

**THAI AIRASIA COMPANY LIMITED**

**INTERIM EQUITY METHOD AND COMPANY  
FINANCIAL INFORMATION  
(UNAUDITED)**

**31 MARCH 2015**



## AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Thai AirAsia Company Limited

I have reviewed the accompanying equity method and company statements of financial position as at 31 March 2015, the related equity method and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information of Thai AirAsia Company Limited and its associate, and of Thai AirAsia Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### *Scope of review*

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### *Conclusion*

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

A handwritten signature in blue ink, appearing to read 'Chanchai Chaiprasit', is written over a light blue horizontal line.

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

Bangkok  
12 May 2015

**Thai AirAsia Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2015**

		Equity Method		Company	
		Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht
Notes					
<b>Assets</b>					
<b>Current assets</b>					
		4,650,131,436	-	4,650,131,436	4,783,432,668
		4,575,938	-	4,575,938	6,109,410
		1,526,431,633	-	1,526,431,633	1,492,718,615
		779,265,000	-	779,265,000	-
		-	-	-	10,480,236
	5	605,897,880	-	605,897,880	631,014,664
	11.4	277,140,602	-	277,140,602	68,162,932
		84,700,814	-	84,700,814	75,603,159
		535,884,401	-	535,884,401	270,021,843
		72,700,016	-	72,700,016	86,822,474
		46,893,345	-	46,893,345	39,437,657
		<b>8,583,621,065</b>	<b>-</b>	<b>8,583,621,065</b>	<b>7,463,803,658</b>
<b>Non-current assets</b>					
		420,435,415	-	420,435,415	171,192,685
		10,669,100	-	10,669,100	1,297,809,100
	6	2,409,725	-	2,500,000	-
	7	18,490,534,923	-	18,490,534,923	15,932,386,431
	7	11,607,149	-	11,607,149	11,459,936
		865,910,723	-	865,910,723	812,677,583
		<b>19,801,567,035</b>	<b>-</b>	<b>19,801,657,310</b>	<b>18,225,525,735</b>
		<b>28,385,188,100</b>	<b>-</b>	<b>28,385,278,375</b>	<b>25,689,329,393</b>

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

**Thai AirAsia Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2015**

		Equity Method		Company	
		Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht
	Notes				
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable		328,772,448	-	328,772,448	175,170,833
Other accounts payable		127,176,943	-	127,176,943	192,155,392
Amounts due to related parties	11.5	772,768,305	-	772,768,305	472,709,254
Deferred revenues		4,136,680,419	-	4,136,680,419	4,629,227,573
Accrued expenses		1,234,332,877	-	1,234,332,877	1,371,431,680
Current portion of finance lease liabilities	8	1,120,063,672	-	1,120,063,672	959,006,292
Other current liabilities		25,652,905	-	25,652,905	61,326,908
<b>Total current liabilities</b>		<b>7,745,447,569</b>	<b>-</b>	<b>7,745,447,569</b>	<b>7,861,027,932</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	8	12,809,234,475	-	12,809,234,475	11,117,961,859
Deferred tax liabilities, net		538,745,863	-	538,745,863	351,812,236
Employee benefit obligations		168,092,564	-	168,092,564	157,547,925
<b>Total non-current liabilities</b>		<b>13,516,072,902</b>	<b>-</b>	<b>13,516,072,902</b>	<b>11,627,322,020</b>
<b>Total liabilities</b>		<b>21,261,520,471</b>	<b>-</b>	<b>21,261,520,471</b>	<b>19,488,349,952</b>

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

**Thai AirAsia Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2015**

	Equity Method		Company	
	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht
<b>Liabilities and shareholders' equity (Cont'd)</b>				
<b>Shareholders' equity</b>				
Share capital				
Authorised share capital				
Ordinary shares, 43,555,560 shares of par Baht 10 each	435,555,600	-	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	435,555,600
Premium on share capital	2,628,786,469	-	2,628,786,469	2,628,786,469
Retained earnings	4,059,325,560	-	4,059,415,835	3,136,637,372
<b>Total shareholders' equity</b>	<b>7,123,667,629</b>	<b>-</b>	<b>7,123,757,904</b>	<b>6,200,979,441</b>
<b>Total liabilities and shareholders' equity</b>	<b>28,385,188,100</b>	<b>-</b>	<b>28,385,278,375</b>	<b>25,689,329,393</b>

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

**Thai AirAsia Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2015**

	Notes	Equity Method		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
Revenues from sales and services		7,734,176,132	-	7,734,176,132	6,459,874,266
Cost of sales of goods and services		(6,151,897,630)	-	(6,151,897,630)	(5,861,414,052)
<b>Gross profit</b>		1,582,278,502	-	1,582,278,502	598,460,214
Net gain on exchange rates		14,690,891	-	14,690,891	-
Other income		198,320,593	-	198,320,593	173,635,744
<b>Profit before expenses</b>		1,795,289,986	-	1,795,289,986	772,095,958
Selling expenses		(370,979,028)	-	(370,979,028)	(218,551,671)
Administrative expenses		(206,465,288)	-	(206,465,288)	(171,420,553)
Net loss on exchange rates		-	-	-	(16,575,689)
<b>Profit before finance costs, share of loss from investment in an associate and income tax</b>		1,217,845,670	-	1,217,845,670	365,548,045
Finance costs		(108,133,580)	-	(108,133,580)	(53,970,581)
<b>Profit before share of loss from investment in an associate and income tax</b>		1,109,712,090	-	1,109,712,090	311,577,464
Share of loss from investment in an associate		(90,275)	-	-	-
<b>Profit before income tax</b>		1,109,621,815	-	1,109,712,090	311,577,464
Income tax	9	(186,933,627)	-	(186,933,627)	(66,922,260)
<b>Net profit for the period</b>		922,688,188	-	922,778,463	244,655,204
<b>Total comprehensive income for the period</b>		922,688,188	-	922,778,463	244,655,204
<b>Earnings per share</b>					
Basic earnings per share	10	21.18	-	21.19	5.62

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

**Thai AirAsia Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the three-month period ended 31 March 2015**

	<b>Equity Method</b>			
	<b>Issued and paid-up share capital Baht</b>	<b>Premium on share capital Baht</b>	<b>Retained earnings Baht</b>	<b>Total Baht</b>
<b>Opening balance as at 1 January 2014 (Audited)</b>	-	-	-	-
Total comprehensive income for the period	-	-	-	-
<b>Closing balance as at 31 March 2014 (Unaudited)</b>	-	-	-	-
<b>Opening balance as at 1 January 2015 (Audited)</b>	435,555,600	2,628,786,469	3,136,637,372	6,200,979,441
Total comprehensive income for the period	-	-	922,688,188	922,688,188
<b>Closing balance as at 31 March 2015 (Unaudited)</b>	435,555,600	2,628,786,469	4,059,325,560	7,123,667,629

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

**Thai AirAsia Company Limited**  
**Statement of Changes in Shareholders' Equity (Cont'd)**  
**For the three-month period ended 31 March 2015**

	<b>Company</b>			<b>Total Baht</b>
	<b>Issued and paid-up share capital Baht</b>	<b>Premium on share capital Baht</b>	<b>Retained earnings Baht</b>	
<b>Opening balance as at 1 January 2014 (Audited)</b>	435,555,600	2,628,786,469	2,792,005,644	5,856,347,713
Total comprehensive income for the period	-	-	244,655,204	244,655,204
<b>Closing balance as at 31 March 2014 (Unaudited)</b>	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>3,036,660,848</u>	<u>6,101,002,917</u>
<b>Opening balance as at 1 January 2015 (Audited)</b>	435,555,600	2,628,786,469	3,136,637,372	6,200,979,441
Total comprehensive income for the period	-	-	922,778,463	922,778,463
<b>Closing balance as at 31 March 2015 (Unaudited)</b>	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>4,059,415,835</u>	<u>7,123,757,904</u>

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



**Thai AirAsia Company Limited**  
**Statement of Cash Flows**  
**For the three-month period ended 31 March 2015**

	Note	Equity Method		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		1,109,621,815	-	1,109,712,090	311,577,464
Adjustments for:					
Depreciation	7	268,055,782	-	268,055,782	166,856,869
Amortisation	7	1,273,353	-	1,273,353	1,235,464
Amortisation of prepaid expenses		52,890,973	-	52,890,973	17,906,007
(Gain) loss on disposals of leasehold improvements and equipment		1,029,533	-	1,029,533	(213,899)
Employee benefit expenses		10,544,639	-	10,544,639	9,058,879
Net gain on exchange rates		(9,534,078)	-	(9,534,078)	(54,118,298)
Net gain on fair value adjustment in investments in private funds		(27,192)	-	(27,192)	(10,068,189)
Share of loss from investment in an associate		90,275	-	-	-
Finance costs		108,133,580	-	108,133,580	53,970,581
Interest income		(23,715,575)	-	(23,715,575)	(46,176,728)
		1,518,363,105	-	1,518,363,105	450,028,150
<b>Changes in operating assets and liabilities:</b>					
- Trade and other receivables		(26,848,024)	-	(26,848,024)	(179,083,338)
- Amounts due from related parties		(208,172,575)	-	(208,172,575)	(202,267,917)
- Inventories		(9,097,655)	-	(9,097,655)	(1,898,216)
- Prepaid expenses		(318,753,531)	-	(318,753,531)	(103,363,244)
- Value added tax receivable		14,122,458	-	14,122,458	(49,003,592)
- Other current assets		(5,031,169)	-	(5,031,169)	(7,567,074)
- Other non-current assets		(53,233,140)	-	(53,233,140)	18,325,086
- Trade accounts payable		153,601,615	-	153,601,615	110,827,047
- Other accounts payable		(64,978,449)	-	(64,978,449)	16,904,603
- Amounts due to related parties		300,059,051	-	300,059,051	(71,809,120)
- Deferred revenues		(492,547,154)	-	(492,547,154)	(294,595,473)
- Accrued expenses		(124,615,678)	-	(124,615,678)	(248,091,028)
- Other current liabilities		(35,674,003)	-	(35,674,003)	41,311,018
Cash generated from (used in) operating activities		647,194,851	-	647,194,851	(520,283,098)
Income tax paid		(2,424,519)	-	(2,424,519)	(1,665,361)
Interest received		2,794,521	-	2,794,521	4,543,531
Net cash generated from (used in) operating activities		647,564,853	-	647,564,853	(517,404,928)

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

**Thai AirAsia Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the three-month period ended 31 March 2015**

	Notes	Equity Method		Company	
		Unaudited 2015 Baht	Unaudited 2014 Baht	Unaudited 2015 Baht	Unaudited 2014 Baht
<b>Cash flows from investing activities</b>					
Decrease (increase) in cash at financial institutions pledged as security		(247,709,258)	-	(247,709,258)	8,736,023
Decrease (increase) in short-term investments		(33,713,018)	-	(33,713,018)	677,629,061
Decrease in investments in private funds		10,507,428	-	10,507,428	-
Decrease in long-term investments		500,000,000	-	500,000,000	26,725,000
Increase in investment in an associate	6	(2,500,000)	-	(2,500,000)	-
Proceeds from disposals of leasehold improvements and equipment		413,648	-	413,648	294,987
Payments for aircraft, leasehold improvements and equipment		(688,998,463)	-	(688,998,463)	(347,407,500)
Payments for intangible assets	7	(1,420,566)	-	(1,420,566)	(3,632,087)
Interest received		71,946,898	-	71,946,898	52,625,855
Net cash generated from (used in) investing activities		(391,473,331)	-	(391,473,331)	414,971,339
<b>Cash flows from financing activities</b>					
Repayments of finance leases		(222,987,170)	-	(222,987,170)	(135,022,530)
Interest paid		(109,136,136)	-	(109,136,136)	(59,697,340)
Net cash used in financing activities		(332,123,306)	-	(332,123,306)	(194,719,870)
<b>Net decrease in cash and cash equivalents</b>		(76,031,784)	-	(76,031,784)	(297,153,459)
Cash and cash equivalents at the beginning of the period		4,783,432,668	-	4,783,432,668	1,956,554,421
Exchange loss on cash and cash equivalents		(57,269,448)	-	(57,269,448)	(4,601,625)
<b>Cash and cash equivalents at the end of the period</b>		<u>4,650,131,436</u>	-	<u>4,650,131,436</u>	<u>1,654,799,337</u>

**Non-cash transactions**

Significant non-cash transactions during the three-month periods ended 31 March 2015 and 2014 are as follows:

Purchases of aircraft spare parts which have not been paid	22,115,047	-	22,115,047	9,593,745
Purchases of aircraft under finance lease agreements	2,150,129,562	-	2,150,129,562	1,080,751,638

The accompanying notes are an integral part of these 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, 3<sup>rd</sup> 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 12 May 2015.

This interim financial information has been 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 (revised 2014), “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 2014.

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.

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 2014.

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

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

**2 Accounting policies (Cont'd)**

**2.2 Basic of preparation equity method financial information**

On 17 March 2015, the Company had entered into Share Purchase Agreement to acquire 50% shareholding of Technology Asia Pacific Co., Ltd. ("TAP"). However, during the 1<sup>st</sup> quarter of 2015, there is no substantial evidence indicated that the Company has control over TAP. Accordingly, as of 31 March 2015 the investment in TAP was accounted for in the Company's financial information as investment in an associate and the 50% operation result after the acquisition of TAP was recognised as share of loss from investment in an associate in the equity method interim financial information for the three-month period ended 31 March 2015.

Due to the fact that, the Company has no interest in the above associate as at 31 December 2014 and during the three-month period ended 31 March 2014. Therefore, the equity interim financial information aforementioned periods are not presented for comparison.

**2.3 New financial reporting standards and revised accounting standards**

New financial reporting standards and revised accounting standards, which are expected to have significant change effective on 1 January 2015 and are relevant to the Company, are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Company.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Company.

TAS 27 (revised 2014) provides the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

**2 Accounting policies (Cont'd)**

**2.3 New financial reporting standards and revised accounting standards (Cont'd)**

New financial reporting standards and revised accounting standards, which are expected to have significant change effective on 1 January 2015 and are relevant to the Company, are as follows: (Cont'd)

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Company, except for disclosures.

The Company's management has assessed and determined that the new financial reporting standards and revised accounting standards do not have impact to the equity method financial information and company financial information being presented.

**2.4 Revised accounting policy**

**Investment in an associate**

On 17 March 2015, the Company acquired 50% shareholding of Technology Asia Pacific Company Limited. The acquisition comprises 2,000,000 capital shares at the par value of Baht 5.00 per share, totalling Baht 10 million. As of 31 March 2015, the Company paid up 25% or equivalent to Baht 2.50 million.

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Company's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Company's principal associate is set out in Note 6.

**Thai AirAsia Company Limited**  
**Condensed Notes to Interim Financial Information**  
**For the three-month period ended 31 March 2015**

**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 2014.

**4 Segment information**

**Financial information by business segments**

	<b>Equity Method</b>		
	<b>For the three-month period ended 31 March 2015 (Unaudited)</b>		
	<b>Scheduled flight operations Baht</b>	<b>Charter flight operations Baht</b>	<b>Total Baht</b>
Revenues from sales and services	7,231,744,303	502,431,829	7,734,176,132
Profit from operation	899,853,324	104,980,862	1,004,834,186
Net gain on exchange rates			14,690,891
Other income			198,320,593
Finance costs			(108,133,580)
Profit before share of loss from investment in an associate and income tax			1,109,712,090
Share of loss from investment in an associate			(90,275)
Income tax			(186,933,627)
Net profit for the period			<u>922,688,188</u>
Total assets			28,385,188,100

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

The operations of the 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, share of gain (loss) from investment in an associate 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.

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**5 Trade and other receivables, net**

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Trade accounts receivable	247,151,360	-	247,151,360	255,647,615
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade accounts receivable, net	247,151,360	-	247,151,360	255,647,615
Accrued airport incentive	270,535,871	-	270,535,871	253,027,273
Accrued income	77,876,039	-	77,876,039	111,865,263
Other receivables	10,334,610	-	10,334,610	10,474,513
Total trade and other receivables, net	<u>605,897,880</u>	<u>-</u>	<u>605,897,880</u>	<u>631,014,664</u>

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

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Up to 3 months	223,800,970	-	223,800,970	216,357,455
3 - 6 months	6,665,656	-	6,665,656	3,881,108
6 - 12 months	2,171,889	-	2,171,889	12,291,770
Over 12 months	14,512,845	-	14,512,845	23,117,282
Total trade accounts receivable	247,151,360	-	247,151,360	255,647,615
<u>Less</u> Allowance for doubtful account	-	-	-	-
Total trade accounts receivable, net	<u>247,151,360</u>	<u>-</u>	<u>247,151,360</u>	<u>255,647,615</u>

**Thai AirAsia Company Limited**  
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**6 Investment in an associate**

The investment of the Company is as follows:

	Percentage of Shareholding and voting right		Equity Method		Company		
	Unaudited 31 March 2015 Percent	Audited 31 December 2014 Percent	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	
	Country of incorporation						
<b>An Associate</b>							
Technology Asia Pacific Co., Ltd.	Thai	50.00	-	2,409,725	-	2,500,000	-

On 17 March 2015, the Company acquired 50% shareholding of Technology Asia Pacific Company Limited. The acquisition comprises 2,000,000 capital shares at the par value of Baht 5.00 per share, totalling Baht 10 million. As of 31 March 2015, the Company paid-up 25% or equivalent to Baht 2.50 million.



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

	<b>Equity Method</b>		<b>Company</b>	
	<b>Aircraft, leasehold improvements and equipment Baht</b>	<b>Intangible assets Baht</b>	<b>Aircraft, leasehold improvements and equipment Baht</b>	<b>Intangible assets Baht</b>
<b>For the three-month period ended 31 March 2015 (Unaudited)</b>				
Opening net book amount	15,932,386,431	11,459,936	15,932,386,431	11,459,936
Additions	2,827,647,455	1,420,566	2,827,647,455	1,420,566
Disposals, net	(1,443,181)	-	(1,443,181)	-
Depreciation/amortisation	(268,055,782)	(1,273,353)	(268,055,782)	(1,273,353)
Closing net book amount	18,490,534,923	11,607,149	18,490,534,923	11,607,149

Significant additions in financial information for the three-month period ended 31 March 2015 are aircraft acquired under finance leases of Baht 2,746.78 million.

**8 Finance lease liabilities**

Minimum lease payments under finance lease liabilities are as follows:

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Within 1 year	1,570,879,116	-	1,570,879,116	1,365,914,441
Later than 1 year but not later than 5 years	6,263,020,714	-	6,263,020,714	5,451,922,249
Later than 5 years	8,815,329,433	-	8,815,329,433	7,737,871,073
<u>Less</u> Future finance charges on finance leases	(2,719,931,116)	-	(2,719,931,116)	(2,478,739,612)
	13,929,298,147	-	13,929,298,147	12,076,968,151
Representing lease liabilities:				
- Current portion	1,120,063,672	-	1,120,063,672	959,006,292
- Non-current portion	12,809,234,475	-	12,809,234,475	11,117,961,859
	13,929,298,147	-	13,929,298,147	12,076,968,151

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**8 Finance lease liabilities (Cont'd)**

The present value of finance lease liabilities is as follows:

	Equity Method		Company	
	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht	Unaudited 31 March 2015 Baht	Audited 31 December 2014 Baht
Within 1 year	1,540,242,728	-	1,540,242,728	1,338,730,452
Later than 1 year but not later than 5 years	5,637,687,823	-	5,637,687,823	4,889,550,263
Later than 5 years	6,751,367,596	-	6,751,367,596	5,848,687,436
	<u>13,929,298,147</u>	<u>-</u>	<u>13,929,298,147</u>	<u>12,076,968,151</u>

During the quarter ended 31 March 2015, the Company entered into two Aircraft Finance Lease Agreements. The lease period of each Aircraft is 12 years, with a purchase option from the lessor at the end of the lease period.

**9 Income tax**

	Equity Method		Company	
	For the three-month periods ended 31 March (Unaudited)		For the three-month periods ended 31 March (Unaudited)	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Current tax:</b>				
Current tax on profit for the period	-	-	-	6,186,566
<b>Deferred tax:</b>				
- Deferred tax assets	(81,677,510)	-	(81,677,510)	(79,902,441)
- Deferred tax liabilities	268,611,137	-	268,611,137	140,638,135
<b>Total income tax</b>	<u>186,933,627</u>	<u>-</u>	<u>186,933,627</u>	<u>66,922,260</u>

**10 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.

	Equity Method		Company	
	For the three-month periods ended 31 March (Unaudited)		For the three-month periods ended 31 March (Unaudited)	
	2015	2014	2015	2014
Net profit for the period (Baht)	922,688,188	-	922,778,463	244,655,204
Weighted average number of paid-up ordinary shares outstanding (Shares)	43,555,560	-	43,555,560	43,555,560
Basic earnings per share (Baht per share)	21.18	-	21.19	5.62

## 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.

On 31 March 2015, the Company are controlled by Asia Aviation Public Company Limited which owns 55% of the shares of the Company (31 December 2014: 55%).

For reporting purposes, 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:

### 11.1 Income

	Equity Method		Company	
	For the three-month periods ended 31 March (Unaudited)			
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
<b>Other related parties</b>				
Interest income	938,965	-	938,965	1,141,352
Other administrative fee	8,855,123	-	8,855,123	-

### 11.2 Purchases of goods, services and expenses

	Equity Method		Company	
	For the three-month periods ended 31 March (Unaudited)			
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
<b>Other related parties</b>				
Share of (gain) loss from fuel price swap agreements	383,476,977	-	383,476,977	(7,870,395)
Share of staff costs for accounting services	10,741,445	-	10,741,445	4,781,552
Aircraft rental	946,127,078	-	946,127,078	935,359,716
Aircraft repair and maintenance	382,058,700	-	382,058,700	394,881,945
Purchases of merchandises and equipment	78,369,610	-	78,369,610	38,749,862
Management fee expenses	3,923,728	-	3,923,728	3,911,912
Booking fee expenses	31,852,073	-	31,852,073	27,204,332
Pilot training expenses	23,309,980	-	23,309,980	29,035,655
Brand license fee expenses	78,822,112	-	78,822,112	65,846,361
<b>Parent company</b>				
Management fee expenses	6,250,000	-	6,250,000	6,250,000

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

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

**11.3 Management remunerations**

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

	Equity Method		Company	
	For the three-month periods ended 31 March (Unaudited)			
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Salaries and other short-term employee benefits	22,797,203	-	22,797,203	33,864,178
Retirement benefits	1,417,959	-	1,417,959	1,252,552
	<u>24,215,162</u>	<u>-</u>	<u>24,215,162</u>	<u>35,116,730</u>

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

**11.4 Amounts due from related parties**

	Equity Method		Company	
	Unaudited 31 March 2015	Audited 31 December 2014	Unaudited 31 March 2015	Audited 31 December 2014
	Baht	Baht	Baht	Baht
Other related parties	<u>277,140,602</u>	<u>-</u>	<u>277,140,602</u>	<u>68,162,932</u>

Amounts due from related parties have been charged with the interest for overdue amount at 6.00% per annum (2014: 6.00% per annum).

**11.5 Amounts due to related parties**

	Equity Method		Company	
	Unaudited 31 March 2015	Audited 31 December 2014	Unaudited 31 March 2015	Audited 31 December 2014
	Baht	Baht	Baht	Baht
Other related parties	766,080,805	-	766,080,805	472,709,254
Parent Company	6,687,500	-	6,687,500	-
	<u>772,768,305</u>	<u>-</u>	<u>772,768,305</u>	<u>472,709,254</u>

**11.6 Other non-current assets**

	Equity Method		Company	
	Unaudited 31 March 2015	Audited 31 December 2014	Unaudited 31 March 2015	Audited 31 December 2014
	Baht	Baht	Baht	Baht
<b>Other related parties</b>				
Aircraft rental deposits	622,546,154	-	622,546,154	630,333,888
Fuel price swap deposit	16,203,700	-	16,203,700	16,406,400
	<u>638,749,854</u>	<u>-</u>	<u>638,749,854</u>	<u>646,740,288</u>

**12 Net fair value of financial instruments**

**Fuel price swap agreements**

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

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 US Dollars</b>	<b>Audited 31 December 2014 US Dollars</b>	<b>Unaudited 31 March 2015 US Dollars</b>	<b>Audited 31 December 2014 US Dollars</b>
Unfavourable fuel price swap agreements	(16,697,648)	-	(16,697,648)	(27,322,704)

**Forward foreign exchange contracts**

The net fair value of forward foreign exchange contracts at the statement of financial position date is as follows:

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Unfavourable forward foreign exchange contracts	(9,257,031)	-	(9,257,031)	(13,115,208)

The fair value of the forward foreign exchange contracts has been calculated (using rates quoted by the counterparty to the contracts) as if the contract was terminated at the statement of financial position date.

**Interest rate swap agreements**

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

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>	<b>Unaudited 31 March 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Unfavourable interest rate swap agreements	(24,840,693)	-	(24,840,693)	(25,340,152)

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**13 Commitments**

For the three-month period ended 31 March 2015, there were no significant changes in commitments or contingent liabilities from the year ended 31 December 2014 (please see financial statements for the year ended 31 December 2014).

As at 31 March 2015, 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 and insurance agreements of aircraft and aircraft engine as follows:

	<b>Equity Method</b>			
	<b>Unaudited</b>		<b>Audited</b>	
	<b>31 March 2015</b>		<b>31 December 2014</b>	
	<b>Rental</b>	<b>Insurance</b>	<b>Rental</b>	<b>Insurance</b>
	<b>US Dollars</b>	<b>agreement</b>	<b>US Dollars</b>	<b>agreement</b>
		<b>US Dollars</b>		<b>US Dollars</b>
Within 1 year	115,260,000	1,740,159	-	-
Later than 1 year but not later than 5 years	455,608,767	-	-	-
Later than 5 years	250,371,945	-	-	-
<b>Total</b>	<b>821,240,712</b>	<b>1,740,159</b>	<b>-</b>	<b>-</b>

  

	<b>Company</b>			
	<b>Unaudited</b>		<b>Audited</b>	
	<b>31 March 2015</b>		<b>31 December 2014</b>	
	<b>Rental</b>	<b>Insurance</b>	<b>Rental</b>	<b>Insurance</b>
	<b>US Dollars</b>	<b>agreement</b>	<b>US Dollars</b>	<b>agreement</b>
		<b>US Dollars</b>		<b>US Dollars</b>
Within 1 year	115,260,000	1,740,159	115,260,000	2,993,762
Later than 1 year but not later than 5 years	455,608,767	-	459,325,479	-
Later than 5 years	250,371,945	-	275,132,384	-
<b>Total</b>	<b>821,240,712</b>	<b>1,740,159</b>	<b>849,717,863</b>	<b>2,993,762</b>

**14 Guarantees**

As at 31 March 2015, there was a commitment related to guarantees issued by bank in respect of pilot trainees' loans in accordance with its professional pilot courses amounting to Baht 137.54 million (as at 31 December 2014: Baht 99.29 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.

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**15 Letters of guarantee**

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:

	<b>Equity Method</b>					
	<b>Unaudited</b>			<b>Audited</b>		
	<b>31 March 2015</b>			<b>31 December 2014</b>		
	<b>Baht</b>	<b>US</b>	<b>Indian</b>	<b>Baht</b>	<b>US</b>	<b>Indian</b>
	<b>million</b>	<b>Dollars</b>	<b>Rupee</b>	<b>million</b>	<b>Dollars</b>	<b>Rupee</b>
		<b>million</b>	<b>million</b>		<b>million</b>	<b>million</b>
Guarantees relating to flight operating activities	7.90	0.09	12.38	-	-	-
Guarantees relating to maintenance reserve fund	-	19.96	-	-	-	-
<b>Total</b>	<b>7.90</b>	<b>20.05</b>	<b>12.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<b>Company</b>					
	<b>Unaudited</b>			<b>Audited</b>		
	<b>31 March 2015</b>			<b>31 December 2014</b>		
	<b>Baht</b>	<b>US</b>	<b>Indian</b>	<b>Baht</b>	<b>US</b>	<b>Indian</b>
	<b>million</b>	<b>Dollars</b>	<b>Rupee</b>	<b>million</b>	<b>Dollars</b>	<b>Rupee</b>
		<b>million</b>	<b>million</b>		<b>million</b>	<b>million</b>
Guarantees relating to flight operating activities	7.90	0.09	12.38	7.90	0.09	12.38
Guarantees relating to maintenance reserve fund	-	19.96	-	-	9.59	-
<b>Total</b>	<b>7.90</b>	<b>20.05</b>	<b>12.38</b>	<b>7.90</b>	<b>9.68</b>	<b>12.38</b>

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

	<b>Equity Method</b>			
	<b>Unaudited</b>		<b>Audited</b>	
	<b>31 March 2015</b>		<b>31 December 2014</b>	
	<b>Baht</b>	<b>Indian Rupee</b>	<b>Baht</b>	<b>Indian Rupee</b>
	<b>million</b>	<b>million</b>	<b>million</b>	<b>million</b>
Saving account	418.82	-	-	-
Current account	-	12.68	-	-
<b>Total</b>	<b>418.82</b>	<b>12.68</b>	<b>-</b>	<b>-</b>

	<b>Company</b>			
	<b>Unaudited</b>		<b>Audited</b>	
	<b>31 March 2015</b>		<b>31 December 2014</b>	
	<b>Baht</b>	<b>Indian Rupee</b>	<b>Baht</b>	<b>Indian Rupee</b>
	<b>million</b>	<b>million</b>	<b>million</b>	<b>million</b>
Saving account	418.82	-	171.01	-
Current account	-	12.68	-	12.68
<b>Total</b>	<b>418.82</b>	<b>12.68</b>	<b>171.01</b>	<b>12.68</b>

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

As at 31 March 2015, the Company had received 14 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2014: 12 aircraft).

**17 Subsequent events**

On 18 April 2015, the Company accepted the delivery of one 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 agreement for period of 8.5 years.