

**THAI AIRASIA COMPANY LIMITED**

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

**30 JUNE 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 30 June 2015, the related equity method and company statements of comprehensive income for the three-month and six-month period then ended, changes in shareholders' equity and cash flows for the six-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  
11 August 2015

**Thai AirAsia Company Limited**  
**Statement of Financial Position**  
**As at 30 June 2015**

	Notes	Equity Method	Company	
		Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		4,412,513,469	4,412,513,469	4,783,432,668
Cash at financial institutions pledged as security		4,632,188	4,632,188	6,109,410
Short-term investments		1,521,218,500	1,521,218,500	1,492,718,615
Current portion of long-term investments		808,725,000	808,725,000	-
Investments in private funds		-	-	10,480,236
Trade and other receivables, net	5	560,785,417	560,785,417	631,014,664
Amounts due from related parties	11.4	372,636,098	372,636,098	68,162,932
Inventories		99,017,862	99,017,862	75,603,159
Prepaid expenses		479,904,036	479,904,036	270,021,843
Value added tax receivable, net		55,634,041	55,634,041	86,822,474
Other current assets		45,060,065	45,060,065	39,437,657
<b>Total current assets</b>		<b>8,360,126,676</b>	<b>8,360,126,676</b>	<b>7,463,803,658</b>
<b>Non-current assets</b>				
Cash at financial institutions pledged as security		420,455,215	420,455,215	171,192,685
Long-term investments		10,669,100	10,669,100	1,297,809,100
Investment in an associate	6	2,317,962	2,500,000	-
Aircraft, leasehold improvements and equipment, net	7	18,277,953,381	18,277,953,381	15,932,386,431
Intangible assets, net	7	13,186,392	13,186,392	11,459,936
Other non-current assets		908,694,823	908,694,823	812,677,583
<b>Total non-current assets</b>		<b>19,633,276,873</b>	<b>19,633,458,911</b>	<b>18,225,525,735</b>
<b>Total assets</b>		<b>27,993,403,549</b>	<b>27,993,585,587</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 30 June 2015**

		Equity Method	Company	
		Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
	Notes			
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade accounts payable		202,450,392	202,450,392	175,170,833
Other accounts payable		152,292,957	152,292,957	192,155,392
Amounts due to related parties	11.5	371,429,889	371,429,889	472,709,254
Deferred revenues		3,799,227,622	3,799,227,622	4,629,227,573
Accrued expenses		1,357,346,420	1,357,346,420	1,371,431,680
Current portion of finance lease liabilities	8	1,133,419,713	1,133,419,713	959,006,292
Other current liabilities		28,353,119	28,353,119	61,326,908
<b>Total current liabilities</b>		7,044,520,112	7,044,520,112	7,861,027,932
<b>Non-current liabilities</b>				
Finance lease liabilities	8	12,799,912,655	12,799,912,655	11,117,961,859
Deferred tax liabilities, net		472,567,946	472,567,946	351,812,236
Employee benefit obligations		178,637,212	178,637,212	157,547,925
<b>Total non-current liabilities</b>		13,451,117,813	13,451,117,813	11,627,322,020
<b>Total liabilities</b>		20,495,637,925	20,495,637,925	19,488,349,952

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

**Thai AirAsia Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 30 June 2015**

	<b>Equity Method</b>	<b>Company</b>	
	<b>Unaudited 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
<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	4,433,423,555	4,433,605,593	3,136,637,372
<b>Total shareholders' equity</b>	<b>7,497,765,624</b>	<b>7,497,947,662</b>	<b>6,200,979,441</b>
<b>Total liabilities and shareholders' equity</b>	<b>27,993,403,549</b>	<b>27,993,585,587</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 30 June 2015**

	Notes	Equity Method	Company	
		Unaudited 2015 Baht	Unaudited 2015 Baht	Unaudited 2014 Baht
Revenues from sales and services		6,884,952,805	6,884,952,805	5,460,934,461
Cost of sales of goods and services		(6,037,287,529)	(6,037,287,529)	(5,579,342,362)
<b>Gross profit (loss)</b>		847,665,276	847,665,276	(118,407,901)
Net gain on exchange rates		-	-	40,504,831
Other income		188,078,568	188,078,568	208,860,860
<b>Profit before expenses</b>		1,035,743,844	1,035,743,844	130,957,790
Selling expenses		(307,726,428)	(307,726,428)	(292,055,274)
Administrative expenses		(193,085,606)	(193,085,606)	(191,710,626)
Net loss on exchange rates		(83,618,999)	(83,618,999)	-
<b>Profit (loss) before finance costs, share of loss from investment in an associate and income tax</b>		451,312,811	451,312,811	(352,808,110)
Finance costs		(143,300,970)	(143,300,970)	(64,569,277)
<b>Profit (loss) before share of loss from investment in an associate and income tax</b>		308,011,841	308,011,841	(417,377,387)
Share of loss from investment in an associate		(91,763)	-	-
<b>Profit (loss) before income tax</b>		307,920,078	308,011,841	(417,377,387)
Income tax	9	66,177,917	66,177,917	99,767,442
<b>Net profit (loss) for the period</b>		374,097,995	374,189,758	(317,609,945)
<b>Total comprehensive income (expense) for the period</b>		374,097,995	374,189,758	(317,609,945)
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share	10	8.59	8.59	(7.29)

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

**Thai AirAsia Company Limited**  
**Statement of Comprehensive Income (Cont'd)**  
**For the six-month period ended 30 June 2015**

	Notes	Equity Method	Company	
		Unaudited 2015 Baht	Unaudited 2015 Baht	Unaudited 2014 Baht
Revenues from sales and services		14,619,128,937	14,619,128,937	11,920,808,727
Cost of sales of goods and services		(12,189,185,159)	(12,189,185,159)	(11,440,756,414)
<b>Gross profit</b>		2,429,943,778	2,429,943,778	480,052,313
Net gain on exchange rates		-	-	23,929,142
Other income		386,399,161	386,399,161	382,496,604
<b>Profit before expenses</b>		2,816,342,939	2,816,342,939	886,478,059
Selling expenses		(678,705,456)	(678,705,456)	(510,606,945)
Administrative expenses		(399,550,894)	(399,550,894)	(363,131,179)
Net loss on exchange rates		(68,928,108)	(68,928,108)	-
<b>Profit before finance costs, share of loss from investment in an associate and income tax</b>		1,669,158,481	1,669,158,481	12,739,935
Finance costs		(251,434,550)	(251,434,550)	(118,539,858)
<b>Profit (loss) before share of loss from investment in an associate and income tax</b>		1,417,723,931	1,417,723,931	(105,799,923)
Share of loss from investment in an associate		(182,038)	-	-
<b>Profit (loss) before income tax</b>		1,417,541,893	1,417,723,931	(105,799,923)
Income tax	9	(120,755,710)	(120,755,710)	32,845,182
<b>Net profit (loss) for the period</b>		1,296,786,183	1,296,968,221	(72,954,741)
<b>Total comprehensive income (expense) for the period</b>		1,296,786,183	1,296,968,221	(72,954,741)
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share	10	29.77	29.78	(1.67)

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

**Thai AirAsia Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the six-month period ended 30 June 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 2015 (Audited)</b>	435,555,600	2,628,786,469	3,136,637,372	6,200,979,441
Total comprehensive income for the period	-	-	1,296,786,183	1,296,786,183
<b>Closing balance as at 30 June 2015 (Unaudited)</b>	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>4,433,423,555</u>	<u>7,497,765,624</u>
	<b>Company</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>	435,555,600	2,628,786,469	2,792,005,644	5,856,347,713
Total comprehensive expense for the period	-	-	(72,954,741)	(72,954,741)
<b>Closing balance as at 30 June 2014 (Unaudited)</b>	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>2,719,050,903</u>	<u>5,783,392,972</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	-	-	1,296,968,221	1,296,968,221
<b>Closing balance as at 30 June 2015 (Unaudited)</b>	<u>435,555,600</u>	<u>2,628,786,469</u>	<u>4,433,605,593</u>	<u>7,497,947,662</u>

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



**Thai AirAsia Company Limited**  
**Statement of Cash Flows**  
**For the six-month period ended 30 June 2015**

	Equity Method	Company		
		Unaudited	Unaudited	Unaudited
		2015	2015	2014
Note	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax		1,417,541,893	1,417,723,931	(105,799,923)
Adjustments for:				
Depreciation	7	543,308,364	543,308,364	343,472,702
Amortisation	7	2,440,826	2,440,826	2,654,021
Amortisation of prepaid expenses		106,691,761	106,691,761	52,045,612
(Gain) loss on disposals of leasehold improvements and equipment		1,916,741	1,916,741	(276,139)
Employee benefit expenses		21,089,287	21,089,287	18,117,820
Net (gain) loss on exchange rates		120,506,012	120,506,012	(42,129,739)
Net gain on fair value adjustment in investments in private funds		(27,192)	(27,192)	(12,875,053)
Share of loss from investment in an associate		182,038	-	-
Finance costs		251,434,550	251,434,550	118,539,858
Interest income		(56,450,399)	(56,450,399)	(90,141,257)
		<u>2,408,633,881</u>	<u>2,408,633,881</u>	<u>283,607,902</u>
<b>Changes in operating assets and liabilities:</b>				
- Trade and other receivables		29,191,389	29,191,389	22,968,355
- Amounts due from related parties		(304,717,951)	(304,717,951)	(313,518,304)
- Inventories		(23,414,703)	(23,414,703)	(2,121,283)
- Prepaid expenses		(316,573,954)	(316,573,954)	(59,323,678)
- Value added tax receivable		31,188,433	31,188,433	(51,460,920)
- Other current assets		(2,014,330)	(2,014,330)	(6,812,080)
- Other non-current assets		(96,017,240)	(96,017,240)	26,400,226
- Trade accounts payable		27,279,559	27,279,559	13,954,008
- Other accounts payable		(39,862,435)	(39,862,435)	7,982,586
- Amounts due to related parties		(101,279,365)	(101,279,365)	(55,151,157)
- Deferred revenues		(829,999,951)	(829,999,951)	(477,618,884)
- Accrued expenses		(34,145,400)	(34,145,400)	(196,461,039)
- Other current liabilities		(32,973,789)	(32,973,789)	1,517,590
		<u></u>	<u></u>	<u></u>
Cash generated from (used in) operating activities		715,294,144	715,294,144	(806,036,678)
Income tax paid		(3,608,078)	(3,608,078)	(121,337,624)
Interest received		18,134,446	18,134,446	13,163,192
		<u></u>	<u></u>	<u></u>
Net cash generated from (used in) operating activities		<u>729,820,512</u>	<u>729,820,512</u>	<u>(914,211,110)</u>

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

**Thai AirAsia Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the six-month period ended 30 June 2015**

	Notes	Equity method	Company	
		Unaudited 2015 Baht	Unaudited 2015 Baht	Unaudited 2014 Baht
<b>Cash flows from investing activities</b>				
Decrease (increase) in cash at financial institutions pledged as security		(247,785,308)	(247,785,308)	175,150,124
Decrease (increase) in short-term investments		(29,442,285)	(29,442,285)	715,735,452
Decrease in investments in private funds		10,507,428	10,507,428	985,283,056
Decrease in long-term investments		500,000,000	500,000,000	26,425,000
Payment for investment in an associate	6	(2,500,000)	(2,500,000)	-
Proceeds from disposals of leasehold improvements and equipment		1,490,418	1,490,418	357,230
Payments for aircraft, leasehold improvements and equipment		(738,037,225)	(738,037,225)	(372,438,428)
Payments for intangible assets	7	(4,167,282)	(4,167,282)	(4,618,942)
Interest received		79,909,763	79,909,763	63,201,673
Net cash generated from (used in) investing activities		<u>(430,024,491)</u>	<u>(430,024,491)</u>	<u>1,589,095,165</u>
<b>Cash flows from financing activities</b>				
Repayments of finance leases		(486,102,215)	(486,102,215)	(293,565,786)
Interest paid		(235,490,097)	(235,490,097)	(128,263,477)
Net cash used in financing activities		<u>(721,592,312)</u>	<u>(721,592,312)</u>	<u>(421,829,263)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>				
		(421,796,291)	(421,796,291)	253,054,792
Cash and cash equivalents at the beginning of the period		4,783,432,668	4,783,432,668	1,956,554,421
Exchange gain (loss) on cash and cash equivalents		50,877,092	50,877,092	(13,253,213)
<b>Cash and cash equivalents at the end of the period</b>		<u><u>4,412,513,469</u></u>	<u><u>4,412,513,469</u></u>	<u><u>2,196,356,000</u></u>

**Non-cash transactions**

Significant non-cash transactions during the six-month period ended 30 June 2015 and 2014 are as follows:

Purchases of aircraft spare parts which have not been paid		36,772,443	36,772,443	616,306
Purchases of aircraft under finance lease agreements		2,113,694,235	2,113,694,235	1,051,990,107

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 11 August 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 2<sup>nd</sup> quarter of 2015, there is no substantial evidence indicated that the Company has control over TAP. Accordingly, as of 30 June 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 and six-month period ended 30 June 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 and six-month period ended 30 June 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 30 June 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.

**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 30 June 2015 (Unaudited)</b>		
	<b>Scheduled flight operations Baht</b>	<b>Charter flight operations Baht</b>	<b>Total Baht</b>
Revenues from sales and services	6,355,200,557	529,752,248	6,884,952,805
Profit from operation	228,595,685	118,257,557	346,853,242
Other income			188,078,568
Net loss on exchange rates			(83,618,999)
Finance costs			(143,300,970)
Profit before share of loss from investment in an associate and income tax			308,011,841
Share of loss from investment in an associate			(91,763)
Income tax			66,177,917
Net profit for the period			374,097,995
Total assets			27,993,403,549

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**4 Segment information (Cont'd)**

**Financial information by business segments (Cont'd)**

	<b>Equity Method</b>		
	<b>For the six-month period ended 30 June 2015 (Unaudited)</b>		
	<b>Scheduled flight operations Baht</b>	<b>Charter flight operations Baht</b>	<b>Total Baht</b>
Revenues from sales and services	13,586,944,860	1,032,184,077	14,619,128,937
Profit from operation	1,128,449,010	223,238,418	1,351,687,428
Other income			386,399,161
Net loss on exchange rates			(68,928,108)
Finance costs			(251,434,550)
Profit before share of loss from investment in an associate and income tax			1,417,723,931
Share of loss from investment in an associate			(182,038)
Income tax			(120,755,710)
Net profit for the period			1,296,786,183
Total assets			27,993,403,549

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 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Trade accounts receivable	276,730,208	276,730,208	255,647,615
<u>Less</u> Allowance for doubtful account	-	-	-
Trade accounts receivable, net	276,730,208	276,730,208	255,647,615
Accrued airport incentive	183,943,423	183,943,423	253,027,273
Accrued income	86,524,564	86,524,564	111,865,263
Other accounts receivable	13,587,222	13,587,222	10,474,513
Total trade and other receivables, net	560,785,417	560,785,417	631,014,664

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

	<b>Equity Method</b>	<b>Company</b>	
	<b>Unaudited 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Up to 3 months	259,025,314	259,025,314	216,357,455
3 - 6 months	2,139,850	2,139,850	3,881,108
6 - 12 months	1,444,749	1,444,749	12,291,770
Over 12 months	14,120,295	14,120,295	23,117,282
Total trade accounts receivable	276,730,208	276,730,208	255,647,615
<u>Less</u> Allowance for doubtful account	-	-	-
Total trade accounts receivable, net	276,730,208	276,730,208	255,647,615



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**6 Investment in an associate**

The investment of the Company is as follows:

Country of incorporation	Percentage of Shareholding and voting rights		Equity Method	Company		
	Unaudited 30 June 2015 Percent	Audited 31 December 2014 Percent	Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht	
	<b>An Associate</b> Technology Asia Pacific Co., Ltd.	Thai	50	-	2,317,962	2,500,000

On 17 March 2015, the Company acquired 50% shareholding of Technology Asia Pacific Co., Ltd. The acquisition comprises 2,000,000 capital shares at the par value of Baht 5 per share, totalling Baht 10 million. As of 30 June 2015, the Company paid-up 25% or equivalent to Baht 2.50 million.

**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 six-month period ended 30 June 2015</b>				
Opening net book amount (Audited)	15,932,386,431	11,459,936	15,932,386,431	11,459,936
Additions	2,892,282,473	4,167,282	2,892,282,473	4,167,282
Disposals, net	(3,407,159)	-	(3,407,159)	-
Depreciation/amortisation	(543,308,364)	(2,440,826)	(543,308,364)	(2,440,826)
Closing net book amount (Unaudited)	<u>18,277,953,381</u>	<u>13,186,392</u>	<u>18,277,953,381</u>	<u>13,186,392</u>

Significant additions in financial information for the six-month period ended 30 June 2015 are aircraft acquired under finance leases and related spare parts of Baht 2,846.26 million.

**8 Finance lease liabilities**

Minimum lease payments under finance lease liabilities are as follows:

	<b>Equity Method</b>		<b>Company</b>	
	<b>Unaudited 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Within 1 year	1,613,813,929	1,613,813,929	1,613,813,929	1,365,914,441
Later than 1 year but not later than 5 years	6,422,462,514	6,422,462,514	6,422,462,514	5,451,922,249
Later than 5 years	8,750,113,777	8,750,113,777	8,750,113,777	7,737,871,073
<u>Less</u> Future finance charges on finance leases	<u>(2,853,057,852)</u>	<u>(2,853,057,852)</u>	<u>(2,853,057,852)</u>	<u>(2,478,739,612)</u>
	<u>13,933,332,368</u>	<u>13,933,332,368</u>	<u>13,933,332,368</u>	<u>12,076,968,151</u>
Representing lease liabilities:				
- Current portion	1,133,419,713	1,133,419,713	1,133,419,713	959,006,292
- Non-current portion	12,799,912,655	12,799,912,655	12,799,912,655	11,117,961,859
	<u>13,933,332,368</u>	<u>13,933,332,368</u>	<u>13,933,332,368</u>	<u>12,076,968,151</u>

8 Finance lease liabilities (Cont'd)

The present value of finance lease liabilities is as follows:

	Equity Method	Company	
	Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
Within 1 year	1,580,532,463	1,580,532,463	1,338,730,452
Later than 1 year but not later than 5 years	5,748,459,485	5,748,459,485	4,889,550,263
Later than 5 years	6,604,340,420	6,604,340,420	5,848,687,436
	13,933,332,368	13,933,332,368	12,076,968,151

During the quarter ended 30 June 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	
	2015 Baht	For the three-month period ended 30 June (Unaudited) 2015 Baht	
<b>Current tax:</b>			
Current tax on loss for the period	-	-	(41,107,510)
<b>Deferred tax:</b>			
- Deferred tax assets	(74,629,864)	(74,629,864)	(61,999,644)
- Deferred tax liabilities	8,451,947	8,451,947	3,339,712
<b>Total income tax</b>	(66,177,917)	(66,177,917)	(99,767,442)
	Equity Method	Company	
	2015 Baht	For the six-month period ended 30 June (Unaudited) 2015 Baht	
<b>Current tax:</b>			
Current tax on loss for the period	-	-	(34,920,944)
<b>Deferred tax:</b>			
- Deferred tax assets	(156,307,374)	(156,307,374)	(141,902,085)
- Deferred tax liabilities	277,063,084	277,063,084	143,977,847
<b>Total income tax</b>	120,755,710	120,755,710	(32,845,182)

**10 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.

	<b>Equity Method</b>	<b>Company</b>	
	<b>For the three-month period ended 30 June (Unaudited)</b>		
	<b>2015</b>	<b>2015</b>	<b>2014</b>
Net profit (loss) for the period (Baht)	374,097,995	374,189,758	(317,609,945)
Weighted average number of paid-up ordinary shares outstanding (Shares)	43,555,560	43,555,560	43,555,560
Basic earnings (loss) per share (Baht per share)	8.59	8.59	(7.29)
	<b>Equity Method</b>	<b>Company</b>	
	<b>For the six-month period ended 30 June (Unaudited)</b>		
	<b>2015</b>	<b>2015</b>	<b>2014</b>
Net profit (loss) for the period (Baht)	1,296,786,183	1,296,968,221	(72,954,741)
Weighted average number of paid-up ordinary shares outstanding (Shares)	43,555,560	43,555,560	43,555,560
Basic earnings (loss) per share (Baht per share)	29.77	29.78	(1.67)

**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 30 June 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 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.

11 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

11.1 Income

	Equity Method		Company	
	For the three-month period ended 30 June (Unaudited)			
	2015	2015	2014	
	Baht	Baht	Baht	
<b>Other related parties</b>				
Interest income	663,903	663,903	1,217,004	
Other administrative fee	11,907,846	11,907,846	-	

	Equity Method		Company	
	For the six-month period ended 30 June (Unaudited)			
	2015	2015	2014	
	Baht	Baht	Baht	
<b>Other related parties</b>				
Interest income	1,602,868	1,602,868	2,358,356	
Other administrative fee	20,762,969	20,762,969	-	

11.2 Purchases of goods, services and expenses

	Equity Method		Company	
	For the three-month period ended 30 June (Unaudited)			
	2015	2015	2014	
	Baht	Baht	Baht	
<b>Other related parties</b>				
Share of (gain) loss from fuel price swap agreements	170,202,766	170,202,766	(14,186,795)	
Share of staff costs for accounting and other services	11,092,648	11,092,648	7,417,900	
Aircraft rental	984,149,526	984,149,526	939,507,312	
Aircraft repair and maintenance	424,631,286	424,631,286	383,011,245	
Purchases of merchandises and equipment	67,808,585	67,808,585	29,952,325	
Management fee expenses	4,032,944	4,032,944	3,918,852	
Booking fee expenses	28,628,078	28,628,078	23,819,548	
Pilot training expenses	19,479,887	19,479,887	8,898,612	
Brand license fee expenses	70,412,398	70,412,398	56,974,597	
<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)

**11.2 Purchases of goods, services and expenses (Cont'd)**

	Equity Method	Company	
	For the six-month period ended 30 June (Unaudited)		
	2015 Baht	2015 Baht	2014 Baht
<b>Other related parties</b>			
Share of (gain) loss from fuel price swap agreements	553,679,743	553,679,743	(22,057,190)
Share of staff costs for accounting and other services	21,834,093	21,834,093	12,199,452
Aircraft rental	1,930,276,604	1,930,276,604	1,874,867,028
Aircraft repair and maintenance	806,689,985	806,689,985	777,893,190
Purchases of merchandises and equipment	146,178,195	146,178,195	68,702,187
Management fee expenses	7,956,672	7,956,672	7,830,764
Booking fee expenses	60,480,151	60,480,151	51,023,880
Pilot training expenses	42,789,867	42,789,867	37,934,267
Brand license fee expenses	149,234,510	149,234,510	122,820,958
<b>Parent company</b>			
Management fee expenses	12,500,000	12,500,000	12,500,000

**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 period ended 30 June (Unaudited)		
	2015 Baht	2015 Baht	2014 Baht
Salaries and other short-term employee benefits	14,024,812	14,024,812	18,114,275
Retirement benefits	1,315,523	1,315,523	1,252,550
	15,340,335	15,340,335	19,366,825
	Equity Method	Company	
	For the six-month period ended 30 June (Unaudited)		
	2015 Baht	2015 Baht	2014 Baht
Salaries and other short-term employee benefits	36,822,015	36,822,015	51,978,453
Retirement benefits	2,733,482	2,733,482	2,505,102
	39,555,497	39,555,497	54,483,555

11 Related party transactions (Cont'd)

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 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
Other related parties	372,636,098	372,636,098	68,162,932

Amounts due from related parties have been charged with the interest for overdue amount at 6% per annum (2014: 6% per annum).

11.5 Amounts due to related parties

	Equity Method	Company	
	Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
Other related parties	371,429,889	371,429,889	472,709,254

11.6 Other non-current assets

	Equity Method	Company	
	Unaudited 30 June 2015 Baht	Unaudited 30 June 2015 Baht	Audited 31 December 2014 Baht
<b>Other related parties</b>			
Aircraft rental deposits	667,210,050	667,210,050	630,333,888
Fuel price swap deposit	16,772,500	16,772,500	16,406,400
	683,982,550	683,982,550	646,740,288

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:

	Equity Method	Company	
	Unaudited 30 June 2015 US Dollars	Unaudited 30 June 2015 US Dollars	Audited 31 December 2014 US Dollars
Unfavourable fuel price swap agreements	(6,406,909)	(6,406,909)	(27,322,704)

**12 Net fair value of financial instruments (Cont'd)**

**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 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Unfavourable forward foreign exchange contracts	(12,002,025)	(12,002,025)	(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 30 June 2015 Baht</b>	<b>Unaudited 30 June 2015 Baht</b>	<b>Audited 31 December 2014 Baht</b>
Favourable (unfavourable) interest rate swap agreements	662,701	662,701	(25,340,152)

**13 Commitments**

For the six-month period ended 30 June 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 30 June 2015, 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 and insurance agreements of aircraft and aircraft engine as follows:

	<b>Equity Method</b>	
	<b>Rental US Dollars</b>	<b>Insurance agreement US Dollars</b>
Within 1 year	119,340,000	994,377
Later than 1 year but not later than 5 years	467,118,904	-
Later than 5 years	240,123,123	-
Total	826,582,027	994,377



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**13 Commitments (Cont'd)**

As at 30 June 2015, 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 and insurance agreements of aircraft and aircraft engine as follows: (Cont'd)

	<b>Company</b>			
	<b>Unaudited 30 June 2015</b>		<b>Audited 31 December 2014</b>	
	<b>Rental US Dollars</b>	<b>Insurance agreement US Dollars</b>	<b>Rental US Dollars</b>	<b>Insurance agreement US Dollars</b>
Within 1 year	119,340,000	994,377	115,260,000	2,993,762
Later than 1 year but not later than 5 years	467,118,904	-	459,325,479	-
Later than 5 years	240,123,123	-	275,132,384	-
<b>Total</b>	<b>826,582,027</b>	<b>994,377</b>	<b>849,717,863</b>	<b>2,993,762</b>

**14 Guarantees**

As at 30 June 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.

**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>Baht million</b>	<b>US Dollars million</b>	<b>Unaudited 30 June 2015 Indian Rupee 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>

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**15 Letters of guarantee (Cont'd)**

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: (Cont'd)

	<b>Company</b>					
	<b>Unaudited</b>			<b>Audited</b>		
	<b>30 June 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>Company</b>			
	<b>Unaudited</b>		<b>Unaudited</b>		<b>Audited</b>	
	<b>30 June 2015</b>		<b>30 June 2015</b>		<b>31 December 2014</b>	
	<b>Baht</b>	<b>Indian</b>	<b>Baht</b>	<b>Indian</b>	<b>Baht</b>	<b>Indian</b>
	<b>million</b>	<b>Rupee</b>	<b>million</b>	<b>Rupee</b>	<b>million</b>	<b>Rupee</b>
		<b>million</b>		<b>million</b>		<b>million</b>
Saving account	418.82	-	418.82	-	171.01	-
Current account	-	12.68	-	12.68	-	12.68
<b>Total</b>	<b>418.82</b>	<b>12.68</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 435.50 million.

As at 30 June 2015, the Company had received 15 aircraft under such certificate of promotional privileges from the BOI (as at 31 December 2014: 12 aircraft).

**17 Subsequent events**

On 20 July 2015, the Company accepted the delivery of one additional Airbus A320-216 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 operating lease agreement for period of 10 years.

On 11 August 2015, the Board of Directors of Thai AirAsia Co., Ltd. passed a resolution to propose the interim dividend at Baht 22 per share, totalling of Baht 958.22 million.