

THAI AIRASIA COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2011



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Thai AirAsia Company Limited

I have reviewed the accompanying statement of financial position as at 30 September 2011 of Thai AirAsia Company Limited, and the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010, and the related statements of changes in shareholders' equity, and cash flows for the nine-month periods ended 30 September 2011 and 2010. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The financial statements for the year ended 31 December 2010 of Thai AirAsia Company Limited were audited by another auditor with the same firm as myself and her report dated 30 May 2011 expressed an unqualified opinion on those statements with emphasis of matters relating to the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and retrospective adjustment due to the fact that at the end of the year 2010, the Company received a credit note amounting to USD 25 million or approximately Baht 762 million from a related party to correct the overestimated costs for aircrafts redelivery before maturities which were recorded as a liability in 2009. The statement of financial position as at 31 December 2010, presented for comparative purposes, is a part of the financial statements which have been audited and issued a report thereon, and I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
2 February 2012

Thai AirAsia Company Limited
Statements of Financial Position
As at 30 September 2011 and 31 December 2010

	Notes	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Assets			
Current assets			
Cash and cash equivalents		1,280,302,080	507,821,793
Short-term investments		9,012,844	8,978,474
Trade accounts receivable, net	7	163,498,458	83,959,037
Amounts due from related parties	12.5	288,015,155	2,732,185,031
Short-term loan to a director	12.7	-	105,167,062
Inventories		11,835,441	6,390,028
Prepaid expenses		307,057,737	178,242,654
Value added tax receivable, net		613,996,653	270,768,859
Other current assets		73,502,927	114,811,539
Total current assets		2,747,221,295	4,008,324,477
Non-current assets			
Cash at financial institutions pledged as security	9, 10, 16	72,000,035	74,975,600
General investment		6,929,500	7,487,100
Building improvements and equipment, net	8	281,220,782	274,643,823
Intangible assets, net	8	18,159,730	21,122,820
Other non-current assets		536,942,387	480,224,934
Total non-current assets		915,252,434	858,454,277
Total assets		3,662,473,729	4,866,778,754

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Financial Position (Cont'd)
As at 30 September 2011 and 31 December 2010

	Notes	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings from a financial institution	9	-	200,000,000
Trade accounts payable		219,204,202	271,136,226
Amounts due to related parties	12.6	349,513,379	4,161,728,551
Deferred revenues		2,967,540,700	2,373,444,659
Accrued expenses		337,114,444	293,587,078
Other accounts payable		76,746,035	26,925,594
Current portion of long-term borrowing from a financial institution	10	486,000,000	-
Current portion of finance lease liabilities		4,939,212	1,158,282
Other current liabilities		33,159,996	40,370,714
Total current liabilities		4,474,217,968	7,368,351,104
Non-current liabilities			
Long-term borrowing from a financial institution	10	253,663,251	-
Finance lease liabilities		10,145,440	1,378,526
Employee benefit obligations	11	77,161,203	-
Total non-current liabilities		340,969,894	1,378,526
Total liabilities		4,815,187,862	7,369,729,630
Shareholders' equity			
Share capital			
Authorised share capital			
Ordinary shares, shares 40,000,000 shares of par Baht 10 each		400,000,000	400,000,000
Issued and paid-up share capital			
Ordinary shares, shares 40,000,000 shares of paid-up Baht 10 each		400,000,000	400,000,000
Premium on share capital		1,227,629	1,227,629
Deficits		(1,553,941,762)	(2,904,178,505)
Total shareholders' equity		(1,152,714,133)	(2,502,950,876)
Total liabilities and shareholders' equity		3,662,473,729	4,866,778,754

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 30 September 2011 and 2010

	<u>Note</u>	<u>2011</u> <u>Baht</u>	<u>2010</u> <u>Baht</u>
Revenues		3,772,032,953	2,795,252,151
Operating costs		<u>(3,467,072,698)</u>	<u>(2,458,081,764)</u>
Gross profit		304,960,255	337,170,387
Net gain on exchange rates		18,912,359	118,623,852
Other income		<u>96,131,228</u>	<u>61,145,916</u>
Profit before expenses		420,003,842	516,940,155
Selling expenses		(110,346,826)	(64,531,069)
Administrative expenses		(89,474,744)	(63,940,153)
Management remunerations	12.3	<u>(8,495,666)</u>	<u>(7,428,056)</u>
Profit before finance costs and income tax		211,686,606	381,040,877
Finance costs		<u>(18,058,884)</u>	<u>(67,467,965)</u>
Profit before income tax		193,627,722	313,572,912
Income tax		<u>-</u>	<u>-</u>
Profit for the period		<u>193,627,722</u>	<u>313,572,912</u>
Total comprehensive income for the period		<u><u>193,627,722</u></u>	<u><u>313,572,912</u></u>
 Earnings per share			
Basic earnings per share		<u><u>4.84</u></u>	<u><u>7.84</u></u>

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2011 and 2010

	<u>Note</u>	<u>2011</u> <u>Baht</u>	<u>2010</u> <u>Baht</u>
Revenues		11,718,944,861	8,415,524,225
Operating costs		<u>(10,112,050,158)</u>	<u>(7,390,472,140)</u>
Gross profit		1,606,894,703	1,025,052,085
Net gain on exchange rates		122,903,469	269,854,762
Other income		<u>408,057,553</u>	<u>210,462,843</u>
Profit before expenses		2,137,855,725	1,505,369,690
Selling expenses		(284,387,529)	(203,897,743)
Administrative expenses		(229,991,111)	(159,289,815)
Management remunerations	12.3	<u>(36,465,941)</u>	<u>(22,279,136)</u>
Profit before finance costs and income tax		1,587,011,144	1,119,902,996
Finance costs		<u>(173,691,345)</u>	<u>(167,866,014)</u>
Profit before income tax		1,413,319,799	952,036,982
Income tax		<u>-</u>	<u>-</u>
Profit for the period		<u>1,413,319,799</u>	<u>952,036,982</u>
Total comprehensive income for the period		<u><u>1,413,319,799</u></u>	<u><u>952,036,982</u></u>
Earnings per share			
Basic earnings per share		<u><u>35.33</u></u>	<u><u>23.80</u></u>

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

	<u>Note</u>	<u>Issued and paid-up share capital Baht</u>	<u>Premium on share capital Baht</u>	<u>Deficits Baht</u>	<u>Total Baht</u>
Opening balance as at 1 January 2010		400,000,000	1,227,629	(4,915,214,545)	(4,513,986,916)
Total comprehensive income for the period		-	-	952,036,982	952,036,982
Closing balance as at 30 September 2010		<u>400,000,000</u>	<u>1,227,629</u>	<u>(3,963,177,563)</u>	<u>(3,561,949,934)</u>
Opening balance as at 1 January 2011		400,000,000	1,227,629	(2,904,178,505)	(2,502,950,876)
Adjustment for adoption of a new accounting standard	5	-	-	(63,083,056)	(63,083,056)
Balance after adjustment		400,000,000	1,227,629	(2,967,261,561)	(2,566,033,932)
Total comprehensive income for the period		-	-	1,413,319,799	1,413,319,799
Closing balance as at 30 September 2011		<u>400,000,000</u>	<u>1,227,629</u>	<u>(1,553,941,762)</u>	<u>(1,152,714,133)</u>

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

	Notes	2011 Baht	2010 Baht
Cash flows from operating activities			
Profit before income tax for the period		1,413,319,799	952,036,982
Adjustments for:			
Depreciation	8	49,913,491	97,407,454
Amortisation	8	3,739,668	3,177,653
Gain on disposals of building improvements and equipment		(3,828,454)	(382,736)
Loss on assets written off		2,176,250	-
Employee benefit obligations	11	14,078,147	-
Unrealised gain on exchange rates		(15,916,500)	(13,350,445)
Finance costs		173,691,345	167,866,014
Interest income		(122,948,853)	(15,146,696)
		<u>1,514,224,893</u>	<u>1,191,608,226</u>
Changes in operating assets and liabilities:			
- Cash at financial institutions pledged as security		2,975,565	(6,000,000)
- Trade accounts receivable		(79,539,421)	(1,942,894)
- Amounts due from related parties		1,658,363,557	(2,394,598,365)
- Inventories		(5,445,413)	(515,271)
- Prepaid expenses		(128,815,083)	(145,543,353)
- Value added tax receivable		(343,227,794)	(35,510,566)
- Other current assets		41,308,612	(100,734,196)
- Other non-current assets		(56,717,453)	(55,790,125)
- Trade accounts payable		(51,932,024)	34,072,362
- Amounts due to related parties		(3,060,566,270)	1,011,839,922
- Deferred revenues		594,096,041	571,921,619
- Accrued expenses		43,527,366	(118,059,766)
- Other accounts payable		49,820,441	(16,468,865)
- Other current liabilities		(7,210,718)	(7,378,699)
		<u>170,862,299</u>	<u>(73,099,971)</u>
Cash generated from (used in) operation		170,862,299	(73,099,971)
Interest paid		(49,093,211)	(225,678)
Interest received		28,404,405	-
		<u>150,173,493</u>	<u>(73,325,649)</u>
Net cash generated from (used in) operating activities		<u>150,173,493</u>	<u>(73,325,649)</u>

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2011 and 2010

	Notes	2011 Baht	2010 Baht
Cash flows from investing activities			
Short-term loan granted to a director	12.7	(63,041,200)	(62,000,000)
Short-term loan repaid from a director	12.7	163,041,200	14,000,000
Proceeds from general investment		557,600	780,600
Proceeds from disposals of building improvements and equipment		6,051,840	4,128,546
Payments for building improvements and equipment		(41,227,308)	(92,291,587)
Payments for intangible assets		(2,483,265)	(13,399,392)
Interest received		9,236,423	2,356,977
Net cash generated from (used in) investing activities		<u>72,135,290</u>	<u>(146,424,856)</u>
Cash flows from financing activities			
Payments on short-term borrowings from a financial institution	9	(200,000,000)	-
Repayments of finance lease		(5,408,247)	(736,225)
Proceed from long-term borrowing from a financial institution	10	961,163,251	-
Repayments of long-term borrowing from a financial institution	10	<u>(221,500,000)</u>	<u>-</u>
Net cash generated from (used in) financing activities		<u>534,255,004</u>	<u>(736,225)</u>
Net increase (decrease) in cash and cash equivalents		756,563,787	(220,486,730)
Cash and cash equivalents at the beginning of the period		507,821,793	654,075,545
Effect of exchange rates		<u>15,916,500</u>	<u>13,350,445</u>
Cash and cash equivalents at the end of the period		<u><u>1,280,302,080</u></u>	<u><u>446,939,260</u></u>

Non-cash transactions

Significant non-cash transactions during the nine-month periods ended 30 September 2011 and 2010 are as follows:

Purchase of moter vehicles under finance lease agreements	17,956,091	-
---	------------	---

The condensed notes to the interim financial statements form an integral part of these interim financial statements.

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

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:

60/1 Monririn Tower 3rd floor, B Building, Soi Sailom, Phahol-yothin Road, Samsennai, Phayathai, Bangkok 10400.

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

The Company is jointly controlled by Asia Aviation Company Limited, incorporated in Thailand and AA International Limited, incorporated in Malaysia, which own 50% and 49% of the Company’s shares, respectively.

The interim financial statements were approved by the Board of Directors on 26 January 2012.

These interim financial statements have been reviewed, not audited.

2 Financial position

The financial statements for the year ended 31 December 2010 indicated the existence of an uncertainty about the Company’s ability to continue as a going concern. However, the financial information for the nine-month period ended 30 September 2011 (reviewed), revealed a significant improvement in operating results. Revenues have increased over the same period of last year by Baht 3,303 million, and there was a net profit for the nine-month period of Baht 1,413 million. (30 September 2010: Baht 952 million). Therefore, these financial statements have been prepared on a going concern basis.

3 Basis of preparation

These interim financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (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 statements 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.

An English version of the interim financial statements has been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

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.

4 Accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010 except as described in Note 5.

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

5 New accounting policies

Employee benefits

Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefit is recognised in the statement of financial position using the present value of the obligation at the statement of financial position date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the present value of benefit obligations are charged or credited to the statements of comprehensive income over the employees' expected average remaining working lives.

The Company chooses to apply this standard for the first time by adjusting a total amount against the deficits as of 1 January 2011. The effects of the adoption of the above standards to the interim financial statements are as follows:

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

6 Segment information

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

7 Trade accounts receivable, net

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Trade accounts receivable	166,366,836	86,827,415
<u>Less</u> Allowance for doubtful accounts	(2,868,378)	(2,868,378)
Trade accounts receivable, net	<u>163,498,458</u>	<u>83,959,037</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

7 Trade accounts receivable, net (Cont'd)

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

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Up to 3 months	156,342,809	79,419,738
3 - 6 months	3,869,419	1,136,399
6 - 12 months	1,619,966	1,107,896
Over 12 months	4,534,642	5,163,382
	<u>166,366,836</u>	<u>86,827,415</u>
<u>Less</u> Allowance for doubtful accounts	<u>(2,868,378)</u>	<u>(2,868,378)</u>
Trade accounts receivable, net	<u>163,498,458</u>	<u>83,959,037</u>

Outstanding trade accounts receivable over 12 months are mainly from an air cargo agency. The Company has received a letter of guarantee issued by a bank at amount of Baht 5 million as the collateral (31 December 2010: Baht 5 million).

8 Building improvements, equipment and intangible assets, net

	Unaudited Building improvements and equipment Baht	Unaudited Intangible assets Baht
For the nine-month period ended 30 September 2011		
Opening net book amount	274,643,823	21,122,820
Additions	59,183,399	2,483,265
Disposals, net	(2,223,386)	-
Write-offs, net	(469,563)	(1,706,687)
Depreciation/amortisation	<u>(49,913,491)</u>	<u>(3,739,668)</u>
Closing net book amount	<u>281,220,782</u>	<u>18,159,730</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

9 Short-term borrowings from a financial institution

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Promissory notes	-	200,000,000
Total short-term borrowings from a financial institution	-	200,000,000

Short-term borrowings from a financial institution are four-month promissory notes with a local commercial bank and have interest rate at MLR (approximately 6.56% per annum). The Company used its fixed deposit account amounting to Baht 50 million as the collateral for these promissory notes. During the nine-month period ended 30 September 2011, the Company had already repaid these borrowings.

10 Long-term borrowing from a financial institution

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

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Within 1 year	486,000,000	-
Over 1 year but less than 5 years	253,663,251	-
	<u>739,663,251</u>	<u>-</u>

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

	Unaudited Baht
Opening net book value	-
Addition during the period	961,163,251
Loan repayments	<u>(221,500,000)</u>
Closing net book value	<u>739,663,251</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

10 Long-term borrowing from a financial institution (Cont'd)

As at 25 April 2011, the Company entered into a borrowing agreement with a local commercial bank with respect to the credit facility of Baht 970 million in order to repay debts to related parties. This borrowing bears an interest at the rate of MLR - 1% per annum, with a repayment term within 2 years.

This borrowing is secured by a fixed deposit account amounting to Baht 50 million. In addition, the Company has to maintain deposits at bank not less than amount of Baht 500 million over the borrowing periods.

11 Employee benefit obligations

	<u>Note</u>	<u>Unaudited Baht</u>
For the nine-month period ended 30 September 2011		
Opening book amount as at 1 January 2011		-
Adjust to deficits as at 1 January 2011	5	63,083,056
Retirement benefit expenses during the period		<u>14,078,147</u>
Closing book amount as at 30 September 2011		<u><u>77,161,203</u></u>

12 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

Related party transactions were carried out on conditions as follows:

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

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

12.1) Income

	For the three-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Interest income		
Other related parties	3,802,729	7,559,896
A director	495,218	1,204,459
	<u>4,297,947</u>	<u>8,764,355</u>
	For the nine-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Interest income		
Other related parties	118,845,123	10,072,706
A director	1,310,076	2,606,959
	<u>120,155,199</u>	<u>12,679,665</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

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

12.2) Purchases of goods and services

	For the three-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Share of gain from fuel swap price agreements		
Other related party	<u>(2,232,638)</u>	<u>(12,838,623)</u>
Share of staff costs for accounting services		
Other related parties	<u>(8,534,210)</u>	<u>(4,775,532)</u>
Aircraft rental		
Other related party	<u>695,926,560</u>	<u>585,956,756</u>
Aircraft repair and maintenance		
Other related party	<u>244,225,593</u>	<u>202,450,790</u>
Purchase of merchandises and equipment		
Other related party	<u>9,861,230</u>	<u>420,000</u>
Management fee expenses		
Other related party	<u>3,654,840</u>	<u>3,776,464</u>
Booking fee expenses		
Other related party	<u>13,256,273</u>	<u>9,024,819</u>
Interest expenses		
Other related party	<u>826,152</u>	<u>67,396,853</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

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

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

	For the nine-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Share of gain from fuel swap price agreements		
Other related party	<u>(18,389,822)</u>	<u>(33,533,043)</u>
Share of staff costs for accounting services		
Other related parties	<u>(25,597,493)</u>	<u>(30,062,242)</u>
Aircraft rental		
Other related party	<u>2,005,705,359</u>	<u>1,595,500,871</u>
Aircraft repair and maintenance		
Other related party	<u>723,359,242</u>	<u>589,268,806</u>
Purchase of merchandises and equipment		
Other related party	<u>27,500,752</u>	<u>79,966,385</u>
Management fee expenses		
Other related party	<u>11,010,952</u>	<u>11,647,124</u>
Booking fee expenses		
Other related party	<u>41,681,867</u>	<u>26,688,885</u>
Interest expenses		
Other related party	<u>148,644,940</u>	<u>167,640,337</u>

12.3) Management remunerations

During the three-month and nine-month periods ended 30 September 2011, management remunerations, which are short-term employee benefits and post employee benefits, are at amount of Baht 8,495,666 and Baht 36,465,941, respectively (30 September 2010: Baht 7,428,056 and Baht 22,279,136, respectively).

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

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

12.4) Passenger revenues and expenses paid and received on behalf

	For the three-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Passenger revenues received on behalf of the Company by other related parties	522,627,279	1,044,494,003
Cash received on behalf of other related party	112,581,443	58,163,700
Expenses paid on behalf of the Company by other related parties	191,130,729	178,309,569
Advance payment on behalf of other related parties	52,965,167	124,641,517
	For the nine-month periods ended 30 September (Unaudited)	
	2011	2010
	Baht	Baht
Passenger revenues received on behalf of the Company by other related parties	2,990,334,083	2,471,566,093
Cash received on behalf of other related parties	323,581,441	345,168,798
Expenses paid on behalf of the Company by other related parties	550,302,791	510,222,045
Advance payment on behalf of other related parties	322,902,251	269,061,250

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

Outstanding balances arising from receivables, payables, short-term loan to a director and other non-current assets are summarised as follows:

12.5) Amounts due from related parties

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Amounts due from related parties		
Other related parties	<u>288,015,155</u>	<u>2,732,185,031</u>

Amount due from the related parties have been charged the interest on the outstanding balance at 6.00% per annum (2010: 6.00% per annum).

12.6) Amounts due to related parties

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
Amounts due to related parties		
Other related party	<u>349,513,379</u>	<u>4,161,728,551</u>

Amounts due to related parties are mainly denominated in US Dollar. Amount due to related parties have been charged the interest on the outstanding balance at 6.00% per annum (2010: 6.00% per annum).

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

12 Related party transactions (Cont'd)

Outstanding balances arising from receivables, payables, short-term loan to a director and other non-current assets are summarised as follows: (Cont'd)

12.7) Short-term loan to a director

Movements of short-term loan to a director for the nine-month period ended 30 September 2011 are summarised as follows:

	Unaudited Baht
	<u> </u>
Short-term loan to a director	
Beginning balance	105,167,062
Increase during the period	63,041,200
Received during the period	(163,041,200)
Increase form interest receivable during the period	1,310,076
Interest received during the period	<u>(6,477,138)</u>
Ending balance	<u><u>-</u></u>

As at 31 December 2010, short-term loan to a director was unsecured and denominated in Thai Baht under credit facility of Baht 190 million, carried interest at 1.50% per annum and was due for repayment at call.

12.8) Other non-current assets

	Unaudited 30 September 2011 Baht	Audited 31 December 2010 Baht
	<u> </u>	<u> </u>
Aircraft deposits		
Other related party	<u>470,014,743</u>	<u>410,570,125</u>
Fuel price swap deposit		
Other related party	<u>16,824,800</u>	<u>16,824,800</u>

Thai AirAsia Company Limited
Unaudited Condensed Notes to the Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2011 and 2010

13 Net fair value of financial instruments

Fuel price swap agreements

As at 30 September 2011, the Company's net fair value of outstanding fuel price swap agreements was USD 1,011,578 (unfavourable).

As at 31 December 2010, there was no outstanding balance from fuel price swap agreements.

14 Commitments

For the nine-month period ended 30 September 2011, there were no significant changes in commitments or contingent liabilities, including significant contracts from the year ended 31 December 2010 (please see financial statements for the year ended 31 December 2010).

As at 30 September 2011, the Company had outstanding commitments in respect of aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company, which cover rental and insurance agreements of the 21 aircrafts (As at 31 December 2010: 19 aircrafts) as follows:

	Unaudited		Audited	
	30 September 2011		31 December 2010	
	Rental	Insurance	Rental	Insurance
	USD	agreement	USD	agreement
	USD	USD	USD	USD
Not later than 1 year	73,032,000	1,410,415	59,666,136	850,848
Later than 1 year but not later than 5 years	68,820,000	-	58,206,682	-
Total	141,852,000	1,410,415	117,872,818	850,848

15 Guarantee

As at 30 September 2011, there was a commitment related to guarantees issued by banks in respect of the loans that the Company has given to pilot trainees in accordance with its professional pilot course amounting to Baht 26.9 million (31 December 2010: nil). Normally, a guarantee is terminated when the pilot trainee earns a commercial pilot's licence 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 said liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Company.

16 Letters of guarantee

As at 30 September 2011, the Company had commitments relating to guarantees issued by banks in respect of ground handling, technical support, and other flight operation activities in the ordinary course of business at Baht 5.6 million, USD 90,000 and India Rupee 27 million (As at 31 December 2010: Baht 7.6 million, USD 90,000 and India Rupee 27 million). The Company used its fixed-deposit account at amount of Baht 6 million and India Rupee 27 million (As at 31 December 2010: Baht 6 million and India Rupee 27 million) as the collateral for these letters of guarantee.