,211,516	21,996,371	
Brand license fee expenses	58,901,214	58,815,605	
Parent company			
Management fee expenses	6,250,000	-	

	For the nine-month periods ended 30 September (Unaudited)	
	2014	2013
	Baht	Baht
Other related parties		
Share of loss from fuel swap agreements	353,898	52,844,748
Share of staff costs for accounting services	19,786,892	(28,365,769)
Aircraft rental	2,806,832,494	2,389,794,307
Aircraft repair and maintenance	1,111,138,863	1,066,734,182
Purchases of merchandises and equipment	183,165,221	101,885,145
Management fee expenses	11,700,520	11,023,280
Booking fee expenses	75,206,585	62,485,089
Pilot training expenses	78,145,783	77,111,513
Brand license fee expenses	181,722,172	172,757,196
Parent company		
Management fee expenses	18,750,000	-

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:

	For the three-month periods ended 30 September (Unaudited)	
	2014	2013
	Baht	Baht
Salaries and other short-term employee		
benefits	17,504,183	12,933,175
Retirement benefits	1,252,552	1,262,772
	18,756,735	14,195,947
	For the nine-mended 3	onth periods 0 September (Unaudited)
	2014	
		2013
	Baht	2013 Baht
Salaries and other short-term employee		
Salaries and other short-term employee benefits		
± •	Baht _	Baht

10 Related party transactions (Cont'd)

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

10.4) Amounts due from related parties

Unaudited	Audited
30 September	31 December
2014	2013
Baht	Baht
507,656,445	87,240,764
	30 September 2014 Baht

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

10.5) Amounts due to related parties

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Other related parties Parent company	207,313,018 6,687,500	506,830,215
	214,000,518	506,830,215

10.6) Other non-current assets

	Unaudited 30 September 2014 Baht	Audited 31 December 2013 Baht
Other related parties Aircraft rental deposits Fuel price swap deposits	619,145,984 16,115,200	605,152,224 16,338,900
	635,261,184	621,491,124

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:

	Unaudited	Audited
	30 September	31 December
	2014	2013
	US Dollars	US Dollars
Favourable (unfavourable) fuel price swap agreements	(4,006,185)	309,928

Interest rate swap agreement

The net fair value of interest rate swap agreement at the statement of financial position date is as follows:

is as follows:	Unaudited 30 September	Audited
	2014 Baht	2013 Baht
Unfavourable interest rate swap agreement	(10,789,260)	

12 Commitments

For the nine-month period ended 30 September 2014, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2013.

As at 30 September 2014, the Company had the future aggregate minimum lease payments in respect of non-cancellable aircraft operating lease agreements made with AirAsia (Mauritius) Limited, a related company for 28 aircraft (as at 31 December 2013: 27 aircraft) as follows:

	Unaudited 30 September 2014 US Dollars	Audited 31 December 2013 US Dollars
Within 1 year Later than 1 year but	115,260,000	111,480,000
not later than 5 years	461,040,000	445,920,000
Later than 5 years	302,447,342	362,093,589
Total	878,747,342	919,493,589

For the nine-month period ended 30 September 2014, there were no outstanding commitments or contingent liabilities related to aircraft insurance agreement (as at 31 December 2013: US Dollars 893,590).

13 Guarantees

As at 30 September 2014, the Company had commitment from letters of guarantee issued by banks 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 Company can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Company.

14 Letters of guarantees

The Company had commitments from letters of guarantee in respect of ground handling, technical support and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows:

		\mathbf{U}_1	naudited			Audited
	3	30 Septem	ber 2014	31 December 20		
	Baht million	US Dollars million	Indian Rupee million	Baht million	US Dollars million	Indian Rupee million
Guarantees relating to flight operating activities Guarantees relating to	7.75	0.09	12.38	6.75	0.09	3.38
maintenance reserve fund		9.59	<u> </u>		9.59	
Total	7.75	9.68	12.38	6.75	9.68	3.38

The Company used its saving and current accounts as collateral for these letters of guarantees as follows:

	Unaudited 30 September 2014		31	Audited December 2013
	Baht million	Indian Rupee million	Baht million	Indian Rupee million
Saving account Current account	171.01	12.68	337.37	3.68
Total	171.01	12.68	337.37	3.68

15 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. The conditions require that the Company's authorised and paid-up share capital shall not less than Baht 435.5 million.

As at 30 September 2014, the Company had received 12 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2013: 7 aircraft).