

ANNUAL REPORT 2014

ASIA AVIATION

Public Company Limited



**WORLD'S BEST
LOW COST AIRLINE
6-TIME CHAMPION**



All for one. One for all.

Our cabin crew greet you with smiles, keep you safe
whether you're flying home or abroad, and make sure every flight is on time.
World's Best Low-Cost Carrier based on votes from over 160 countries,
covering 200 airlines worldwide.

**We thank you for making us the
World's Best Low-Cost Airline, 6 years running.**

Join the buzz:



AirAsiaThailand





▲ PAGE 20

“ Our strategy this year will focus on expanding the company’s flight network and **“thinking outside the box”** when seeking new routes outside of Bangkok where we still have few competitors and the market still has great potential. ”

Mr. Arak Chonlatanon
Chairman of the Board

OVERVIEW

- 20 | Message from Chairman
- 22 | Message from Chief Executive Officer
- 24 | Board of Directors and Management Team
- 30 | Company Policy and Business Overview
- 32 | Key Milestones of Asia Aviation and Thai AirAsia
- 34 | Year 2014 Public Relations Activities
- 36 | Year 2014 Investor Relations Activities
- 39 | Nature of Business
- 53 | Risk Factors

MANAGEMENT

- 56 | Shareholding Structure
- 58 | Management Structure
- 78 | Director and Management Profiles

CORPORATE GOVERNANCE

- 97 | Corporate Governance
- 111 | Corporate Social Responsibility
- 123 | Internal Control and Risk Management
- 125 | Related Parties Transactions
- 136 | Audit Committee Report for 2014

FINANCIAL INFORMATION

- 138 | Report of Directors Relating to Responsibility for Financial Statements
- 139 | Management Discussions and Analysis
- 143 | Financial Statements

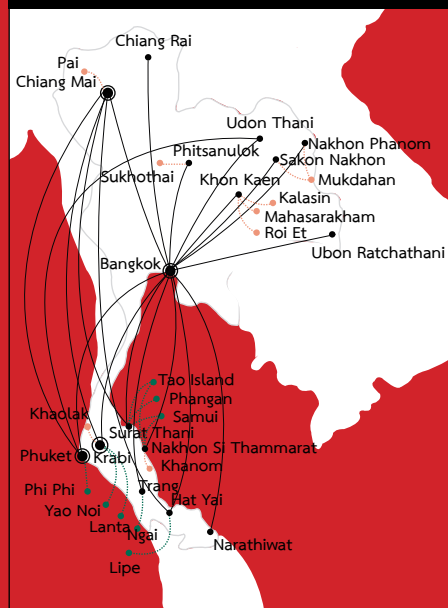
GENERAL INFORMATION

- 199 | General Information

ROUTE NETWORK



AIRASIA THAILAND DOMESTIC ROUTE & TRANSFER SERVICE



THAI AIR ASIA HUB IN THAILAND

- Don Mueang Int. Airport, Bangkok
- Phuket Int. Airport
- Chiang Mai Int. Airport
- Krabi Int. Airport
- International Route
- Domestic Route
- City transfer
- Island transfer

PASSENGER CARRIED

62 MILLION
OVER 11 YEARS



WORLD'S BEST LOW COST AIRLINE FOR 6 YEARS STRAIGHT

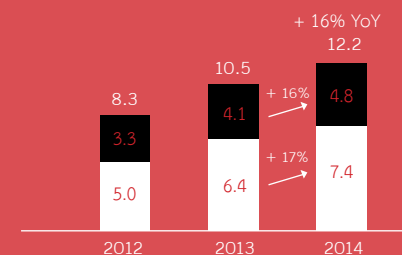


NO.1
LOW FARE AIRLINE
OF THAILAND

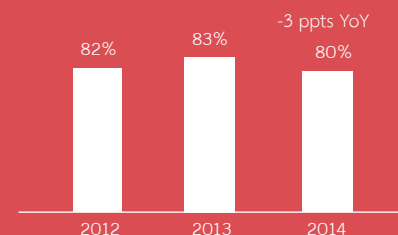
OPERATIONAL HIGHLIGHTS

PASSENGER CARRIED

Unit : Million Passengers ■ Domestic ■ International



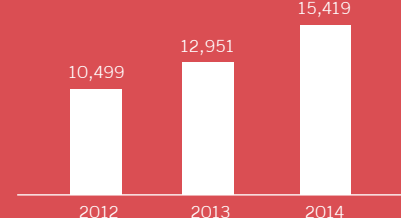
LOAD FACTOR



Remark : Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

AVAILABLE SEAT KILOMETERS

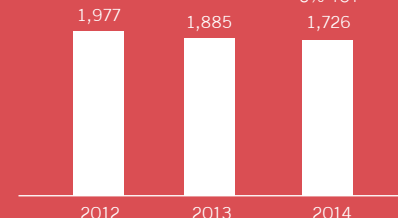
Unit : Million



Remark : Available seat kilometers, which is the total number of seats available on scheduled flights multiplied by the number of kilometers these seats were flown

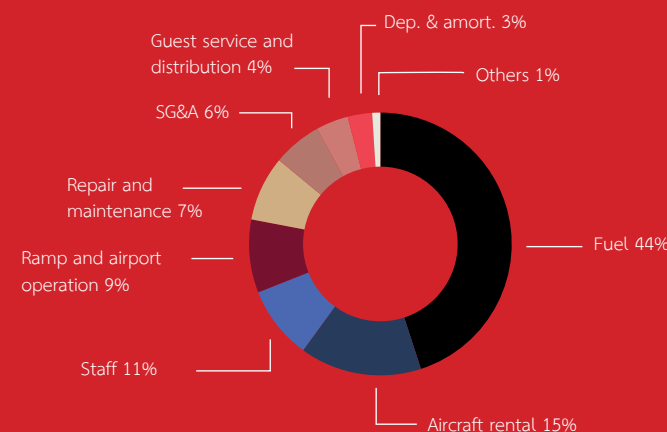
AVERAGE FARE

Unit : Baht per pax



Remark : Calculated as Thai AirAsia's total passenger revenues and fuel surcharge divided by total number of passengers carried

2014 COST BREAKDOWN



FINANCIAL HIGHLIGHTS

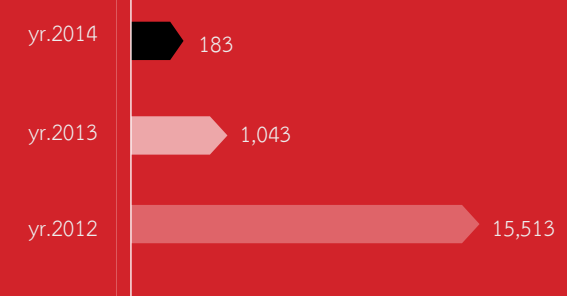
TOTAL REVENUES

Unit : Million



NET PROFIT

Unit : Million



STOCK INFORMATION

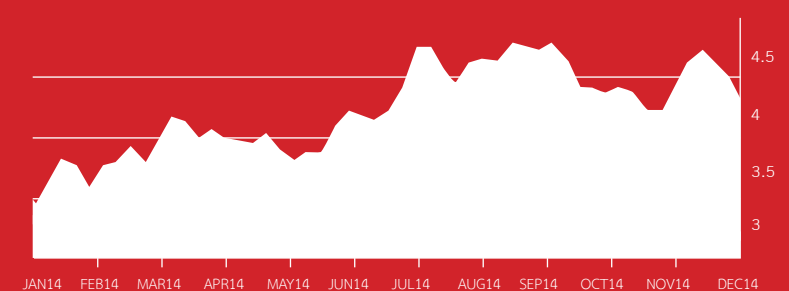
Asia Aviation Public Company Limited

SET Symbol : AAV

Currency : Thai Baht

As of 30 December 2014
4.30

52 Weeks' Range
3.34 - 5.05



Asia Aviation Public Company Limited is listed on the Stock Exchange of Thailand (SET) main board.

FINANCIAL POSITION

	2012	2013	2014
Total assets	34,609	44,935	49,502
Total liabilities	9,891	18,260	22,486
Equity attributable to owners of the parent	18,259	19,346	19,534
Total shareholders' equity	24,718	26,675	27,016

FINANCIAL HIGHLIGHTS

Unit: Baht million			
	2012	2013	2014
STATEMENT OF COMPREHENSIVE INCOME			
Revenues	16,103	23,485	25,356
Net profit	15,873	1,908	331
Net profit attributable to owners of the parent	15,513	1,043	183
STATEMENT OF FINANCIAL POSITION			
Total assets	34,609	44,935	49,502
Total liabilities	9,891	18,260	22,486
Equity attributable to owners of the parent	18,259	19,346	19,534
Total shareholders’ equity	24,718	26,675	27,016
STATEMENT OF CASH FLOWS			
Net cash generated from (used in) operating activities	2,643	4,020	1,849
Net cash generated from (used in) investing activities	(1,830)	(5,565)	2,025
Net cash generated from (used in) financing activities	2,296	(436)	(1,031)
Net cash flow from operating activities	3,109	(1,982)	2,844
KEY FINANCIAL RATIOS			
Net profit margin ⁽¹⁾	96.3%	4.4%	0.7%
Return on assets ⁽²⁾	84.0%	2.6%	0.4%
Return on equity ⁽³⁾	169.0%	5.5%	0.9%
Basic earnings per share (Baht)	3.41	0.22	0.04

1) Net profit margin = Net profit attributable to owners of the parent / Revenues
2) Return on assets = Net profit attributable to owners of the parent / Total assets (Average)
3) Return on equity = Net profit attributable to owners of the parent / Equity attributable to owners of the parent (Average)

Unit: Baht million			
	2012	2013	2014
OPERATING DATA			
Capacity (million seats)	10.1	12.6	15.3
Passenger carried (million)	8.3	10.5	12.2
Load factor (%) ⁽¹⁾	82	83	80
ASK (million) ⁽²⁾	10,499	12,951	15,419
RPK (million) ⁽³⁾	8,618	10,829	12,420
Average fare (Baht) ⁽⁴⁾	1,977	1,885	1,726
Revenue per ASK (Baht) ⁽⁵⁾	1.84	1.81	1.64
Cost per ASK (Baht) ⁽⁶⁾	1.69	1.67	1.66
Cost per ASK (non-fuel) (Baht) ⁽⁷⁾	0.94	0.95	0.93
Number of aircraft at period end	27	35	40
Number of stages flown	Total	56,067	70,149
	International	23,224	28,637
	Domestic	32,843	41,512
Average stage length (kilometer) ⁽⁸⁾	1,040	1,026	1,008
Aircraft utilization (block hours per day) ⁽⁹⁾	11.5	11.7	10.9
Ancillary revenue (Baht million)	2,941	3,759	4,385
Ancillary revenue per passenger (Baht)	354	358	359
Fuel consumption (million barrel)	1.87	2.34	2.72
Company’s average market jet fuel price (US\$ per barrel) ⁽¹⁰⁾	126.7	122.8	116.5
On time performanace (%) ⁽¹¹⁾	83	92	91

1) Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers (180 seats for Airbus A320)

2) Available seat kilometers, which is the total number of seats available on scheduled flights multiplied by the number of kilometers these seats were flown

3) Revenue passenger kilometers, which is the number of paying passengers carried on scheduled flights multiplied by the number of kilometers those seats were flown

4) Calculated as Thai AirAsia’s total passenger revenues and fuel surcharge divided by total number of passengers carried

5) Calculated as Thai AirAsia’s revenues divided by ASK

6) Calculated as the sum of Thai AirAsia’s operating costs, selling expenses and administrative expenses (but excluding finance costs) divided by ASK

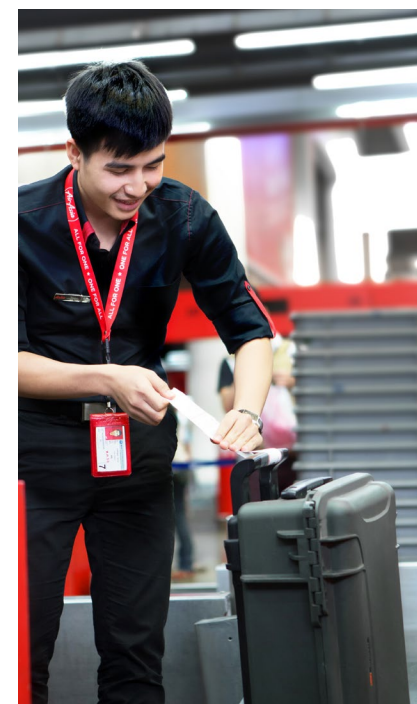
7) Calculated as the sum of Thai AirAsia’s operating costs, selling expenses and administrative expenses (but excluding finance costs) less fuel costs divided by ASK

8) Represents the average number of kilometers flown per flight

9) Represents the average block hours per day per aircraft during the relevant period. Block hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its destination.

10) Calculated as average fuel price of Jet kerosene for the period (MOPS price)

11) A flight is deemed “on time” if the actual departure time is no more than 15 minutes of the scheduled departure time.



TRUSTED QUALITY
OUR GUEST SERVICE



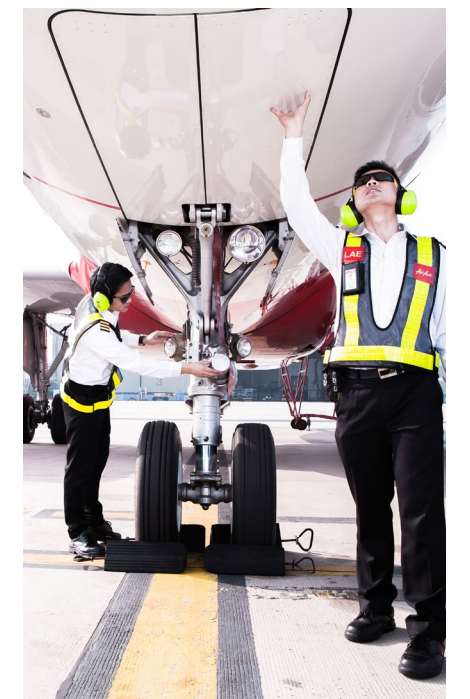
“Our passengers are at the heart of everything we do with friendly and reliable Guest Services Team serving you to your destination.”



TRUSTED QUALITY
OUR AIRCRAFT ENGINEER



“We commit ourselves to provide the high safety standard and satisfaction of our passengers in order to serve you best.”





TRUSTED QUALITY OUR RAMP AND GROUND SERVICE EQUIPMENT

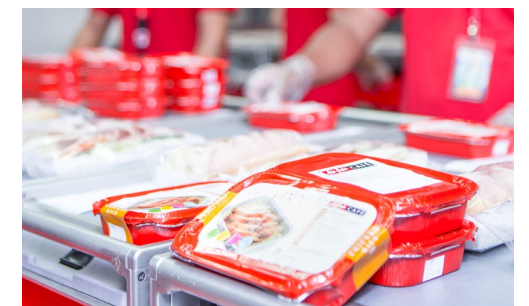
"We work professionally to execute quick, efficient aircraft turnarounds to keep the airport running on schedule every day."





TRUSTED QUALITY OUR IN-FLIGHT SERVICE

“We selected the finest ingredient to hot meal, unique AirAsia merchandises and luxury duty free goods with great value on board.”





TRUSTED QUALITY
OUR FLIGHT OPERATIONS



“We provide a fun and friendly atmosphere coupled with experience adhering to make every flight a safe and pleasant.”

NOW EVERYONE CAN FLY

With A Fleet 40 Aircraft Carrying Over 12.2 Million Passengers in 2014



“ THE PROOF OF THAI AIRASIA'S
STRENGTH WILL BE ITS ABILITY
TO TRIUMPH OVER THIS YEAR,
INDICATING THAT WE ARE
A COMPANY READY TO ADAPT
AND FIND NEW BUSINESS
OPPORTUNITIES ”



WE HAVE TO EMPHASIZE THAT WITHIN OUR “TRULY LOW FARES, TRUSTED QUALITY”

PROMISE IS THE TIRELESS WORK OF ALL OUR EMPLOYEES FOR THE FORWARD MOVEMENT OF OUR COMPANY.

The challenge of 2014 to the overall tourism situation was the impacts of the nation's political turmoil. I have always sought to remind everyone that our company is lucky enough that we have a strong corporate culture with visionary executives who are able to clearly see the industry's big picture. In spite of having any obstacles, we are ready to act and never stop working for the positive growth of the company. I find myself proud to be a part of the driving force behind Thai AirAsia's success alongside everyone.

Our strategy this year will focus on expanding the company's flight network and thinking outside the box when seeking new routes outside of Bangkok where we still have few competitors and the market still has great potential. Examples could be Chiang Mai - Hong Kong, Chiang Mai - Hangzhou, Krabi - Guangzhou, Phuket - Kuala Lumpur and domestic regional connections such as Chiang Mai - Surat Thani or even Fly-Thru routes via Don Mueang Airport, which saw growth in the past year. Such additions have allowed us to continue to draw travelers to Thailand to take the place of customers affected by the political situation.

On building our brand, apart from reinforcing the concept that we are a low fare airline that is well trusted, another strength of Thai AirAsia is the quality of its service. We have to emphasize that within our “Truly Low Fares, Trusted Quality” promise is the tireless work of all our employees for the forward movement of our company. We also have to note that our effective cost management is reflected by our world renowned service.

I am confident that the proof of Thai AirAsia's strength will be its ability to triumph over this year, indicating that we are a company ready to adapt and find new business opportunities that also allow us to continue to be a leading low fare airline close to the hearts of everyone.

Finally, I thank all the executives and employees of Thai AirAsia. I believe that 2015 will be a prosperous year for us with great results. I truly thank you all.

Mr. Arak Chonlatanon
Chairman of the Board

STRONG MANAGEMENT AND A READINESS TO ALTER STRATEGIES WHEN NEEDED ARE AT THE HEART OF BUSINESS SUCCESS AND HAVE MOTIVATED

THAI AIRASIA TO CONSTANTLY LEARN AND BE ON THE READY OVER ITS PAST 11 YEARS.

The year 2014 will surely be another year that requires our cooperation in facing situations that are beyond our control so that we may continue to grow and reap the rewards we desire.

Over the past year we took on 5 more Airbus A320 planes, bringing our fleet to a total 40 by year's end. We opened a new domestic flight hub at Krabi Airport, which follows Bangkok, Phuket and Chiang Mai and adds to the strength and expansiveness of our network, providing our company with new opportunities for growth. At present, beyond domestic routes, the Krabi hub serves international routes from Krabi to Singapore and Guangzhou, both well received, and is ready for new route launches in the years to come.

Our passenger total for 2014 is 12.2 million people; up from 2013's 10.5 million. Our greatest pride this year was working alongside the Tourism Authority of Thailand (TAT) on campaigns throughout the year, drawing visitors to travel Thailand with AirAsia. The integrative marketing work was majorly successful.

In terms of service standards, Thai AirAsia remains the airline with the best on-time record and the AirAsia Group was named Best Low Cost Airline in the world for the 6th consecutive years (2009-2014) by Skytrax, reflecting satisfaction in our service. Providing quality and a high standard of service are two matters we have devoted great importance as we see them as fundamental to our growth in all situations.

For social responsibility activities, Thai AirAsia both continued existing programs and initiated new projects in the past year. With "Flying for Art", the airline worked with National Artists to search for youth ambassadors for each of the Kingdom's provinces who would go on to spread their cultural heritage with AirAsia both domestically and abroad. We also assembled donations to rehabilitate and enhance buildings impacted by the earthquake in Chiang Rai at Chiang Rai Panyanukul School and similarly offered OTOP products as in-flight goods.

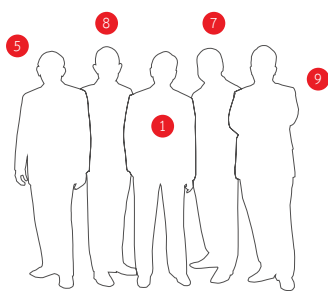
In conclusion, Thai AirAsia remains confident in its ability to move forward with stability and will continue looking for new opportunities and flourishes to add to its business as they are the charm that have allowed the airline to grow in strength and take on any situation. At the same time, we will not forget to give back to the society around us. In 2015, we will focus on incorporating innovation and technology into our works and use it to reduce our costs and maximize our profits in hand with strict business plans and strategies ensuring the greatest value. I ask that you all continue to give us your trust and confidence.



Mr. Tassapon Bijleveld
Chief Executive Officer

“ PROVIDING QUALITY AND
A HIGH STANDARD OF SERVICE
ARE TWO MATTERS WE HAVE
DEVOTED GREAT IMPORTANCE
AS WE SEE THEM AS FUNDAMENTAL
TO OUR GROWTH IN ALL SITUATIONS. ”

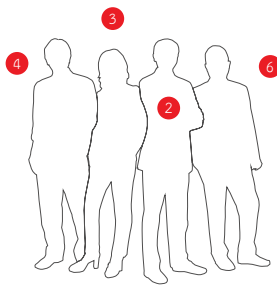


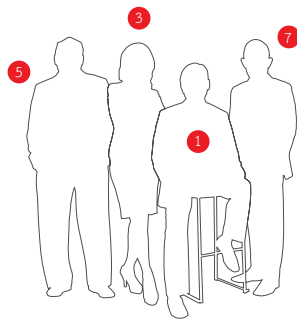


- 1. **Mr. Arak Chonlatanon**
Chairman of the Board / Chairman of the Audit Committee/
Independent Director
- 2. **Mr. Tassapon Bijleveld**
Director/ Chief Executive Officer
- 3. **Mrs. Pattra Boosarawongse**
Director/Chief Financial Officer
- 4. **Mr. Preechaya Rasametanin**
Director/ Director of Engineering
- 5. **Captain Tanapat Ngamplang**
Director/ Director of Flight Operations



- 6. **M.L. Bovornovadep Devakula**
Director/ Director of Business Development
- 7. **Mr. Santisuk Klongchaiya**
Director/ Director of Commercial
- 8. **Mr. Nuttawut Phowborom**
Director/ Audit Committee/
Independent Director
- 9. **Mr. Distorn Vajarodaya**
Director/ Audit Committee/
Independent Director

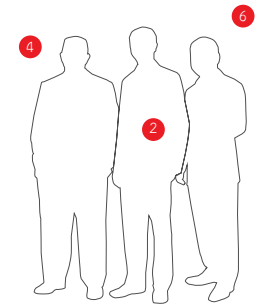




1. **Mr. Arak Chonlatanon**
Chairman of the Board/ Chairman of the Audit Committee/
Independent Director
2. **Mr. Tassapon Bijleveld**
Director/ Chief Executive Officer
3. **Mrs. Pattra Boosarawongse**
Director/ Chief Financial Officer
4. **Tan Sri Dr. Anthony Francis Fernandes**
Director



5. **Dato' Kamarudin Bin Meranun**
Director
6. **Mr. Santisuk Klongchaiya**
Director
7. **Mr. Nuttawut Phowborom**
Director/ Audit Committee/
Independent Director





Mr. Tassapon Bijleveld
Chief Executive Officer



Mrs. Pattra Boosarawongse
Chief Financial Officer



Mr. Preechaya Rasametanin
Executive Vice President



Captain Tanapat Ngamplang
Executive Vice President



Mr. Santisuk Klongchaiya
Head of Commercial and Ancillary



M.L. Bovornovadep Devakula
Head of Business Development



Captain Surapun Patoomwat
Head of Flight Operations



Mrs. Thiladee Pantumchinda
Head of People Department



Mr. Suwit Srisarakam
Head of Ramp and
Ground Service Equipment



Miss Witchunee Kuntapeng
Head of Guest Service



Mr. Banyat Hansakul
Head of Engineering



Mr. Pipat Khunprakan
Head of Innovation Commercial
and Technology

VISION

Thai AirAsia to become leading low fare airline in the region. Providing to guest low fare, quality service, safety and reliability

MISSION

We are Thailand first true low fare airline which operate at the lowest cost in the industry to revolutionize air travel and open up opportunity that “Now Everyone Can Fly” We are a group of young, dynamic and energetic team, open and candid, fast and first to all opportunities.

BUSINESS OVERVIEW

As Asia Aviation Public Company Limited (“Asia Aviation” or “Company”) is a holding company who currently makes an investment only in Thai AirAsia, the business overview, thus, shall be deemed at the operating company Thai AirAsia.

Thai AirAsia is the leading Thai low-cost carrier (LCC) with the vision of being leading low fare airline in the region. Providing to guest low fare, quality service, safety and reliability we serve without compromising our level of service. Beside, we have mission to operate at the lowest cost in the industry to revolutionize air travel and open up opportunity that “**Now Everyone Can fly**”. Thai AirAsia focuses on providing high-frequency service on short-haul, point-to-point international and domestic routes within the four-hour flight time from our hubs in Bangkok (Don Mueang International Airport), Phuket, Chiang Mai and Krabi. This gives us access to population in Southeast Asia, India, and southern part of China. Thai AirAsia believes in stimulating air travel among a population that previously could not afford to travel by air or who live in areas not serviced by other airlines to use our service.

Our business model is based on that of AirAsia Berhad (AAB), who operates a low-cost carrier under the “AirAsia” brand in Malaysia. The Company believes our simple single-class; single type fleet configuration, point-to-point operations, high aircraft utilization, scale, distribution channels and extensive route network provide us with a cost advantage over other Thai airlines and one that compares favorably with other LCCs around the world. Our low fares, strong brand and marketing and reliable service have enabled us to continuously expand our operations since our inception in 2004.

BACKGROUND

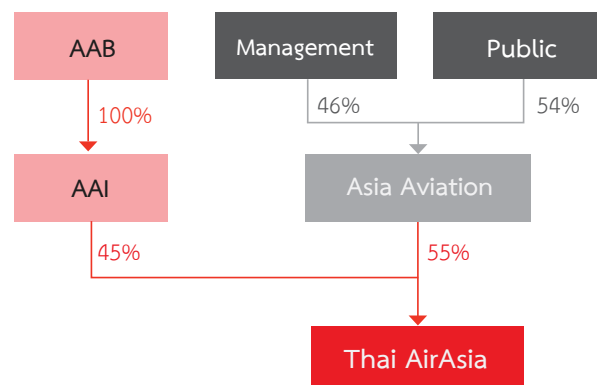
Asia Aviation was incorporated on 14 February 2006 as a company limited with a registered capital of Baht 410,000,000, being common shares of 41,000,000 shares at the par value of Baht 10 per share. The Company is a holding company, which makes an investment only in the low-cost carrier business under Thai AirAsia Company Limited (“Thai AirAsia”).

On 21 June 2007, management team, consisting of Chief Executive Officer and high-level management personnel, did a buyout on Asia Aviation from the shareholders at that time as the management team has foreseen the potential growth of Thai AirAsia. In November 2011, Asia Aviation acquired an additional 1% shareholding from Mr. Tassapon Bijleveld and held 51% in Thai AirAsia. Asia Aviation then became the public company on 26 December 2011 with a registered capital of Baht 485,000,000 and a paid-up capital of Baht 410,000,000 being common shares of 4,100,000,000 shares at the par value of Baht 0.10 per share. On 31 May 2012, Asia Aviation was listed in the Stock Exchange of Thailand under ticker name “AAV” with the fully paid-up capital. The Company used the proceeds from the Initial Public Offering (IPO) to subscribe the newly issued shares of Thai AirAsia, which increased its shareholding to a current of 55% in Thai AirAsia.

Thai AirAsia, a joint venture between Asia Aviation, who held 51% shareholding in Thai AirAsia (Pre-IPO), and AirAsia Investment (AAI), who held 49%, is incorporated on September 19, 2003 to operate a low-cost carrier business with a registered capital of Baht 400,000,000. AAI is a holding company wholly owned by AirAsia Berhad (AAB). AAB is a listed company in Bursa Malaysia who operates a low cost carrier AirAsia in Malaysia. On May 29, 2012 Thai AirAsia has increased its registered capital to Baht 435,555,600, being the common shares of 43,555,560 shares at the par value of Baht 10 per share. Asia Aviation has subscribed the newly issued shares, raising its shareholding to 55% while AAI was diluted to 45%.

INVESTMENT STRUCTURE

Investment structure as of 31 December 2014 are as following;



BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH AIRASIA BERHAD.

Thai AirAsia has benefited from the support from AirAsia Berhad (AAB) in many areas. The Company’s business relies on the brand license agreement that Thai AirAsia signed with AAB dated 1 January 2012 (“AirAsia” Brand License Agreement) that AAB permits Thai AirAsia to be a sole operator in Thailand to use “AirAsia” as trade name for business operation, access to market knowledge, and customer services. Presently, Thai AirAsia is leasing its aircrafts from AirAsia Mauritius (AAM), an AAB’s subsidiary. The Company also relies on the information technology used within the AirAsia Group. The Company’s main software was centered in Kuala Lumpur, Malaysia.

The Company also has an access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports in Malaysia and Indonesia, and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, and ticket reservation software. Decisions to engage in the transactions are made by Thai AirAsia which have to pass the resolution from the Board of Directors and the Audit committee.

At present, AirAsia Berhad is holding 45% shares in Thai AirAsia and has nominated two of the directors of Thai AirAsia and one independent director from the eight members in the board of directors as specified in the Shareholders’ Agreement.

2004
FEBRUARY

Thai AirAsia began operating domestic air services under the Thai AirAsia brand from Bangkok’s Don Mueang Airport to Hat Yai (Songkhla), Phuket and Chiang Mai with two Boeing 737 aircraft.

Thai AirAsia also began operating our first international flight from Bangkok to Singapore.

2007
SEPTEMBER

Thai AirAsia moved our hub from Don Mueang International Airport to Suvarnabhumi International Airport.

2010
AUGUST

Thai AirAsia ceased operating the Boeing 737 aircraft and our fleet comprised a single aircraft type, the Airbus A320.



2012
MAY

Asia Aviation was listed in the Stock Exchange of Thailand (SET) and has 55% shareholding in Thai AirAsia.

2012
SEPTEMBER

Thai AirAsia received our first aircraft under finance lease term.

2012
DECEMBER

Thai AirAsia operated 27aircraft (2 aircraft under finance leases) with 174 flights per day to 30 destinations domestically and internationally.

2014

FEBRUARY

Thai AirAsia rewarded The World Best LCC’s OTP in 2013 from Flightstats.



OCTOBER

Thai AirAsia launch our fourth hub in Krabi.



DECEMBER

Thai AirAsia operated 40 aircraft (12 aircraft under financial lease) with 912 flights per week to 36 destinations domestically and internationally.

2006
FEBRUARY

Asia Aviation was incorporated and acquired 50% of shares in Thai AirAsia.



2009
NOVEMBER

Thai AirAsia launched our second hub in Phuket.

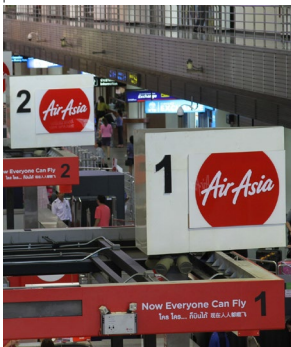


2007
OCTOBER

Thai AirAsia received our first Airbus A320 aircraft.

2012
OCTOBER

Thai AirAsia moved our hub from Suvarnabhumi International Airport to Don Mueang International Airport.



2013
DECEMBER

Thai AirAsia reopened our third hub in Chiang Mai.

Thai AirAsia operated 35 aircraft (8 aircraft under financial lease) with 803 flights per week to 36 destinations domestically and internationally.

2013
OCTOBER

Thai AirAsia launched new route from Bangkok to Siem Reap10 flights per week.

YEAR 2014 PUBLIC RELATIONS ACTIVITIES

17/02/2557

THAI AIRASIA AWARDED AS THE WINNER OF THE FILGHTSTATS 5TH ANNUAL AIRLINE ON TIME PERFORMANCE SERVICE AWARD.

Thai AirAsia (Airline code: FD) was named the victor of the “Low Fares Airline” category for achieving the highest on-time performance (OTP) in 2013. The airline achieved an overall OTP of 92%.



17/03/2557

AirAsia offers more easy tickets at counter service and 7-11s nationwide and becomes the first Airline to offer international flight at convenience store.



05/22/2557

AirAsia calls on youths to explore the world and learns its lesson with the ‘Learning by Flying’ campaign offering the chance to win one of 12 free international travel scholarships.

11/06/2557

AirAsia introduces flight and roundtrip shuttle service from Don Mueang to “Koh Tao” and “Mukdahan”. This service allows guests to experience Koh Tao, one of AirAsia’s top ranked island and Indochina market in Mukdahan.



15/07/2557

AirAsia is World’s Best Low Cost Airline for 6 years straight! 18.9 million customers surveys were collected by Skytrax.

28/07/2557



AirAsia launches 2 daily “Don Mueang – Sakon Nakhon” flights, operating in the day and evening, starting on 1 October, 2014. The addition is in anticipation of a year-end travel boots and will bolster the airlines northeastern network, helping travelers to more easily reach its distinct cultural charms.

05/08/2557



Mistine joins with AirAsia to introduce Mistine Joops, perfect Colored Lips with 8 stunning shades and Angel Red, limited color available only on Thai AirAsia flights.

09/09/2557



AirAsia continues development to provide “Truly Low Fares, Trusted Quality” and produces new Nadech advertisement to reflect dedication to low fares and high standards.

16/09/2557

AirAsia launches a new direct flight “Krabi - Guangzhou” connecting China Business City to Southern Thailand. It also affirms status as airline with most china destinations.



03/10/2014

AIRASIA WINS ‘BEST ASIAN LOW COST CARRIER’ BY TTG TRAVEL AWARDS FOR THE EIGHTH TIME!

AirAsia was named the ‘Best Asian Low – Cost Carrier’ by TTG, Asia – Pacific’s leading travel news publisher. The airline was voted by readers of TTG’s line of publications in the region, comprising of TTGAsia, TTGChina, TTGIndia, TTGmice, TTg-BTmice China, TTGassociations and TTG Asia Luxury.



15/10/2557

AirAsia indulges those with a passion for traveling on their own with its newest service, “Fly and Drive with AirAsia”, offering value and



01/11/2557

AirAsia launches “Chiang Mai – Surat Thani” inaugural flight which achieves 90 Percent Load Factor. The airline is confident that regional connections will draw travelers to stimulate year-end travel.

04/11/2557



Interpol and AirAsia reaffirm commitment on integration of I-Checkit system to improve passenger security and assurance.

04/12/2557

Thai AirAsia was awarded Asia’s Top Budget Airlines at the Now Travel Asia Awards 2014 along with other top companies in the travel industry including hotels, spas, and airlines. The award ceremony was held at the Pathumwan Princess Hotel.



YEAR 2014 INVESTOR RELATIONS ACTIVITIES



26
FEBRUARY, 2014

2013 Results Announcement

28
FEBRUARY, 2014

2013 Analyst Meeting
Venue : AAV Head Office

03
MARCH, 2014

Day with Executive Management –
View from the Top” Conference
Venue : Bangkok

07
MARCH, 2014

DBTisco Corporate Day
Venue : Tisco Office

07
AUGUST, 2014

The Second Quarter Results
Announcement

08
AUGUST, 2014

The Second Quarter Analyst
Meeting
Venue : AAV Head Office

26-27
AUGUST, 2014

ASEAN Conference 2014,
Venue : Singapore

28
AUGUST, 2014

Thailand Focus 2014,
Venue : AAV Head Office



24
APRIL, 2014

Annual General Meeting

29
APRIL, 2014

BLS Corporate Day
Venue : Bangkok



17-19
SEPTEMBER, 2014

21st CLSA Investors’ Forum,
Venue : HongKong

29
OCTOBER, 2014

Tourism Day Event with
Bualuang Securities
Venue : Bangkok

07
NOVEMBER, 2014

An Exclusive Field Trip
in Bangkok Event
Venue : Bangkok

12
MAY, 2014

The First Quarter Results
Announcement

15
MAY, 2014

The First Quarter Analyst Meeting
Venue : AAV Head Office

5-6
JUNE, 2014

Nomura Investment Forum Asia 2014
Venue : Singapore

10
NOVEMBER, 2014

Thanachart Exclusive Lunch Talk
“Completing the network jigsaw”
Venue : Bangkok



12-13
JUNE, 2014

Thai SET Conference 2014
with BNP
Venue : Hong Kong



2-3
JULY, 2014

DbAccess Thailand
Corporate Day
Venue : London, UK

14
NOVEMBER, 2014

The Third Quarter Analyst Meeting
Venue : Bangkok

21
NOVEMBER, 2014

Opportunity day in SET in the city
Venue : Paragon Hall, Bangkok
Thai Corporate Day in Hong Kong with Goldman Sachs and SCB Securities
Venue : Hong Kong

**Now
Everyone
Can Fly**



NATURE OF BUSINESS

As Asia Aviation is a holding company who currently makes an investment only in Thai AirAsia and has no revenue generating from other business, the revenue breakdown, thus, shall be considered at the operating company level Thai AirAsia.

Revenue breakdown of Thai AirAsia according to the financial statements ended 31 December 2012-2014 is shown with details below.

	For the year ended 31 December,					
	2012		2013		2014	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
REVENUES						
Passenger revenues	14,876.3	74.9	17,403.3	71.3	18,154.7	69.1
Baggage handling and other service fees	3,455.8	17.4	4,703.5	19.3	5,561.6	21.2
Charter flight revenues	660.6	3.3	971.0	4.0	1,175.9	4.4
In-flight revenues	196.7	1.0	225.0	0.9	260.9	1.0
Freight revenues	159.5	0.8	182.2	0.7	202.4	0.8
REVENUES	19,348.9	97.4	23,485.0	96.2	25,355.5	96.5
OTHER REVENUES						
Net gain on exchange rates	68.4	0.3	258.1	1.1	126.0	0.5
Other incomes	450.0	2.3	669.9	2.7	793.2	3.0
TOTAL OTHER REVENUES	518.4	2.6	928.0	3.8	919.2	3.5
TOTAL REVENUES	19,867.3	100.0	24,413.0	100.0	26,274.7	100.0

ASIA AVIATION AND THAI AIRASIA'S BUSINESS

Asia Aviation operates as a holding company, which currently only holds investment in Thai AirAsia. Thai AirAsia operates a low-cost carrier business with a single fleet type of Airbus A320s, generating revenue from scheduled passenger services and ancillary services.

SCHEDULED PASSENGER SERVICES

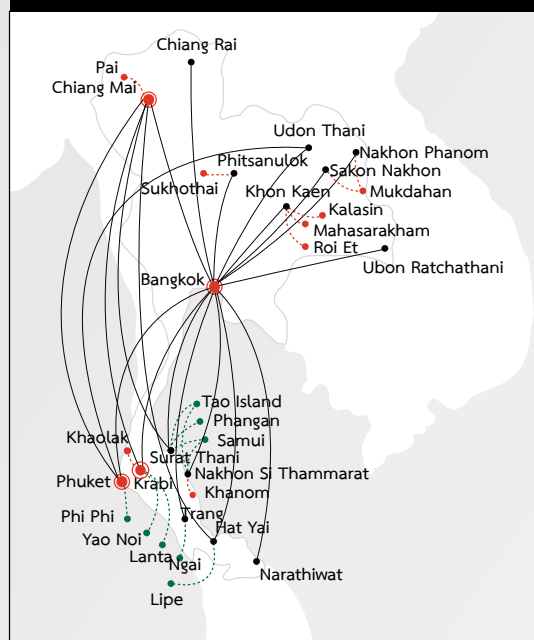
Thai AirAsia provides scheduled passenger air travel services at the fares lower than the one offered by full service airlines to price sensitive and on time business and leisure air travel passengers. Such fare does not include services such as baggage fee, seat selection fee, on-board food and beverages and other services. However, passengers could pay for those services (frills), in which the revenue will be recorded under the ancillary services. In 2014, Thai AirAsia flew approximately 12.2 million passengers, 60% of which were passengers on routes within Thailand, and 40% of which were passengers on the international routes.

ROUTE NETWORK

INTERNATIONAL AND DOMESTIC



AIRASIA THAILAND DOMESTIC ROUTE & TRANSFER SERVICE



THAI AIRASIA HUB IN THAILAND

- Don Mueang Int. Airport, Bangkok
- Phuket Int. Airport
- Chiang Mai Int. Airport
- Krabi Int. Airport

- International Route
- Domestic Route
- - City transfer
- - Island transfer

NEW DESTINATIONS NOW EVERYONE....CAN FLY

Hangzhou



“Hangzhou”, China’s ‘Heaven on Earth’, offers relaxing boat rides with World Heritage views on the West Lake and merit giving prayers at Ji Gong Temple as well as the opportunity to savor original one-of-a-kind Chinese delicacies.

OUR ROUTE NETWORK
COVERS A TOTAL OF
36
CITIES
ACROSS 9 COUNTRIES
IN ASIA.

Sakon Nakhon



“Sakon Nakhon” is a city devoted to Buddhism, home to five relics of the Buddha, and the location of a civilization that dates back 3,000 years, endowing it with a long history that intertwines Thai culture with that of the local Isan population to create a distinct and unique blend.

Nakhon Phanom



“Nakhon Phanom”, located in the upper northeast along the Mekong River, is rich with natural resources and stunning views; has long served as the home of the holy and significant Phra That Phanom religious site and is in its own way, a melting pot for its surrounding peoples.

Krabi



“Krabi” is a land of mountains, sandy beaches and coastlines; is considered one of Thailand’s ‘Unseen’ travel destinations and lives up to the motto “Exquisite City, Charming People” so well, it has become one of the world’s most beloved vacation destinations.



21 INTERNATIONAL DESTINATIONS ▲

Hanoi, Mandalay, Kunming, Chongqing, Xi'an, Hangzhou, Changsha, Wuhan, Guangzhou, Shenzhen, Macau, Hong Kong, Yangon, Siem Reap, Phnom Penh, Ho Chi Minh, Penang, Kuala Lumpur, Singapore, Bali, Chennai

15 DOMESTIC DESTINATIONS ▼

Bangkok - Donmueang, Chiang Mai, Chiang Rai, Hat Yai, Khon Kean, Krabi, Nakhon Phanom, Nakhon Si Thammarat, Narathiwat, Phitsanulok, Phuket, Surat Thani, Trang, Ubon Ratchathani, Udon Thani

OUR NETWORK AND SCHEDULES

Thai AirAsia focuses on short-haul routes to airports in and around major population centers and travel destinations, typically operating within radius of up to 3,500 kilometers and flight duration of up to four hours from the Hub. Thai AirAsia route network offers frequent point-to-point services, without connections, and not scheduled in parking our aircraft at airports overnight (other than our hub airports in Don Mueang (Bangkok), Phuket, Chiang Mai and Krabi).

Our route network covers a total of 36 cities across 9 countries in Asia. As of 31 December 2014, it was covering 21 international destinations and 15 domestic destinations with 28 international routes and 20 domestic routes.

AIRASIA GROUP NETWORK

Our customers have access to the combined route network under AirAsia Group in countries such as Malaysia, Indonesia, Philippines and India with more than 90 destinations.

NETWORK EXPANSION

When considering adding a new route to our network, Thai AirAsia takes into account factors such as potential load factors, the population density and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of new routes opening typically takes three months and those new routes are to be approved by Thai AirAsia's Board of Directors as part of their approval of Thai AirAsia's budget. If a new route is not profitable after a trial period of between six to eight months, we either lower the frequency of the route or suspend the route.

In 2014, Thai AirAsia has 7 new domestic and international destinations being: Bangkok – Changsa; Bangkok – Sakon Nakhon; Phuket – Kuala Lumpur; Chiang Mai – Hongkong; Chiang Mai – Hangzhou; Chiang Mai – Surat Thani; Krabi – Guangzhou. The expansion will focus on potential market with high growth in travel demand especially China. Additionally, Thai AirAsia also increases frequencies in dominant destinations in the domestic and Indochina region. The airline has continuous plan in network expansion both in terms of new destinations and increased frequencies in order to capture dominance in low cost carrier market especially in the domestic market. With the upcoming open skies policy in near future, Thai AirAsia has foreseen the opportunities in expanding more internationally to support

the passenger growth for connecting people travelling among the countries within this region.

ANCILLARY SERVICES

Thai AirAsia provides various ancillary services to the passengers, starting from the services before boarding, inflight services, and other services in relation to our air passenger services. These services generate another stream of revenue in addition to Thai AirAsia's core revenue from scheduled passenger service. Ancillary revenue is accounting for 15.2%, 16.0% and 17.0% of our revenues in 2012, 2013 and 2014 respectively, which are grouped into categories as below.



SERVICES BEFORE BOARDING AND FEES

Thai AirAsia offers a range of products and services to passengers on AirAsia Group's website, call centre, sales office and over the check-in counter as follows:

- *Checked Baggage :*
Baggage charges are based on the weight of the baggage passengers wish to check in and also upon the timing of purchase. Pre-booking the checked baggage at the time of reservation will bring about lower fees comparing to checking in the baggage at the check-in counter. Moreover, additional fees will be charged on baggage with excess weight from pre-booked option over the check-in counter.
- *Seat Selection :*
Seat selection is available with fees, passengers can choose any preferred seat on the flight with this service. Premium Seat is the additional service for passengers to select special seats on the first five rows of the aircraft and emergency exit rows (Row 12 and 14).
- *Checked Sports Equipment :*
Passengers can check-in sports equipment including Golf Club, Diving Equipment, Surf Board, Bicycle, or other equipment larger in size. Pre-booking the checked sports

equipment at the time of reservation will result in lower fees comparing to checking in the equipment at the check-in counter. Moreover, additional fees will be applied on equipment with excess weight from pre-booked option or over 20 kilograms at the check-in counter.

- *Bookings and Amendments :*
Bookings made via call center, sale offices, airport sales counters and Thai AirAsia sales booths at Tesco Lotus are subjected to booking fee. Furthermore, booking amendments are possible 48-hour prior to flight time with amendment fees to be applied (Name and Route changed are not permitted).
- *Payment Processing Fees :*
Credit card and direct debit payments for online purchase are available with processing fees.
- *Travel Insurance (Tune INSURE) :*
Passengers can purchase Tune INSURE AirAsia Travel Protection which is underwritten by Tune Insurance PLC. Coverages include accidental death and dismemberment, personal accident and medical expense, trip cancellation, flight delay, damage to luggage and personal effects, etc. Thai AirAsia will generate revenue from this service through fees upon using the AirAsia website in selling such insurance.
- *Connecting Flight (Fly-Thru) :*
Fly-Thru service is available for passengers who wish to conveniently connect flights (Domestic and International Flight) from one to another with no bag collecting hassle in between flights at the transit hub. All checked baggage will be safely delivered to the final destination of the passengers' flight. However, a Fly-Thru fee will be applied to the service.

IN-FLIGHT SERVICES

The sales of beverages and food to passengers onboard are one of our in-flight services. Passengers who pre-booked the meals online during reservation will have wider range of menus for selection as well as a discount from the price selling onboard, in which the food will also be served first prior to the sale of in-flight beverages and food. Passengers can pre-book on such service no less than 24-hour prior to the departure time.

Additionally, Thai AirAsia offers merchandises onboard including souvenirs (such as airplane model and graphic



T-shirt), travel gadgets (such as phone chargers and earphones) seasonal or festive items and travel essentials (such as luggage locks and pillow & comforter kits). Through King Power International, Thai AirAsia also offers duty free products which can be purchased on our international flights, the payment can be made using either cash and credit cards.

OTHER SERVICES

- *Advertising Space :*
Thai AirAsia generates extra revenue by providing advertising space on our aircraft such as the overhead bin compartments, meal trays, Travel 3Sixty Magazine (Regional and Local) as well as Website Banner on airasia.com.
- *AirAsia Car Rental :*
Thai AirAsia and Cartrawler, a world-class car rental search

engine, launched a car rental service both domestically and internationally. Customers can easily search for cheap rental cars and compare prices and car model from various car rental companies in one website, providing the ultimate convenience to those who book the air ticket along with searching for cheap cars at destination. Additionally, Thai AirAsia will receive shared revenue from each rental transaction made via AirAsia Car Rental page.

- *AirAsia Go / AirAsia Expedia* :
AirAsia Go / AirAsia Expedia is an online travel portal under AirAsia Group offering flights, hotels, tour packages, transportation options and events. Thai AirAsia obtains revenue from AirAsia Go / AirAsia Expedia only from the flights that Thai AirAsia provides as part of the travel package.
- *Freight (AirAsia Cargo)* :
Thai AirAsia generates additional revenue by offering limited freight service on our scheduled flights, including courier and mail services. As our core business involves providing passenger air travel services, freight services are only provided if additional space is available on the aircraft.

PRICING AND REVENUE MANAGEMENT

Thai AirAsia has a multiple fare structure per route (Dynamic Pricing), in which factors such as market demand, competition, historical performance and forecasts will be considered in determining how many seats to allocate to each fare level for each flight and each departure date in order to maximize our revenue. Generally, our policy is not to lower our fares once they have been published, and as there are a limited number of seats in the lower fare level, the earlier a passenger books a seat, the more likely it is that the passenger will be able to purchase seat at the lowest published fare. All of our fares are priced based on one-way travel. Seats must be purchased at the time of reservation and are non-refundable except for the portion relating to any applicable airport tax. However, the time of travel (other than in the case of promotional fares) can be changed up to 48 hours prior to departure subject to the processing fee and the payment of the fare difference.

While Thai AirAsia seeks to maximize our revenue, our low-cost structure enables us to offer fares that are on average lower than our full-service competitors on the same routes. Moreover, Thai AirAsia periodically offers promotional fares that are more discounted than our already low fares to promote less popular routes.

DISTRIBUTION AND SALES

Thai AirAsia has three principal distribution channels, the Internet, direct sales through our sales offices and call centers, and indirect sales. All travel with us such as confirmation itinerary is through electronic tickets, thereby reducing costs associated with printing, mailing and modifying tickets, as well as re-issuing lost or stolen tickets. As at 31 December 2014, Thai AirAsia has proportion of our total bookings sold through the Internet 69%, direct sales 22% and indirect sales 9%.

INTERNET SALES

Thai AirAsia sells our ticket online via www.airasia.com which is the AirAsia Group website, and AirAsia Mobile App on smartphone covered both iOS and Andriod, which are paid by credit card or direct debit or counter services for online booking. To encourage Internet reservations, our lowest fares (which include our promotional fares) are available only through the AirAsia Group website and AirAsia Application on smartphone. For 2014 internet sales accounted for 69% of total bookings, in which the trend is expected to continue in the future. As online bookings lower our costs by reducing operating costs, the Internet is our lowest-cost distribution channel.



DIRECT SALES

Direct sales are made at sales office and airports sales counter in which payments can be paid by cash, credit card

or debit card. Additionally, booking via call centers could be paid by credit card, cash at any branch of Siam Commercial Bank, K-Bank, or counter services of 7-Eleven stores throughout Thailand. For group bookings are made and paid by credit card or money transfer. Our direct sales accounted for 22% of total bookings in 2014.

INDIRECT SALES

Indirect sales through agents are consisting of online (OTA - Online Travel Agents) and offline (travel agents in other formats). Indirect sales accounted for 9% of total bookings in 2014 with the aforementioned channels

- *Third Party Travel Agents*

Thai AirAsia has two types of travel agents network, being “sky agents” who are travel agents registered with Thai AirAsia and maintained a prepaid account which bookings made by their guests are debited and being “BSP agents” who are members of, and have credit limits with International Air Transport Association (IATA).

- *GoCorporate Bookings*

Thai AirAsia offers our GoCorporate package to business travelers who maintain corporate accounts with us.

- *Book and Pay*

Thai AirAsia joins with Counter Services, offering book and pay AirAsia tickets at Counter Service channels, such as convenient store, department store and super market, to across the nation to expand its customer base. Ticket bookings can be made 24 hours prior to the flight for all of our domestic and international routes, both single and return.

ADVERTISING AND PROMOTIONS

Thai AirAsia benefits from the brand of the AirAsia name, which the Company has licensed from AirAsia Berhad, Thai AirAsia and AirAsia Berhad entered into an agreement, whereby AirAsia Berhad provides certain marketing services to Thai AirAsia in exchange for a fee.

Thai AirAsia allocates budget for our marketing campaigns and activities every year, in which the Company is selective in determining the advertising medium and usually use print, supported by radio and billboards to advertise our

promotional fares. Thai AirAsia regularly offers promotional fares that are more discounted than our already low fares. For example, Thai AirAsia typically conducts two scheduled promotions a year, timed to launch ticket sales for flights during the industry’s low flying seasons, in which the airfare component may be as low as Baht zero.



CUSTOMER SERVICE

Thai AirAsia is committed to providing high quality customer service by providing our guests with a safe, low fares, valuable, reliable and friendly service. Thai AirAsia continuously monitors our on-time performance. Our average on-time performance (which measures the proportion of flights departing within 15 minutes of the scheduled departure time) in 2014 was 91%. Our ground support service has a system in place to inform guests of delayed or cancelled flights by SMS or telephone. Guests that cannot be contacted through these means are notified at the check-in counter.

To provide the highest quality customer service, Thai AirAsia strives to employ staff who speak English and who are outgoing, friendly and professional. Staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. The airline specifically budgets for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.

PRODUCTS OR SERVICES PROCUREMENT

THAI AIRASIA'S FLEET

As at 31 December 2014, Thai AirAsia has Airbus A320 fleet of 40 aircraft, being 39 operational aircraft and 1 spare aircraft. Thai AirAsia has entered into the aircraft's operating leases with AirAsia Mauritius (AAM), a subsidiary of AAB, on 28 aircraft and into the financial lease with financial institutions on 12 aircraft, with the term of 12 years on both types of leases. Thai AirAsia is expected to receive 5 more new A320 aircraft deliveries in 2015.



The Airbus A320 aircraft has a proven track record of reliability in short-haul, high frequency operations. By building a uniform fleet, costs for spare parts and training are reduced, allowing us to keep fares low. Having a uniform fleet also means that almost any aircraft may be used for any route, thereby simplifying and increasing the flexibility of our flight scheduling arrangements. As all of Thai AirAsia's aircraft are Airbus A320s, Thai AirAsia enjoys cost savings from operating one aircraft type. Each of our Airbus A320 aircraft is configured to seat a single class of 180 seats. As at 31 December 2014, Thai AirAsia has an average fleet age of 3.6 years with the aircraft utilization rate of 10.9 hours per day.

Thai AirAsia analyzes our aircraft procurement needs independently from the other members of the AirAsia Group. However, AirAsia Berhad consolidates the respective requirements of each member of the AirAsia Group and places a consolidated order for the required number of aircraft from Airbus - the aircraft manufacturer. This enables us to benefit from bulk discounts off the official list price of such aircraft and priority of delivery dates over some non-AirAsia Group airlines.

Thai AirAsia has received taxes incentive granted by the Board of Investment for nine projects, comprised 32 aircraft, of

which 20 aircraft been delivered, with the privileges including (a) exemption from payment of import duty on machinery approved by the Board of Investment, (b) exemption from payment of income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to be first derived from such operations, subject to a maximum exempt on a range of Baht 415.0 Million to Baht 447.3 Million Baht, as the case may be for the first eight project and amounting to Baht 13,360.1 Million for the ninth project (c) a five-year carry



forward period for losses for tax purposes from promoted operations from the expiry of the eight-year period and (d) exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. Thai AirAsia shall comply with various terms and conditions set by the Board of Investment in order have such privileges. For the upcoming new aircraft to be added into the fleet, Thai AirAsia is in the process of planning for application to the Board of Investment upon further approval in granting similar privileges.

FUEL

Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2012, 2013 and 2014 were Baht 7,861.2 million, Baht 9,386.3 million and 11,272.3 million, accounting for 44 %, 43% and 44% of Thai AirAsia's total operating costs and expenses, respectively.

Thai AirAsia purchases a substantial majority of our fuel from PTT and Shell Thailand with the benchmark of fuel prices against Mean of Platts Singapore (MOPS). Jet kerosene prices, and therefore fuel prices, are extremely volatile and

are subject to many global economic and geopolitical factors. Thus, Thai AirAsia implements various fuel management strategies to manage the risk of rising fuel prices, including hedging. Thai AirAsia has combined the hedging contracts with AirAsia Berhad to manage the risk of any price movements of fuel in the world market.

In addition to hedging fuel prices, Thai AirAsia has implemented the following fuel management strategies in order to reduce costs and minimize inherent risks:

- *Fuel policy* : Payment upfront: Upfront payment for all purchases gives Thai AirAsia a negotiating power to obtain better pricing.
- *Fuel consumption policy* : Thai AirAsia attempts to minimize fuel consumption by establishing clear guidelines covering all areas of flight operations so that aircraft fuel burn rates can be maintained at a functional minimum.
- *Fuel surcharge* : In the situation of the fuel price fluctuation, Thai AirAsia re-introduced fuel surcharges for all of our international routes, in which the fees based on the flying hours of each route. The DCA prohibits the imposition of fuel surcharges that are separate from air fares for domestic routes. However, Thai AirAsia cancelled the fuel surcharge in the beginning of the year 2015 due to the global oil price dropped significantly.

MAJOR CUSTOMERS

No customer contributed more than 30% of our total revenue in 2012, 2013 and 2014. Customers mainly consist of individuals traveling by air.

MAJOR SUPPLIERS

In 2012, 2013 and 2014, the only supplier which accounted for 30% or more of our total operating costs and expenses was PTT. Our jet fuel purchases from PTT accounted for 31%, 30% and 24% of our total operating costs and expenses in 2012, 2013 and 2014, respectively.

Nevertheless, Thai AirAsia believes that comparable jet fuel supply, in terms of quality and quantity, and support is available from other established suppliers. Save as disclosed above, there are no other suppliers which accounted for

30% or more of our total operating costs and expenses in 2012, 2013 and 2014.

MAINTENANCE AND SPARE PARTS

MAINTENANCE

Thai AirAsia provides line maintenance and light maintenance, which is maintenance below a “C” level check (conducted at 6,000-hour intervals) for all of our aircraft. Any maintenance above a “C” level check or any structural repairs is outsourced to other certified maintenance, repair and overhaul (“MRO”) service providers such as Thai Airways International and Thai Aviation Industries in Thailand, ST Aerospace in Singapore or Sepang Aircraft Engineering in Malaysia. Through the AirAsia Aircraft Lease Agreements, Thai AirAsia is able to rely on manufacturer’s warranties and product support granted to AirAsia Berhad.

SPARE PARTS

Thai AirAsia maintains an inventory of consumable spare parts in our hubs, with the majority of inventory found in Bangkok. As at 31 December 2014, Thai AirAsia keeps Baht 585.8 million of aircraft spares parts (net book value).

OTHER OPERATIONS

SAFETY AND SECURITY

Thai AirAsia is fully committed on all levels of operation to the safety and security of our passengers and employees. This commitment is reflected in our system of maintenance of our aircraft, extensive training given to our pilots, cabin crew and employees and the strict policies and procedures in compliance with local regulations, international standards and best practices regarding all areas of our business that are involved with the operation of our aircraft.

Safety

Our aircraft are equipped with advanced and highly accurate instrument landing systems (“ILS”) that provide necessary lateral and vertical guidance to the pilot in navigating the aircraft for a precision approach. A precision approach is a descent procedure using a navigation facility aligned with a runway. The ILS in our aircraft has a height call-out feature that further assists the pilot in navigating the aircraft’s descent. In addition, our aircraft are equipped with traffic alert and collision avoidance system (“TCAS”) technology and enhanced ground proximity warning system (“EGPWS”). TCAS technology allows pilots to detect the presence of all other TCAS and transponder-equipped aircraft, as well as

coordinate maneuvers between two opposing aircraft which are equipped with TCAS, thereby reducing the risk of mid-air collisions. EGPWS is a terrain awareness and alerting system which uses aircraft inputs, including geographic position, altitude, airspeed and glide slope, together with internal terrain, obstacles and airport databases to predict a potential conflict between the aircraft flight path and terrain or an obstacle. In addition, EGPWS provides alerts for excessive glide slope deviation and incorrect landing configurations, and is able to provide flight path angle indications and altitude call-outs.

Thai AirAsia has developed a quality assurance system to monitor all areas related to ground and flight operations as part of our wider quality management objectives. Our quality assurance teams oversee and monitor all aspects of our aircraft operations to ensure that industry safety standards, including DCA's guidelines, are strictly adhered to. DCA conducts safety audits on us twice every year and regulatory authorities from other countries also regularly conduct safety audits.

Since we began operations in 2004, none of our aircraft has been involved in a serious incident.

Security

While the relevant airport operators are responsible for security screening of passengers and baggage at our domestic and international destinations, Thai AirAsia trains our staff to remain vigilant in identifying potential security breaches, as well as to handle unruly passengers. All potential employees undergo thorough screening of their background prior to being hired.

Thai AirAsia provides extensive training to ensure that our staffs have appropriate skills to carry out their relevant duties as stipulated in our employee manuals. All crew and ground handling staff are required to undergo dangerous goods awareness training to be able to identify potentially dangerous goods and items that threaten the safety of the flight (these include flammable liquids and containers that are likely to explode under pressure).

Thai AirAsia are in compliance with all of DCA's and the ICAO's regulations. In addition, cockpits in all of our aircraft have reinforced, bulletproof doors.

INFORMATION TECHNOLOGY

Thai AirAsia shares various information technologies with the wider AirAsia Group. AirAsia Berhad invests in information technology where its use directly lowers the AirAsia Group's costs, enables scalable operations and improves efficiency and safety. Our key operating software systems (centralized in Kuala Lumpur, Malaysia) include NewSkies 3.4 by Navitaire which was used for inventory and sales management/reservations, Microsoft's Axapta Financial Management (Axapta) which was used for our financial operations, the Merlot software which was used for flight scheduling and crew rostering, Navtech software which was used for flight planning and Swiss Aviation Software Ltd.'s AMOS operating system ("AMOS"), which was used for the management of aircraft maintenance engineering and logistics.

AIRPORT OPERATIONS

Airport handling service

Thai AirAsia provides our own ground handling and ground support services at most of domestic airports, including ramp services. Thai AirAsia has assigned the established third parties to provide these services to us at international destinations. Thai AirAsia believes that providing our own ground handling and ground support services ensures that costs are kept low while productivity is high.

INSURANCE

Thai AirAsia has aviation and non-aviation insurance coverage in connection with our operations. The airline believes that our overall insurance coverage is consistent with industry practice and is maintained at adequate levels. Thai AirAsia carries passenger and third party liability insurance, as required by the terms of our lease agreements and per the standard market practice, under which the airline is insured for a Combined Single Limit (Bodily Injury / Property Damage) of USD 750 million any one occurrence, each aircraft, unlimited in all, but in the annual aggregate in respect of Products Legal Liability. Thai AirAsia also insured the aircrafts against loss and damages under the Hull All Risks up to the agreed sum value of the aircraft, but subject to a deductible of USD 750,000 any one occurrence in respect of all losses other than total loss/constructive total loss/arranged total loss. Nevertheless, Thai AirAsia has purchased a Hull Deductible policy to indemnify Thai AirAsia for the difference between USD 750,000 and USD 50,000 each and every claim.

In addition to the above, Thai AirAsia has purchased a Hull War and Allied Perils against loss or damage excluded by

the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) under the Hull All Risks insurance policy coverage up to the agreed value of the aircrafts. The coverage is provided by a combination of policies and is subject to an annual aggregate limit of USD 840 million any one occurrence.

Thai AirAsia has purchased the Excess War, Hi-Jacking and Other Perils Liability up to USD 750 million any one occurrence and in aggregate.

ENVIRONMENT

Currently, Thai AirAsia has our aircraft fleet of Airbus A320, which uses less fuel and has lower emissions. Thai AirAsia has, through AirAsia Berhad, ordered the Airbus A320neo, which is expected to be more fuel efficient and have lower emissions levels.

INDUSTRY OUTLOOK AND COMPETITION

INDUSTRY OUTLOOK

The IMF forecasts that world GDP growth in 2015 will be 3.5%, which is higher than the expected 3.3% growth rate in 2014. Moreover, the reduction in oil prices will increase the buying power of consumers; and the combined effects are expected to result in a slight increase of future demand. There are, nonetheless, other factors to monitor that may have an impact of crude oil prices during 2015, such as geopolitics and unrest in Africa, particularly the violence in Libya. Additionally, if the outcome of nuclear negotiations between Iran and the G6 is successful, Iran may once again export crude oil to the world markets. Hence, the average jet fuel price in 2015 is forecasted in range of 85 – 95 USD per barrel.

The Thai economy in 2015 is expected to gradually recover, but the rate of recovery risks being lower than previous estimates due to public and private spending power. Household debt and exports are both affected by the slow recovery of the Eurozone, Japan and Asia. However, tourism industry in 2015 is expected to be driven by political stability, the expansion of Chinese tourists and the improvement of European tourists, leading to enhance the tourism growth. Additionally, the Tourism Authority of Thailand revealed in January 2015 that the number of foreign tourists in 2015 expected to be around 28 million. Since tourism should be one of Thailand's growth engines during 2015, relevant public sector agencies are now accelerating marketing campaigns here and abroad. At the start of 2015,

the Ministry of Tourism and Sports unveiled a “2015 Discover Thainess” marketing campaign aimed at promoting Thai culture and traditions. It will be staged at major and secondary tourist destinations here, as well as abroad throughout the year. We expect that this proactive campaign will help retain Thailand's status as one of the top destinations for foreign tourists.

Hence, Thai AirAsia has prepared itself for the competitive environment domestically and internationally by expanding its fleets, revisiting to ensure more efficient processes and being the opportunist when the time has come.

COMPETITION

Thai AirAsia faces with competition both from the LCCs and FSCs in our international and domestic market. The intensity of this competition varies from route to route and depends on the strengths of competing airlines as well as other transportation modes available. As a low-cost carrier, Thai AirAsia competes principally on price and frequency of service. Given our low-cost operations, the Company is in the better position to endure a decrease in air fares that might occur as a result of intense competition via aggressive pricing of competitors or from new entrants.

On July 2012, Thai Smile, a business unit of Thai Airways sharing its airline code, has started its operation using the same A320 equipment. Positioning itself as a “light premium” airline, Thai Smile provides fares at the price between Thai Airways and Nok Air with complimentary snack and sharing the same frequent flyer program and airport lounges with Thai Airways. Presently, Thai Smile based its operation on both at Suvarnabhumi and Don Mueang international airports.

In December 2013, Thai Lion Air, a Low Cost Carrier of Indonesia part of Lion Group, has started its operation at Don Mueang international airport and was granted the air operator certificate (AOC) from the Civil Aviation Department. The airline strategy is to provide cheapest price than competitors with a slogan “We make people fly”. The first flight launched On December 4, 2013. As of December 31, 2014, it's operated with 8 Boeing 737-900ER aircraft (215-seat) and 1 ATR (70-seat).

In December 2014, Thai VietJet Air (Thai VietJetAir) was granted the air operator certificate (AOC) from the Civil Aviation Department. A new Low-cost airline in Thailand in

which based operation at Suvarnabhumi Airport was JV between VietJet Airline (Vietnam) and Kan Air (Thailand) established. As of 31 December 2014, Thai VietJet Air has not flown a schedule flight.

International

The main competitors of Thai AirAsia on our international routes include full-service carriers and other low-cost carriers that share the same destinations as ours. Full service carriers are Thai Airways, Cathay Pacific Airways, Singapore Airlines, Vietnam Airlines, Air Macau, Myanmar Airlines International, Malaysian Airlines, while low-cost carriers are Tiger Airways, Jetstar Airways, Orient Thai Airlines and Thai Lion Air.

Domestic

Key main players under the domestic market include Thai Airways, a full-service carrier offering multiclass scheduled services, complimentary in-flight meals, a frequent flyer program and airport lounges, Thai Smile, a light premium airline under Thai Airways umbrella, as well as Bangkok Airways, a boutique full service carrier, and low-cost carriers such as (1) Nok Air (an affiliate of Thai Airways), (2) Orient Thai Airlines, (3) Thai Lion Air and (4) Thai VietJet Air.

OUR BUSINESS STRATEGY

Our goal is to establish ourselves as a leading low fares carrier in every market that we serve by offering passengers a safe, reliable and enjoyable flying experience at a lowest fares. Apart from organically growing our fleet, Thai AirAsia is striving to stimulate air travel via tapping the potential new market, especially in China and Indochina, where there is less or no competition as well as via increasing flight frequencies to strengthen our market position. Our aim is to gain market dominance in every of our route, especially in our domestic market. Besides generating revenue from the fares, Thai AirAsia is also focusing on the drive of our ancillary products via attractive promotions to create more awareness on existing products to the market as well as more innovative products to serve our traveler's needs and convenience on connectivity. Moreover, the Company will continue to strengthen our low-cost model to achieve better efficiencies as evident through the move to Don Mueang Airport. In summary, Thai AirAsia is building up its network and infrastructure that would enable the economies of scale and cost-efficient operations for the readiness of upcoming competition.

AirAsia.com

Enjoy a wide selection
of cars plus convenient

Pick up and drop off
at an affordable price



**Fly
and
Drive**

with AirAsia

Convenient and saving all the way



Rent a car @ airasia.com

More details, Please call **02-515 9999**

Powered by **CarTrawler**

*Terms and conditions apply



Fly-Thru

Connect conveniently



Baggage Check-thru



Quick transit

**Fly abroad hassle-free
from 8 airports**

**Chiang Rai • Chiang Mai • Khon Kaen • Udon Thani
Phuket • Hat Yai • Surat Thani • Krabi (via Don Mueang Airport)**

To over 20 destinations

→ Ho Chi Minh City	→ Yangon	→ Mandalay	→ Siem Reap
→ Phnom Penh	→ Wuhan	→ Chongqing	→ Guangzhou
→ Shenzhen	→ Hong Kong	→ Macau	→ Chennai
→ Penang	→ Singapore	→ Kuala Lumpur	→ Jakarta
→ Tokyo	→ Osaka	→ Seoul	→ Sapporo*

*Sapporo starts operations on 1 May 2015

Yangon

Ho Chi Minh City

Kuala Lumpur

Siem Reap

Macau

Sapporo

Chongqing

Singapore



Visit **airasia.com**
for more details

AirAsia

Aviation business is one of the industries with several unique risk factors. In order to respond to the risk that may arise to affect the Company's operation, the Company has set up risk management procedures and the Risk Management Committee comprising executives from different departments that are involved in setting policies and assessing risks. The Committee identifies possible risks and analyzes factors that may prevent the Company in achieving its goals, prioritizes significance those identified risks as well as evaluates the plausible impacts in order to establish the measures in mitigating risks to the acceptable level. The Risk Management Committee has reported the risk assessment results to the Audit Committee, and the Company's Board of Directors for consideration once every quarter. The Company is following the standards set by the Committee of Sponsoring Organization of the Treadway Commission, or COSO as its operating guideline.

The Company has key risks as listed below. Nonetheless, besides the risk factors shown hereunder, there may be other risks that the Company is not presently aware of or is aware of but does not deem significant in the foreseeable future.

RISKS RELATING TO THE AVIATION INDUSTRY

THE AVIATION INDUSTRY IS EXPOSED TO RISKS FROM EXTERNAL FACTORS SUCH AS TERRORISM, EPIDEMIC, AND UNFAVORABLE WEATHER CONDITIONS.

Terrorism, such as the September 11, 2001 incident and its aftermath, has resulted in negative impacts on the aviation industry. Primarily, the negative impacts include higher costs for security and insurance, lower passenger traffic and lower yield from the decreasing demands for air travel worldwide, and possibly higher costs for the industry, for example, fuel costs for aircrafts or insurance-related costs. The outbreak of the epidemic or various measures taken by governments of countries affected by the epidemic to mitigate the risk of outbreak may also obstruct the aviation industry.

During the monsoons or in the unfavorable weather conditions, flights may be cancelled or postponed. Thailand is one of the countries that have encountered many natural disasters during the past several years, including the tsunami and flood. In the cases that Thai AirAsia cancels or postpones the flight, income and profit of Thai AirAsia will be reduced.

The Company has set up the Emergency Response Team to keep close watch and follow the situation instantly, with the aim to minimize the impact on the flight operation and passengers. The team covers areas such as flight operation planning, ground operation in term of customer service, corporate communication, and passenger responsibility.

THE BUSINESS, FINANCIAL CONDITION, OPERATING RESULTS, AND PROSPECT OF THAI AIRASIA MAY BE MATERIALLY AND ADVERSELY AFFECTED BY FUEL COSTS.

Jet fuel costs represent the largest part of the operating costs of Thai AirAsia, accounted for 44% of total costs of Thai AirAsia in 2014. Consequently, the operating results of Thai AirAsia are significantly affected from the high volatility of the fuel price. The Company's policy in mitigating the risks from fuel price fluctuation is by the Jet Fuel Price Hedging in order to keep the fluctuation in the manageable level. In terms of flight operation, the Company has a policy to manage the fuel consumption rate. In addition, the Company has appropriately levied the baggage fee and fuel surcharge, and generates ancillary income to support the fuel cost management.

CURRENCY FLUCTUATION CAN HAVE ADVERSE IMPACTS ON THE COMPANY'S BUSINESS, FINANCIAL CONDITION, AND OPERATING RESULTS.

Due to the geographic diversity of the business, Thai AirAsia has incomes and expenses in various currencies, most in particular Thai Baht, Singapore Dollar, the US Dollar, Malaysian Ringgit, and Chinese Renminbi. However, most of maintenance contracts, aircraft lease contracts, jet fuel supply contracts, insurance contracts, and substantially all of the purchase contracts with respect to aircraft spare parts of Thai AirAsia are in US Dollar. Nevertheless, many currencies, including US Dollar and some Asian currencies are fluctuating: depreciating and appreciating, which can affect the Company. Thai AirAsia is monitoring the changes in situations for factors that can influence the foreign exchange rates and may enter into contracts to hedge the foreign exchange exposure once the rates are at the favorable levels. In addition, Thai AirAsia also alleviates foreign exchange risks by engaging in the natural hedge scheme.

THE COMPANY MAY BE EXPOSED WITH INTEREST RATE FLUCTUATIONS.

Thai AirAsia may incur significant amount of debt in the future in order to finance for new aircraft or for business expansion. The substantial indebtedness amount of Thai AirAsia in the

future might be of floating rate obligations, thus, the increasing interest rate is likely to affect the borrowing costs of Thai AirAsia. The Company has set a measure to alleviate interest rate risk by fixing some interest rate during the negotiation for financial lease contracts and by considering using financial instruments at appropriate time.

RISKS RELATING TO ASIA AVIATION AND THAI AIRASIA

THERE ARE LIMITATIONS ON FOREIGN OWNERSHIP IN ASIA AVIATION AND THAI AIRASIA, WHICH IS THE COMPANY'S CORE ASSET. VIOLATION MAY RESULT IN THE REVOCATION OF AIR SERVICE OPERATOR LICENSE AND OF THE TRAFFIC RIGHTS OUR DESTINATIONS OF THAI AIRASIA

Foreign ownership, as limited under our Articles of Association, shall not exceed 0.1% of total issued and outstanding Asia Aviation's shares. In addition, Thai AirAsia, as Asia Aviation's core asset, is also under the foreigners' shareholding limitations regulated by the Foreign Business Act B.E. 2542 (1999) and the Aviation Act B.E. 2497 (1954) as amended, and the Announcement of the National Executive Council No. 58. Not less than 51% of shares of an air service operators and aircraft registrants shall belong to persons listed hereunder, in any one or any combination of the following categories: (a) Natural persons who hold Thai nationality; (b) Ministries, sub-ministries, departments of the Thai government; (c) Limited companies or public limited companies, of which not less than fifty-one percent of the total capital belongs to ministries, sub-ministries, departments of Thai government or Thai natural persons.

In practice, it is hardly possible to determine whether the shares owned by shareholder, who is a Thai national, are sold to another Thai national or foreigner, or whether the person who converts the Non-Voting Depository Receipt (NVDR) into share is a Thai national or foreigner, until the said person submits an application for share transfer registration to the registration officer or until the closing date of the shareholders' registration book. Buyers or persons who convert the NVDRs into shares are not obliged to apply for share transfer registration after the purchase or trading. If the buyers or said persons have not applied for share transfer registration, there will not be the records of the said persons' names and nationalities on the shareholders' registration book until the last closing date of the shareholders' registration book, which will be some time after the trading. However, Thailand Securities Depository Co., Ltd. (TSD), Asia Aviation's registrar, may refuse to register the share transfer

for the persons who are not Thai nationals and the said persons may need to sell their shares, if the transfer will make the foreign shareholding exceeds the limit currently imposed, which may result in the revocation of air service operator license and significant negative impacts on the business, financial condition, operating results, and business opportunities of Thai AirAsia. If the foreign shareholding meets the maximum limit, Thai shareholders may be restricted in transferring the shares to foreigners, which may negatively affect the liquidity and market prices of the shares. Additionally, under normal practice for international air transportation service operation, Thai AirAsia shall have significant number of shareholders with Thai nationality who are also effectively controlling shareholders of Thai AirAsia. Even though governments of countries, that Thailand has signed the bilateral agreements with, are recognizing the concept of the "beneficial ownership", there is a risk that the substantially owned and effectively controlled test may not be met, which may result in Thai AirAsia being terminated of the Thai-Designated Airline status and revoked of the international traffic rights.

As of 31 December 2014, Asia Aviation held 55% shareholding in Thai AirAsia, in which the public held the proportion of 54% of Asia Aviation's total issued and outstanding shares, and the remaining 46% were held by Thai AirAsia management team who are all natural persons with Thai nationality, as regulated by applicable laws. Asia Aviation is operating as a holding company, consequently it is dependent on the dividends received from Thai AirAsia for dividend payment to Asia Aviation's shareholders.

As Asia Aviation is a holding company, it is dependent on the dividends from Thai AirAsia, of which it has 55% shareholding, to pay the dividends for its own shareholders. Dividend payment of Thai AirAsia to its shareholders, including Asia Aviation, shall be subject to applicable law. According to the Public Limited Companies Act B.E. 2535 (1992) as amended, Asia Aviation may pay dividends based on its net profit of the standalone financial statement of the Company, but not from its consolidated financial statement, in which net profit of Thai AirAsia has derived the net profit under the consolidated financial statement. Therefore, the ability to pay dividends of Asia Aviation depends on the dividends received from Thai AirAsia as the said dividends constitute substantially of Asia Aviation's income.

The Company has assigned Thai AirAsia to prepare operating plans and annual budgets, which need to be considered and approved by the Company's Board of Directors. Executive management meet every month to closely monitor the operating results in order to respond in a timely manner, should there be changes from external factors that differ from what has been planned, and also to appropriate plan financially, both in terms of cash flow and financial ratios that have been approved by the Board of Directors.

BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH AIRASIA BERHAD.

Thai AirAsia has benefited from the support from AirAsia Berhad (AAB) in many areas. The Company's business relies on the brand license agreement that Thai AirAsia signed with AAB dated 1 January 2012 ("AirAsia" Brand License Agreement) that AAB permits Thai AirAsia to be a sole operator in Thailand to use "AirAsia" as trade name for business operation, access to market knowledge, and customer services. However, the increase in the license fee and other amendments of this agreement can have an effect on the operation of Thai AirAsia

Presently Thai AirAsia is leasing its aircraft from an AAB's subsidiary, in which the lease agreements will expire during 2019 to 2026. The ability of Thai AirAsia to renew the lease with similar terms depends on the market condition at the time. Typically, if the lease agreement is made for a long duration, the agreement is likely to be more in favor of the lessee. The Company also relies on the information technology used within the AirAsia Group. The Company's main software (centered in Kuala Lumpur, Malaysia) include NewSkies 3.4, which was developed by Navitaire and used for inventory/sales management and reservation, Axapta Financial Management, which was developed by Microsoft and used for financial operation, the Merlot, which is used for flight scheduling and crew rostering, Navtech, which is used for flight planning, and Swiss Aviation Software Ltd.'s AMOS, which is used for the management of aircraft maintenance engineering and logistics.

The Company also has an access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports in Malaysia and Indonesia, and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, and ticket reservation software. Decisions to engage in the transactions are made by Thai AirAsia

At present, AirAsia Berhad is holding 45% shares in Thai AirAsia and has nominated two of the directors of Thai AirAsia and one independent director from the eight members in the board of directors as specified in the Shareholders' Agreement.

THAI AIRASIA IS DEPENDENT ON AUTOMATED SYSTEM AND THE INTERNET IN BUSINESS OPERATION OF THAI AIRASIA

Thai AirAsia is reliant on the automated system in operating its business, including its website and online ticket reservation system, and its internal communication system. Thai AirAsia's website and online ticket reservation system must be able to accommodate a high volume of traffic and to show important flight information. Thai AirAsia has a backup plan and business continuity plan in place in order to prevent a sudden stop in these systems.

The flight reservation by passengers directly via the website of Thai AirAsia came up to 69% in 2014. Thai AirAsia is aware of the possible risks from Internet security for online transactions related to the data privacy that may create more restrictions in ticket purchase; therefore, the Company has put in place a privacy policy for customers and safety measures to prevent the illegitimate access to the private information. The Company also joins with leading domestic and international financial institutions and credit card providers such as VISA, MasterCard, American Express, and JCB to provide passengers with satisfaction in using their credit cards speedily and safely for the internet transaction.

THAI AIRASIA IS HAVING THE SINGLE FLEET TYPE OF AIRBUS A320 AIRCRAFT AND CFM56-5 ENGINES.

As of 31 December 2014, Thai AirAsia has a single aircraft type of 40 Airbus A320 aircraft with CFM56-5 engines. The reliance on single model, Airbus A320, and single type of engine, CFM56-5, makes Thai AirAsia vulnerable to any problem arises from the said model and engine. Thai AirAsia may experience an unfavorable impact if any shortcoming is found in the design or the mechanism in Airbus A320 aircraft or CFM56-5 engine, as Thai AirAsia's aircraft will then need to be grounded for fixing the shortcoming or problem. However, Airbus A320 aircraft is well accepted in the aviation industry since its beginning of production in 1988. Thai AirAsia has assessed the risks of the model being defected in the design or having engine troubled by considering the history of this model and found that its safety is at high-level and its cost of services is modest.

SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE

ASIA AVIATION PUBLIC COMPANY LIMITED

As at 31 December 2014, Asia Aviation has the registered and paid-up capital of Baht 485,000,000, being common shares of 4,850,000,000 shares at the par value of Baht 0.10 per share. On May 31, 2012 the company was listed on the Stock Exchange of Thailand under ticker “AAV”.

THAI AIRASIA COMPANY LIMITED (SUBSIDIARY)

As at 31 December 2014, Thai AirAsia has the registered and paid-up capital of Baht 435,555,600 being common shares of 43,555,560 shares at the par value of Baht 10 per share. With the IPO proceeds, Asia Aviation has injected its capital into Thai AirAsia, increasing its shareholding from 51% to 55%.

MAJOR SHAREHOLDERS

ASIA AVIATION PUBLIC COMPANY LIMITED

As at 9 January 2015, Asia Aviation has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding percentage (%)
1. Mr. Tassapon Bijleveld	2,134,088,286	44.00
2. Thai NVDR Company Limited	191,256,091	3.94
3. Bualuang Long-term Equity Funds	173,405,900	3.58
4. Bualuang Top Ten Open-end Fund	109,610,000	2.26
5. Bualuang Long-term Equity Funds 75/25	107,667,600	2.22
6. Electricity Generating Authority of Thailand Employees Provident Fund (managed by BBLAM)	100,450,400	2.07
7. Bualuang Flexible RMF	53,189,200	1.10
8. Bualuang Infrastructure RMF	51,878,200	1.07
9. Bualuang Equity RMF	34,403,200	0.71
10. Bualuang Infrastructure	31,066,700	0.64

THAI AIRASIA COMPANY LIMITED

As at 31 December 2014, Thai AirAsia has 9 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding percentage (%)
1. Asia Aviation Public Company Limited	23,955,553	55.00
2. AirAsia Investment Ltd. ^{1, 2}	19,600,000	45.00
3. Mr. Tassapon Bijleveld	1	0
4. Mr. Pornanan Gerdprasert	1	0
5. Captain Tanapat Ngamplang	1	0
6. Mr. Preechaya Rasametanin	1	0
7. M.L. Bovornovadep Devakula	1	0
8. Mr. Santisuk Klongchaiya	1	0
9. Ms. Hathaimas Ekkalakdilok	1	0
Total	43,555,560	100.00

REMARK: 1. AirAsia Investment is a subsidiary of AirAsia Group that registered under Malaysian laws, in which AirAsia Berhad has a 100% shareholding.
2. AirAsia Berhad, listed on Bursa Malaysia, manages the business of investing in other companies.

AIRASIA BERHAD

As at 31 December 2014, AirAsia Berhad has major shareholders with details on the number of shares and shareholding percentage as follows:

Name	Direct		Indirect	
	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)
Tune Air Sdn Bhd	531,212,082	19.09	-	-
Tan Sri Dr. Anthony Francis Fernandes	1,600,000	0.06	531,212,082	19.09
Dato' Kamarudin bin Meranun	2,000,000	0.07	531,212,082	19.09
Wellington Management Company, LLP	388,546,842	13.96	-	-
Employees Provident Fund Board	170,203,200	6.12	28,094,300	1.01

DIVIDEND POLICY

The board of directors of Asia Aviation may recommend annual dividends subject to the approval of the shareholders at the annual general meeting (AGM). For interim dividends, the board of directors are authorized for such approval, considering the profitability of the company, which will be reported to the next AGM.

ASIA AVIATION PUBLIC COMPANY LIMITED

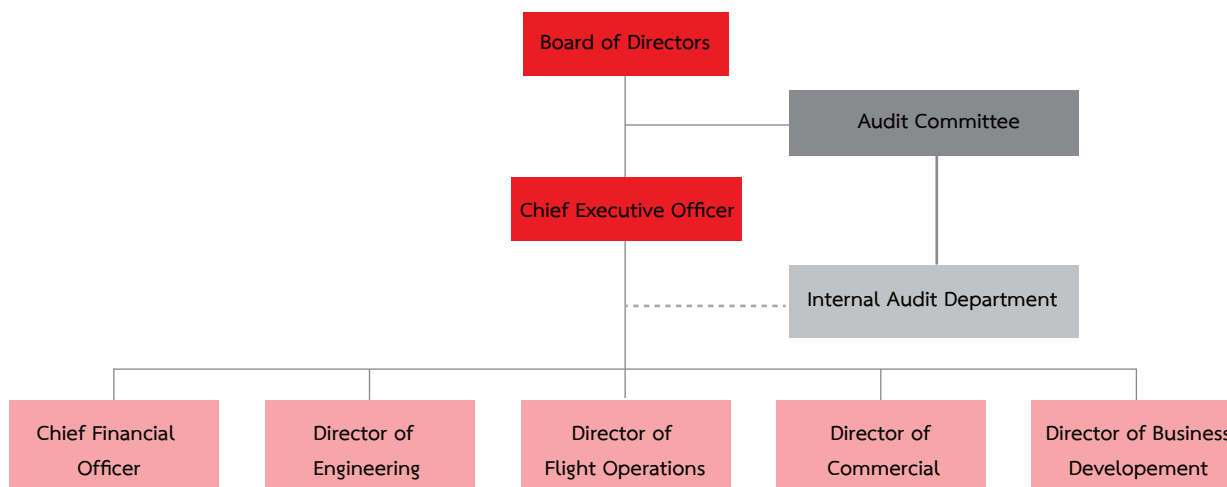
Asia Aviation may consider paying dividend by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Asia Aviation are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the board of directors.

THAI AIRASIA COMPANY LIMITED

Thai AirAsia may consider paying dividend by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Thai AirAsia are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the board of directors.

MANAGEMENT STRUCTURE

Management Structure of Asia Aviation Public Company Limited as of 31 December 2014



MANAGEMENT STRUCTURE ASIA AVIATION PLC.'S COMMITTEES

Management structure of Asia Aviation consists of the Board of Directors and three sub committees, namely the Audit Committee, Executive Committee and the Nomination and Remuneration Committee. The details of all the Committees are as follows:

THE BOARD OF DIRECTORS

As of 31 December 2014, Asia Aviation's Board of Directors consists of 9 directors as follows:

	Position	Noted
1. Mr. Arak Chonlatanon	Chairman of the Board/ Independent Director/ Chairman of the Audit Committee/ Nomination and Remuneration Committee	Non-Executive Director
2. Mr. Tassapon Bijleveld	Director	Executive Director
3. Mrs. Pattra Boosarawongse*	Director	Executive Director
4. Captain Tanapat Ngamplang	Director	Executive Director
5. Mr. Preechaya Rasametanin	Director	Executive Director
6. M.L. Bovornovadep Devakula	Director	Executive Director
7. Mr. Santisuk Klongchaiya	Director	Executive Director
8. Mr. Distorn Vajarodaya	Director/Independent Director/ Audit Committee/ Nomination and Remuneration Committee	Non-Executive Director
9. Mr. Nuttawut Phowborom	Director/Independent Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee	Non-Executive Director

* Mrs. Pattra Boosarawongse was appointed as Director replacing Mr. Pornanan Gerdprasert who resigned, effective 23 February 2015.

ASIA AVIATION PLC.'S AUTHORIZED DIRECTORS

Mr. Tassapon Bijleveld jointly sign with, Mrs. Pattri Boosarawongse, or Captain Tanapat Ngamplang, or Mr. Preechaya Rasametanin, or M.L. Bovornovadep Devakula, or Mr. Santisuk Klongchaiya, totaling two persons, with the company's seal affixed.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF ASIA AVIATION PLC.

1. To conduct their duties in compliance with the laws, objectives, articles of association, resolutions of the board of directors and resolutions of shareholders' meetings with duty of care and duty of loyalty, and with the best interest of the Company.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of Asia Aviation and its subsidiaries as prepared by management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system, internal control and internal audit system. These include establishing reliable financial report.
5. To review the risk management procedures and policies and also follow up on the results.
6. To prevent conflicts of interests among stakeholders of Asia Aviation and its subsidiaries.
7. To consider and approve related party transactions of the Company and its subsidiaries in compliance with notifications and regulations of the Stock Exchange of Thailand.
8. To set in place the corporate governance policy and its effective implementation including annual review.

9. To appoint the sub-committees such as Audit Committee, or any other sub committees in order to appropriately assist and support the Board of Directors duties.
10. To appraise the performance of Chief Executive Officer and members of Senior Management.
11. To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
12. To seek professional opinions from external agencies, if required, in order to take appropriate decisions.
13. To prepare and disclose annual reports and financial statements in order to present financial position and operating results for the past years to the Shareholders' Meeting
14. To arrange for the Annual General Meeting of Shareholders within four months of the end of each fiscal year of Asia Aviation
15. To approve the investment decisions for business expansion or joint venture with other business operators

In any case, the authorization of duties and responsibilities of the Board of Directors of Asia Aviation shall not constitute an authorization or sub-authorization which may cause the Board of Directors of the Asia Aviation or its authorized person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with Asia Aviation or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders meeting or the Board of Directors meeting.

BOARD OF DIRECTORS' MEETING OF ASIA AVIATION PLC.

The followings are the details of attendance of the Board of Directors' meeting in 2014

	No. of Attendance / Total Meeting
1. Mr. Arak Chonlatanon	5/5
2. Mr. Tassapon Bijleveld	5/5
3. Mr. Pornanan Gerdprasert	4/5
4. Captain Tanapat Ngamplang	5/5
5. Mr. Preechaya Rasametanin	5/5
6. M.L. Bovornovadep Devakula	4/5
7. Mr. Santisuk Klongchaiya	5/5
8. Mr. Distorn Vajarodaya	3/5
9. Mr. Nuttawut Phowborom	5/5

AUDIT COMMITTEE

Asia Aviation's Audit Committee comprises three independent directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As at 31 December 2014, the Company's Audit Committee is as follows:

	Position
1. Mr. Arak Chonlatanon	Chairman of Audit Committee
2. Mr. Distorn Vajarodaya	Audit Committee
3. Mr. Nuttawut Phowborom	Audit Committee

Mr. Nuttawut Phowborom has sufficient knowledge and experience to review the reliability of the financial statements of the Company.

The Secretary to the Company's Audit Committee is Ms. Duangporn Tantiwivat.

TERMS OF POSITIONS

Members of the Audit Committee serve a term of three years and are eligible for re-appointment at the end of the term.

AUDIT COMMITTEE S' MEETING

The followings are the details of attendance of the Audit Committees' meeting in 2014

	No. of Attendance / Total Meeting
1. Mr. Arak Chonlatanon	4/4
2. Mr. Distorn Vajarodaya	2/4
3. Mr. Nuttawut Phowborom	4/4

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- To review the company's financial reporting process to ensure that it is accurate and adequate;
- To review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- To review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
- To consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- To consider the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company.
- To review the company's risk management system to ensure that the company has appropriate and efficient risk management systems.
- To review and propose amendments related to duties and responsibilities of the Audit Committee in accordance with the circumstances.
- The Audit Committee has the authority to investigate the relevant party and has the authority to hire or bring experts to assist as necessary and appropriate.
- To prepare, and disclose in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - an opinion on the accuracy, completeness and credibility of the company's financial report;

- b. an opinion on the adequacy of the company's internal control system;
 - c. an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;
 - d. an opinion on the suitability of an auditor;
 - e. an opinion on the transactions that may lead to conflicts of interests;
 - f. the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - g. an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - h. other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
10. If any following actions significantly affect the financial status or performance of the company, the audit committee shall report to the Board of Director for further improvement within the suitable time set by the Audit Committee
- a. Transaction that causes the conflict of interest
 - b. Fraud or any significant irregular events or problems in the internal control system
 - c. The violation of law by Security and Exchange Commission, SEC's regulation or law related to the company business.

If the board of director or management has not taken any action to resolve the above matter within the specified time frame, any committee member shall report to aforementioned matter to the Security and Exchange Commission or Stock Exchange.

- 11. To perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee.

The Audit Committee directly reports to the Board of Directors.

EXECUTIVES

As at 31 December 2014, the list of Asia Aviation's Executives is as follows

	Position
1. Mr. Tassapon Bijleveld	Director/ Chief Executive Officer
2. Mrs. Pattra Boosarawongse*	Director/ Chief Financial Officer
3. Mr. Preechaya Rasametanin	Director/ Director of Engineering
4. Captain Tanapat Ngamplang	Director/ Director of Flight Operations
5. M.L. Bovornovadep Devakula	Director/ Director of Business Development
6. Mr. Santisuk Klongchaiya	Director/ Director of Commercial

Remark: Executive means a director, manager or a person holding a management-level-position of the first four ranking below the manager, a person holding a position equivalent to the person holding a management-level-position of the fourth ranking, including a person holding a management-level-position in an accounting or finance department at the level of manager of the department or higher or an equivalent position

* Mrs. Pattra Boosarawongse was appointed as Chief Financial Officer replacing Mr. Pornanan Gerdprasert who resigned, effective 23 February 2015.

DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

- 1. To be designated as authorized person in administering Asia Aviation's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Asia Aviation as authorized by the Board of Directors of Asia Aviation and/or resolutions of the Shareholders' Meeting
- 2. To prepare business plans and to assign management authority as well as set the business operation and

annual budgets for the approval from the Board of Directors of Asia Aviation, and to report the business progress according to the plans and budgets as approved to the Board of Directors of Asia Aviation

3. To establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, compensation and other benefits for employees
4. To monitor and report situation and position of Asia Aviation and to propose alternatives and strategies in accordance to policies and market situation
5. To manage and control all areas of operation for Asia Aviation, including finance, risk management, internal control, business operations and support functions, and human resources
6. To represent Asia Aviation and to be designated as authorized person in liaising with government agencies and other organizations
7. To oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Asia Aviation
8. To ensure good corporate governance
9. To authorize the establishment, amendment, and modification of the employment rules and regulations for Asia Aviation such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits
10. To consider, negotiate, and approve legal transactions, and/or and business operation activities, and/or daily business administration of Asia Aviation within the Authority Limits approved by the Board of Directors of Asia Aviation
11. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Asia Aviation

The Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and

delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

COMPANY SECRETARY OF ASIA AVIATION PLC.

The Board of Directors of Asia Aviation has appointed Ms. Hathaimas Ekkalakdilok 27 January 2012 as a company secretary, whose duties and responsibilities are as stated in the Securities and Exchange Act.

NOMINATION AND REMUNERATION COMMITTEE

Asia Aviation's Board of Directors' Meeting No. 2/2014, held on 26 February 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee, which comprises of three committee members as follows:

	Position
1. Mr. Nuttawut Phowborom	Chairman of Nomination and Remuneration Committee
2. Mr. Arak Chonlatanon	Nomination and Remuneration Committee
3. Mr. Distorn Vajarodaya	Nomination and Remuneration Committee

TERMS OF POSITIONS FOR NOMINATION AND REMUNERATION COMMITTEE

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for re-appointment at the end of the term.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR NOMINATION

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organization and its changing environment.

2. Determine guidelines and policies in nominating Board of Directors and subcommittee members and consider qualified candidates to replace those who are vacating the office, and propose the matter for approval by Board of Directors and/or shareholders as the case may be.
3. Nominate qualified candidates for Chief Executive Officer and senior management when the position is vacant, and determine the succession planning for positions of Chief Executive Officer and other senior management.
4. Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate timeframe prior to the Shareholders' Meeting.
5. To perform of other tasks as assigned by the Board of Directors.

NOMINATION OF DIRECTORS

The Company has appointed the Nomination Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons and to provide opportunity for minority shareholders to nominate candidates for the Company's Directors. Candidates are proposed to the Company's Board of Directors for consideration before proposing to the Shareholders' Meeting for approval (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of the Company's Board of Directors for skills that are still lacking, in order to select the candidates that are most suitable for the position in terms of knowledge, capability, and work experiences which are beneficial for the Company, to be the Directors. The appointed Directors of Asia Aviation shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations.

COMPOSITION AND NOMINATION OF THE COMPANY'S DIRECTORS

Composition, nomination, and termination of Directors are regulated as follows:

1. The Board of Directors of Asia Aviation shall consist of at least five Directors to conduct the business of Asia Aviation. Not less than one half of all Directors shall have residence in the Kingdom of Thailand.
2. The appointment of a Director shall be made by a majority vote at the Shareholders' Meeting in accordance with the following conditions and procedures:
 - (1) One ("1") share represents one ("1") vote;
 - (2) Each shareholder shall exercise his voting rights according to 1) to elect one or several persons as a Director or Directors, but the shareholder cannot divide his or her votes to any nominated Director in any number;
 - (3) The persons receiving the most votes are those who are elected to be Directors, in descending order, to the number of Directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The retiring Directors are eligible for re-election. The Directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire.
4. Any director wishing to resign from the director's position shall submit a resignation letter to Asia Aviation. The resignation shall take effect upon the date on which the resignation letter reaches Asia Aviation.
5. The Shareholders' Meeting may pass a resolution to remove any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

6. In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall appoint any candidate who does not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations to fill the position for the next Board of Directors' Meeting unless the remaining term is less than two months. The replacement Director shall hold the office only for the remaining term of the Director whom he/she replaces.

COMPOSITION AND NOMINATION OF THE AUDIT COMMITTEE

Board of Directors shall appoint at least three members of Audit Committee from Independent Directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock exchange of Thailand as follows:

1. Not being a director authorized by the Board of Directors to make any decision in the business operation of Asia Aviation, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or control person of Asia Aviation, and
2. Not being a director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company, and
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements.

Should any of the members of the Audit Committee vacates his or her office by rotation or any other reasons, and leaves the number of less than three committee members, Board of Directors shall appoint a replacement within three months after the office is vacated in order for the Committee to continue their duties without any disruption.

NOMINATION OF SENIOR MANAGEMENT

In nominating the candidates for Chief Executive Officer and senior management members, Executive Committee will

initially screen the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to the Company's operations. Those candidates must understand the Company's businesses well and can manage their functions to attain the goals and objectives set by the Board of Directors. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR REMUNERATION

1. To determine criteria and the form of payment to the Board of Directors, subcommittees, Chief Executive Officer, which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
3. To disclose the policy for Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To responsible for other tasks as assigned by the Board of Directors.

POLICY ON REMUNERATION AND CRITERIA FOR EACH DIRECTOR'S REMUNERATION

Asia Aviation's Board of Directors' Meeting No. 2, held on 26 February 2014, the resolution was to approve the criteria in consideration for remuneration for the Company's Directors as follows:

To determine remuneration for the Board of Directors, the Remuneration Committee shall consider the following guideline:

1. Policy on for remuneration for the Board of Directors and Management

The Company has a policy on setting appropriate

remuneration for Directors by consideration and comparison with remuneration for directors in other leading companies in the Stock Market and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors and Management.

Remuneration Committee considers types, forms, and amount of the remuneration for the Board of Directors, subcommittees, Chief Executive Officer. The remuneration for the Board of Directors and subcommittees shall be proposed to the Annual General Meeting of Shareholders for approval every year.

2. Remuneration for the Board of Directors and subcommittees

At the Annual General Meeting of Shareholders 2014, held on 24 April 2014, the resolution was to approve the remuneration for the Board of Directors and subcommittees as follows:

Monetary Remuneration

- Each director shall receive the monthly remuneration of Baht 75,000 and Baht 75,000 allowance for each meeting attendance. If there is more than one meeting, each director shall receive only Baht 75,000 allowance in the month. The Chairman of the Board of Directors shall receive the monthly remuneration of Baht 100,000 and Baht

100,000 allowance for each meeting attendance. If there is more than one meeting, the Chairman shall receive only Baht 100,000 allowance in the month.

- The monthly remuneration for the Audit Committee (in addition to the remuneration as the directors) shall be Baht 75,000. The Chairman of the Audit Committee shall receive the monthly remuneration of Baht 100,000.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a Committee, a Sub-Committee or a Working Group, the said director shall receive an additional remuneration as the meeting allowance for Baht 37,500 per meeting attendance. If there is more than one meeting, each director shall receive only Baht 37,500 allowance in the month.
- The Board of Directors shall receive the bonus for 0.5% of the dividend and the allocation shall be as specified by the Board of Directors.

Other Remunerations

- Ticket Benefits

Each Director of Asia Aviation (and his family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation.

Structure of Directors' Remuneration in 2014

	Monetary Remuneration (THB)		
	Monthly	Meeting Allowance	Bonus
BOARD OF DIRECTORS			
Chairman	100,000	100,000	-
Director	75,000	75,000	-
AUDIT COMMITTEE			
Chairman	100,000	-	-
Member	75,000	-	-
EXECUTIVE COMMITTEE*			
Chief Executive Officer	-	-	-
Member	-	-	-

* Members of Executive Committee who are members of the management are not entitled for remuneration as Directors or members of subcommittee.

Monetary remunerations of the three Individual Directors who are not members of the Management are the total of THB 6.175 million. The remunerations include salary and meeting allowance as follows:

		Director's Remuneration (THB)		
		Board of Directors	Audit Committee	Total
Mr. Arak Chonlatanon	Chairman of the Board of Director/ Chairman of the Audit Committee	1,450,000	1,050,000	2,500,000
Mr. Distorn Vajarodaya	Director/ Audit Committee	985,000	795,000	1,780,000
Mr. Nuttawut Phowborom	Director/ Audit Committee	1,100,000	795,000	1,895,000

- In 2014, Asia Aviation has not paid remunerations for the Management.
- The aforementioned policy on Directors' remuneration in 2014 increase from 2013 because Directors have more responsibilities to the Company growth. Moreover, Due to the higher performance of the Company in 2013 and the remuneration of the Company's Board of Directors has not been increased since 2012. Details are as follow:

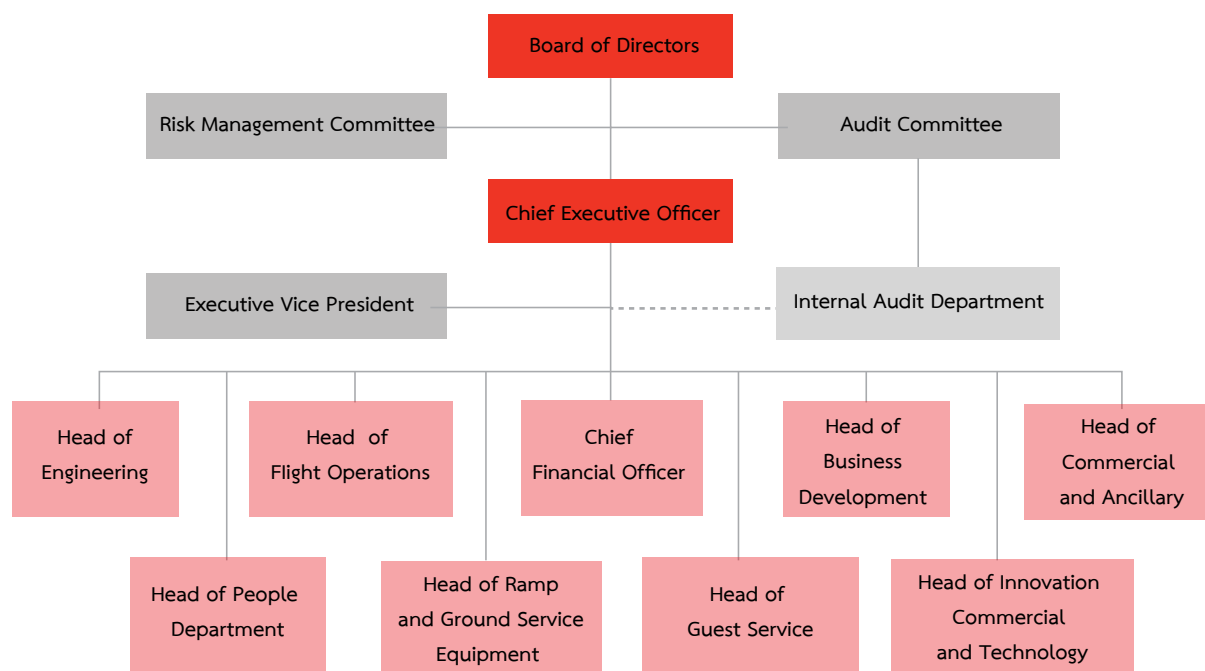
The Monthly Remuneration (Unit: Baht)				
	Chairman	Director	Chairman of the Audit Committee	Audit Committee
Year 2013	50,000	40,000	50,000	40,000
Year 2014	100,000	75,000	100,000	75,000
Adjusted Amounts	50,000	35,000	50,000	35,000

The Meeting Allowance (Unit: Baht)					
	Chairman	Director	Chairman of the Audit Committee	Audit Committee	Sub- Committee
Year 2013	50,000	40,000	-	-	20,000
Year 2014	100,000	75,000	-	-	37,500
Adjusted Amounts	50,000	35,000	-	-	17,500

Changes in Shares Held by Board of Directors and Executives in 2014

	Position	Number of Shares on 31 December 2013	Number of Shares on 31 December 2014	Increase in the Number of Shares (Decrease)	Share holding (%)
1. Mr. Arak Chonlatanon	Chairman of the Board of Director / Chairman of the Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
2. Mr. Tassapon Bijleveld	Director/ Chief Executive Officer	1,365,499,800	2,134,088,286	768,588,486	44.00
Spouse and minor child	-	-	-	-	-
3. Mr. Pornanan Gerdprasert	Director/ Chief Financial Officer	286,500,400	21,574,382	(264,926,018)	0.44
Spouse and minor child	-	-	-	-	-
4. Captain Tanapat Ngamplang	Director	280,850,000	15,000,082	(265,849,918)	0.31
Spouse and minor child	-	-	-	-	-
5. Mr. Preechaya Rasametanin	Director	287,850,000	26,500,000	(261,350,000)	0.55
Spouse and minor child	-	-	-	-	-
6. M.L. Bovornovadep Devakula	Director	283,499,900	25,151,977	(258,347,923)	0.52
Spouse and minor child	-	-	-	-	-
7. Mr. Santisuk Klongchaiya	Director	141,675,000	9,712,091	(131,962,909)	0.20
Spouse and minor child	-	-	-	-	-
8. Mr. Distorn Vajarodaya	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
9. Mr. Nuttawut Phowborom	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-

Management Structure of Thai AirAsia Company Limited as of 31 December 2014



MANAGEMENT STRUCTURE THAI AIRASIA CO., LTD AS A MAJOR BUSINESS OPERATION THE BOARD OF DIRECTORS

The management structure of Thai AirAsia (“Subsidiary”) consists of the Board of Directors and four subcommittees, namely the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee. The details of all the Committees are as follows:

THE BOARD OF DIRECTORS

As of 31 December 2014, Thai AirAsia’s Board of Directors consists of 7 directors as follows:

	Position	Noted
1. Mr. Arak Chonlatanon	Chairman of the Board/ Chairman of the Audit Committee/ Independent Director	Non-Executive Director
2. Tan Sri Dr. Anthony Francis Fernandes	Director	Executive Director
3. Dato’ Kamarudin Bin Meranun	Director	Executive Director
4. Mr. Tassapon Bijleveld	Director	Executive Director
5. Mrs. Pattra Boosarawongse*	Director	Executive Director
6. Mr. Santisuk Klongchaiya**	Director	Executive Director
7. Mr. Nuttawut Phowborom	Director/Independent Director/ Audit Committee	Non-Executive Director

* Mrs. Pattra Boosarawongse was appointed as Director replacing Mr. Preechaya Rasametani who retired by rotation, effective 23 February 2015.

** M.L. Bovornovadep Devakula was appointed as Director replacing Mr. Pornanan Gerdprasert, effective 12 May 2014. Subsequently, on 23 February 2015, Mr. Santisuk Klongchaiya was appointed as Director replacing M.L. Bovornovadep Devakula who resigned from Director but still served as Head of Business Development.

In addition Ahmad Farid Bin Ridzuan resigned from Director, Independent Director and Audit Committee since 1 December 2014.

The Company Secretary is Ms. Hathaimas Ekkalakdilok

AUTHORIZED DIRECTORS OF THAI AIRASIA CO., LTD

Mr. Tassapon Bijleveld jointly signs with Mrs. Pattri Boosarawongse or Mr. Santisuk Klongchaiya or Tan Sri Dr. Anthony Francis Fernandes or Dato' Kamarudin Bin Meranun, totaling two persons, with the company's seal affixed.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF THAI AIRASIA CO., LTD

The Board of Directors of Thai AirAsia shall manage Thai AirAsia in accordance with the law, objectives, articles of association and resolutions of Shareholders' Meeting in an honest and prudent manner in best interests of Thai AirAsia and its shareholders. Under Thai AirAsia's articles of association, scope of duties and responsibilities of Thai AirAsia's Board of Directors are as follows:

1. Announce dividend payments or other payments in the same nature as dividends to shareholders
2. Propose any increase and/or decrease and/or other alteration to the registered capital and authorized capital by the Company or the issue of any new class of shares in the share capital of the Company or the issue of any securities or convertible instruments by the Company
3. Propose any amendment in the Memorandum and/or Articles of Association of the Company
4. To approve and to change or adjust the Company's business plans and/or budgets for any fiscal year
5. To approve any business operation or legal transaction of over THB 100,000,000 (One Hundred Million Thai Baht) in total, except cases that have already been specified in the Company's approved budgets
6. Change the structure of the Company or the merger with or acquisition of other company, association, partnership, or any other legal entity
7. Change the nature or scope of business of the Company at the time, which is not coherent or related to the scope of or the nature of business of the Company
8. Appoint or dismiss Senior Management and to approve any contract concerning employment regulations or remuneration and benefits of Directors or senior human resources of the Company, or any amendment in the aforementioned matters
9. The sale, transfer or disposal of any substantial part of business, assets or properties of the Company, including the issuance of any fixed or variable obligation or right of retention mortgage, guarantee, or any other obligation over Company's assets or properties
10. Any financial transaction of the Company, including any existing and future loan, debt or account payable or other loan obligation (or debt or account payable or any other loan obligation), or the Company entering into any guarantee contract which results in debt, with the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets
11. Capital expenditure or capital obligation, or capital expenditure or successive capital debt obligation the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency in any fiscal year, except cases that have already been specified in the Company's approved budgets
12. Change auditor, fiscal year, or significant accounting policies of the Company
13. Enter into any hedging transaction to hedge against fluctuation of the Company's investment, assets or liabilities with the total value of over THB 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets
14. Approve the Company's Authority Limit framework

BOARD OF DIRECTORS' MEETING OF THAI AIRASIA CO., LTD.

The followings are the details of attendance of the Board of Directors' meeting in 2014

	No. of Attendance / Total Meeting
1. Mr. Arak Chonlatanon	4/4
2. Tan Sri Dr. Anthony Francis Fernandes	3/4
3. Dato' Kamarudin Bin Meranun	1/4
4. Mr. Tassapon Bijleveld	4/4
5. M.L. Bovornovadep Devakula*	1/4
6. Mr. Preechaya Rasametani	4/4
7. Mr. Nuttawut Phowborom	3/4
8. Ahmad Farid Bin Ridzuan	0/4

* M.L. Bovornovadep Devakula was appointed as Director on 12 May 2014

AUDIT COMMITTEE

Thai AirAsia's Audit Committee comprises two independent directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As at 31 December 2014, Thai AirAsia's Audit Committee is as follows:

	Position
1. Mr. Arak Chonlatanon	Chairman of Audit Committee
2. Mr. Nuttawut Phowborom	Audit Committee

Ahmad Farid Bin Ridzuan resigned from Audit Committee since 1 December 2014.

Mr. Nuttawut Phowborom has sufficient knowledge and experience to review the reliability of the financial statements of the Company.

The Secretary to the Company's Audit Committee is Ms. Duangporn Tantiwivat.

TERMS OF POSITIONS

Members of the Audit Committee serve a term of three years and are eligible for re-appointment at the end of the term.

AUDIT COMMITTEE S' MEETING

The followings are the details of attendance of the Audit Committees' meeting in 2014

	No. of Attendance / Total Meeting
1. Mr. Arak Chonlatanon	3/4
2. Mr. Nuttawut Phowborom	4/4
3. Ahmad Farid Bin Ridzuan	0/4

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Scope of duties and responsibilities of the Audit Committee are the same as those of Asia Aviation (please see the details under the same section for Asia Aviation).

RISK MANAGEMENT COMMITTEE

As Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the main business for the Company, therefore, risk management system has been established for Thai AirAsia. As of 31 December 2014, Thai AirAsia's Risk Management Committee consists of 6 directors as follows:

	Position
1. Mr. Tassapon Bijleveld	Chairman of Risk Management Committee
2. Mrs. Pattra Boosarawongse	Risk Management Committee
3. Captain Surapun Patoomwat	Risk Management Committee
4. Mr. Banyat Hansakul	Risk Management Committee
5. M.L. Bovornovadep Devakula	Risk Management Committee
6. Mr. Santisuk Klongchaiya	Risk Management Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE OF THAI AIRASIA CO., LTD

1. Set risk management policies to cover all risks from business operation.
2. Consider and approve risk management plans.
3. Appoint risk management working groups as necessary to support risk management working groups for human resources, budgets, and other resources, in line with areas of responsibilities.
4. Follow-up the risk management procedures systematically from the start of the process to identify risks to the analysis and evaluation and report.
5. Provide advisory support to units within the organization regarding risk management procedures with continuous follow up and evaluation.

- Continually report to Board of Directors regarding risks and significant risk management.

EXECUTIVES

As at 31 December 2014, the list of Thai AirAsia's Executives is as follows :

	Position
1. Mr. Tassapon Bijleveld	Chief Executive Officer
2. Mrs. Pattra Boosarawongse	Chief Financial Officer
3. Mr. Preechaya Rasametanin	Executive Vice President
4. Captain Tanapat Ngamplang	Executive Vice President
5. Mr. Santisuk Klongchaiya	Head of Commercial and Ancillary
6. M.L. Bovornovadep Devakula	Head of Business Development
7. Captain Surapun Patoomwat	Head of Flight Operations
8. Mr. Banyat Hansakul	Head of Engineering
9. Mr. Suwit Srisarakam	Head of Ramp and Ground Service Equipment
10. Miss Witchunee Kuntapeng	Head of Guest Service
11. Mrs. Thiladee Pantumchinda	Head of People Department
12. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology

Remark: Executive means a director, manager or a person holding a management-level-position of the first four ranking below the manager, a person holding a position equivalent to the person holding a management-level-position of the fourth ranking, including a person holding a management-level-position in an accounting or finance department at the level of manager of the department or higher or an equivalent position.

DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

- Responsible for administering Thai AirAsia's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Thai AirAsia as authorized by the Board of Directors of Thai AirAsia and/or resolutions of the Shareholders' Meeting.

- Establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, compensation and other benefits for employees.
- Monitor and report situation and position of Thai AirAsia and to propose alternatives and strategies in accordance to policies and market situation.
- Manage and control all areas of operation for Thai AirAsia including finance, risk management, internal control, business operations and support functions, and human resources.
- Represent Thai AirAsia and be designated as authorized person in liaising with government agencies and other organizations.
- Oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Thai AirAsia.
- Authorize the establishment, amendment, and modification of the employment rules and regulations for Thai AirAsia such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
- Consider, negotiate, and approve legal transactions, and/or and business operation activities, and/or daily business administration of Thai AirAsia within the Authority Limits approved by the Board of Directors of Thai AirAsia.
- To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Thai AirAsia.

The Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the

delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

Thai AirAsia's Board of Directors' Meeting No. 1/2014, held on 3 March 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee, which comprises of three committee members as follows:

	Position
1. Mr. Nuttawut Phowborom	Chairman of the Nomination and Compensation Committee
2. Mr. Arak Chonlatanon	Nomination and Compensation Committee
3. Mr. Tassapon Bijleveld	Nomination and Compensation Committee

TERMS OF POSITIONS FOR NOMINATION AND REMUNERATION COMMITTEE

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for re-appointment at the end of the term.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR NOMINATION

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organization and its changing environment.
2. To determine guidelines and policies on nominating the Board of Directors and subcommittee members and consider qualified candidates to replace those who are vacating the office, then propose the matters for approval by Board of Directors and/or shareholders as the case may be. The nomination of the Company's

Directors shall be considered from candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in the Company's Articles of Association.

3. To nominate qualified candidates to become Chief Executive Officer and senior management in case of vacancy, and determine the succession plan for positions of Chief Executive Officer and senior management.
4. To perform of other tasks as assigned by the Board of Directors.

NOMINATION OF DIRECTORS

The Company has appointed the Nomination Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons, in consideration of candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in the Company's Articles of Association. Candidates shall be proposed to the Company's Board of Directors for consideration before approval from Shareholders (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of the Company's Board of Directors for skills that are still lacking, in order to select the candidates that are most suitable for the position in terms of knowledge, capability, and work experiences which are beneficial for the Company, to be the Directors. The appointed Directors of Thai AirAsia shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations.

THE COMPOSITION AND APPOINTMENT OF THE COMPANY'S DIRECTORS

The composition, appointment, withdrawal and termination of Thai AirAsia's Directors shall be as prescribed by the Article of Association which can be summarized as follows :

1. Thai AirAsia's Board of Directors comprises of not more than nine Directors. Number of Directors are nominated as follows:

- i Two Directors or less shall be nominated by Group A Shareholders (“Group A Directors”)
- ii Three Directors or less shall be nominated by Group B Shareholders (“Group B Directors”)
- iii Four Directors or less shall be Independent Directors

Remark : Group A Directors are the Directors nominated by AAI and appointed as Directors.

Group B Directors are the Directors nominated by Asia Aviation and appointed as Directors.

2. At every Annual General Meeting, one-third of the total number of the directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The retiring directors are eligible for re-elected.

In case of vacancy due to reasons other than by rotation, the Board of Directors shall appoint any candidate from the same Shareholder Group as the recently vacated director to fill the position. The replacement Director shall retain the office only for the remaining term of the Director whom he/she replaces.

THE COMPOSITION AND APPOINTMENT OF THE AUDIT COMMITTEE

Thai AirAsia’s Board of Directors shall appoint at least three members of Audit Committee from independent directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock exchange of Thailand as follows:

1. Not being a director authorized by the Board of Directors to make any decision in the business operation of Thai AirAsia its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or control person of Thai AirAsia, and
2. Not being a director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company, and

3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements of Thai AirAsia.

NOMINATION OF SENIOR MANAGEMENT

In nominating the candidates for Chief Executive Officer and senior management members, Executive Committee will initially screen the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to the Company’s operations. Those candidates must understand the Company’s businesses well and can manage their functions to attain the goals and objectives set by the Board of Directors. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

SCOPE OF AUTHORITY AND RESPONSIBILITIES FOR REMUNERATION

1. To determine criteria and the form of payment to the Board of Directors, subcommittees and Chief Executive Officer, which are clear, appropriate and correspond to each person’s responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors’ consideration and propose to the Shareholders’ Meeting for approval.
3. To disclose the policy for Board of Directors’ remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To responsible for other tasks as assigned by the Board of Directors.

POLICY ON REMUNERATION AND CRITERIA FOR EACH DIRECTOR'S REMUNERATION

At the Thai AirAsia's Board of Directors' Meeting No. 1/2014, held on 3 March 2014, the resolution was to approve the criteria in consideration for remuneration for the Company's Directors as follows :

To determine remuneration for the Board of Directors, the Remuneration Committee shall consider the following guideline:

1. Policy on remuneration for the Board of Directors and Management

Thai AirAsia has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors and management.

Remuneration Committee shall considers types, forms, and amount of the remuneration for the Board of Directors, subcommittees and Chief Executive Officer. The remuneration for the Board of Directors and subcommittees shall be proposed to the Board of Director Meeting and Annual General Meeting of Shareholders for approval.

2. Remuneration for the Board of Directors and subcommittees

At the Annual General Meeting of Shareholders 2014, held on 24 April 2014, the resolution was to approve the remuneration for the Board of Directors and subcommittees as follows :

Monetary Remuneration

- Each director shall receive Baht 80,000 allowance for each meeting attendance. The Chairman of the Board of Directors shall receive Baht 100,000 allowance for each meeting attendance.
- Members of the Audit Committee receive a meeting allowance equivalent to that of meeting allowance of Board members.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a Committee, a Sub-Committee or a Working Group, the said director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each director shall receive only Baht 40,000 allowance in the month.

Structure of Directors' Remuneration in 2014

	Monetary Remuneration (THB)		
	Monthly	Meeting Allowance	Bonus
BOARD OF DIRECTORS			
Chairman	-	100,000	-
Director	-	80,000	-
AUDIT COMMITTEE			
Chairman	-	100,000	-
Member	-	80,000	-
EXECUTIVE COMMITTEE*			
Chief Executive Officer	-	-	-
Member	-	-	-

* Members of Executive Committee who are members of the management are not entitled for remuneration as Directors or members of Committee.

Monetary remunerations of the two individual Directors who are not members of the management are the total of THB 1.36 million. The remunerations include salary and meeting allowance as follows:

		Director's Remuneration (THB)		
		Board of Directors	Audit Committee	Total
Mr. Arak Chonlatanon	Chairman of the Board of Director / Chairman of the Audit Committee	400,000	400,000	800,000
Mr. Nuttawut Phowborom	Director / Audit Committee	240,000	320,000	560,000

- In 2014, Thai AirAsia has paid remunerations for Chief Executive Officer and 12 members of the management in total of THB 93.31 million in the forms of salaries and bonuses.
- The aforementioned policy on Directors' remuneration in 2014 increase from 2013 because directors have more responsibilities to the Company growth. Moreover, Due to the higher performance of the Company in 2013 and the remuneration of the Company's Board of Directors has not been increased since 2012. Details are as follow :

The Meeting Allowance (Unit: Baht)					
	Chairman	Director	Chairman of the Audit Committee	Audit Committee	Sub-Committee
Year 2013	50,000	40,000	50,000	40,000	20,000
Year 2014	100,000	80,000	100,000	80,000	40,000
Adjusted Amounts	50,000	40,000	50,000	40,000	20,000

HUMAN RESOURCES AND TRAINING

General Information

Asia Aviation Plc.

All employees of Asia Aviation had been transferred to Thai AirAsia since 31 December 2011

Thai AirAsia Co., Ltd

The number of employees as at 31 December 2014 was 3,467 persons and could be categorized by responsibility and geography as follows :

Responsibility	31 December 2014
Pilot and Co-Pilot	379
Flight Attendant	702
Ground Operation	1,325
Engineer	100
Marketing	16
Head Office	191
Others	754
Total	3,467

Geography	31 December 2014
Bangkok	2,563
Phuket	215
Chiang Mai	232
Others	457
Total	3,467

Asia Aviation and Thai AirAsia are aware of the necessity of uninterrupted management of Thai AirAsia in order to maintain the competitive advantages Thai AirAsia has over its competitors. Therefore, directors of Asia Aviation and Thai AirAsia believe that the continual success of Thai AirAsia depends on many factors, including the support and dedication of the management of Asia Aviation and Thai AirAsia. Consequently, Asia Aviation and Thai AirAsia have adjusted their human resource strategies, including competitive remuneration, recruitment process that aligns with the objectives, and development and succession plans.

The loss of any key human resource may significantly cause a negative impact for Asia Aviation and Thai AirAsia. This results in the effort of Thai AirAsia to motivate and retain its staff members by motivation plans on the basis of operating outcome and skill enhancement with staff training.

Thai AirAsia has regularly encouraged its employees to participate in seminars and trainings to facilitate related skill and capability enhancement (both in term of operation and development) in alignment with the business objectives. Employee training is an important path to transfer knowledge of experts toward new or low-level employees. Investment in human resources increases the capability of Thai AirAsia's employees and prepares middle- or low-level employees to take on responsibilities of more senior management respectively.

LABOR DISPUTE DURING THE LAST THREE YEARS

There has been no significant labor dispute during the last three years.

REMUNERATION FOR HUMAN RESOURCES

Overall Remuneration for Employees

Asia Aviation Plc.

For the year 2014, Asia Aviation did not have remuneration for employees because all Asia Aviation's employees had been transferred to Thai AirAsia since 31 December 2011.

Thai AirAsia Co., Ltd.

For the year 2014, Total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 2,799.6 million.

Provident Fund

Asia Aviation and Thai AirAsia have set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Asia Aviation and Thai AirAsia contribute 3 – 10% of salaries to the provident fund and employees contribute 3 – 10% of their salaries. However, Asia Aviation does not have any employee.

STAFF DEVELOPMENT

Training

- Pilot

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center Co., Ltd (BAC). BAC provides modern and advanced equipment and is certified by Federal Aviation Administration (FAA), Joint Aviation Requirements (JAR) and Civil Aviation Authority (CAA). BAC offers aviation trainings which are approved a standard. Thai AirAsia grants an equal opportunity in student pilot recruitment. Employees from other departments can also apply. Student pilots usually finish their trainings in one

year and continue with flight stimulator training for Airbus A320 aircraft. Thai AirAsia provides financial support for the trainings for student pilots, in return for the employment contract of ten years with Thai AirAsia. In addition, Thai AirAsia also recruits experienced pilots from other carriers. The number of pilots will increase to 522 pilots by 2016.

Newly recruited pilots of Thai AirAsia who have not been trained for specific aircrafts will be required to take part in the said trainings first. Trainings for specific aircrafts are the categorizing system to allow each pilot to specialize in one type of aircraft specially. Currently pilots are trained with Airbus A320 Flight Simulator, operated by Asian Aviation Centre of Excellence in Kuala Lumpur, established by AAB in 2005 and managed by CAE Inc., who is the provider of flight simulators for aviation training services.

- *Cabin Crew*

The 60-day (inclusive of holidays) cabin crew training projects are held at Asian Aviation Centre of Excellence in Kuala Lumpur and at the office of Thai AirAsia in Bangkok. All the trainings are facilitated by cabin crew and pilot trainers of Thai AirAsia. All the trainings cover safety operation in emergency, first aid, cabin familiarization, public announcement, grooming, and customer services and selling skills for products on the flight. The safety factors and regulations for this project are certified by the Department of Civil Aviation.

Cabin crew shall be able to communicate in English and take part in regular trainings, for example, organizational resources management training, dangerous good management training, training to handle passengers with inappropriate manners, and terrorist identification training. Additionally, cabin crew shall also participate in the revision training for safety procedures in emergency and first aid training every year.

- *Ground Staff*

All ground personnel shall take part in customer service training at Asian Aviation Centre of Excellence in Kuala Lumpur, which covers ticket reservation and check-in procedures of Thai AirAsia baggage claim procedures, and customer services. Ground staff are taking part in year-round trainings, for example, dangerous good identification, first aid, and bomb threat handling.

Ground personnel also need to participate in ramp training for two to three weeks, which covers driving on the apron, cargo loading and cargo transfer, air traffic signaling, aircraft towing, apron safety, and safety procedures. Moreover, newly recruited employees also need to learn civil aviation regulations, aircraft maps, and vehicle movement regulations in the airport.

- *Engineer*

All engineers of Thai AirAsia shall take part in training at Asian Aviation Centre of Excellence in Kuala Lumpur. The training takes 52 days with three-month on-the-job training before a test by the Quality Assurance Department of Thai AirAsia. Nevertheless, Thai AirAsia is offering a commitment for an employment of two years in return. Engineers at Thai AirAsia are stationed at the Company's flight centers in Bangkok and Phuket.

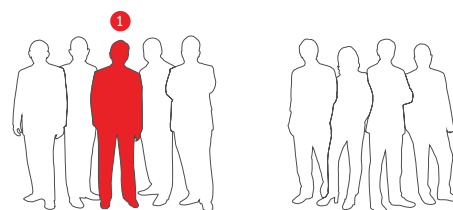
DIRECTOR AND MANAGEMENT PROFILES - ASIA AVIATION PLC.

• MR. ARAK CHONLATANON

Chairman of the Board / Chairman of the Audit Committee/
Independent Director

The date of appointment 1 November 2012

Age 63 years



Education

- Bachelor Degree in Electronic Engineering, Chulalongkorn University
- Thailand Energy Academy (TEA 1/2012)
- The Capital Market Academy (CMA 9)
- Directors Certification Program (DCP106), Thai Institute of Directors Association
- The National Defence College of Thailand (NDC 4515)
- Advance Management Program (AMP 153), Graduate School of Business Administration Harvard University

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2012 - present	Chairman of the Board/ Chairman of the Audit Committee	Asia Aviation Plc.
2013 - present	Chairman of the Board/ Chairman of the Audit Committee	Thai Airasia Co.,Ltd.
2014 - present	Director	Smartflow Co.,Ltd.
2014 - present	Director	IV Global Securities Plc.
2014 - present	Director	A T E Co.,Ltd.
2012	Minister	Ministry of Energy
2011 - 2012	Member of the Board of Director	Mass Rapid Transit Authority of Thailand
2011	Advisor	Shin Corporation Plc.
2009 - 2011	Director/ Chief Executive Officer	Thaicom Plc.
2009 - 2011	Director/ Chairman of Executive Committee	CS Loxinfo Plc.
2009 - 2011	Member of Executive Committee	Advanced Info Service Plc.
2007 - 2011	Director/ Chairman of the Executive Committee-Media and New Business	Shin Corporation Plc.

Director/Management Position in other companies

Listed Company

- None -

Non-listed company

- Thai AirAsia Co., Ltd.
- Smartflow Co.,Ltd.
- IV Global Securities Plc.
- A T E Co.,Ltd.

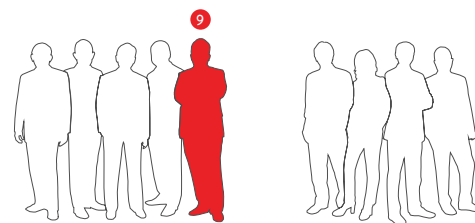
Other company that compete with/relate to the company

- None -

- **MR. DISTORN VAJARODAYA**
Director/ Audit Committee/ Independent Director

The date of appointment 13 December 2011

Age 51 years



Education

- Doctor of Business Administration Program in Management, Rattana Bundit University
- Master of Business Administration in Business Management, Kasetsart University
- Bachelor of Accounting, University of the Thai Chamber of Commerce
- Director Accreditation Program (DAP 92), Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2011 – present	Director/ Audit Committee	Asia Aviation Plc.
2014 – present	Director/ Audit Committee	Carabao Group Plc.
2013 – present	Director	The Thai Insurance Plc.
2011 – present	Grand Chamberlain of the Royal Household	Bureau of the Royal Household
2000 – present	Director	Suvarnachad Co.,Ltd.
2000 – present	President	Golden Place Management Co.,Ltd.
2001 – present	Director	Mongkhon Chaipattana Co.,Ltd.
2007	Assistant Lord Chamberlain of the Royal Household	Bureau of the Royal Household
1999	Director	Bureau of the Royal Household

Director/Management Position in other companies

Listed Company

- The Thai Insurance Plc.
- Carabao Group Plc.

Non-listed company

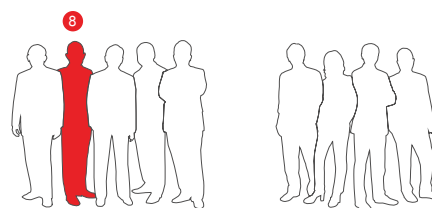
- Bureau of The Royal Household
- Suvarnachad Co., Ltd.
- Golden Place Management Co., Ltd.
- Mongkhon Chaipattana Co., Ltd.

Other company that compete with/relate to the company

- None -

• **MR. NUTTAWUT PHOWBOROM**

Director/ Audit Committee/ Independent Director



The date of appointment 13 December 2011

Age 50 years

Education:

- Master of Business Administration General Management, City University, USA
- Bachelor Degree of Economics, The University of the Thai Chamber of Commerce
- Directors Accreditation Program (DAP 28), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP 4), Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC 6), Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2011 – present	Director/ Audit Committee	Asia Aviation Plc.
2011 – present	Director/ Audit Committee	Thai AirAsia Co., Ltd.
2014 – present	Chief Executive Officer	KPN Group Corporation Co., Ltd.
2014 – present	Vice Chairman	KPN Tutoring Academy Co., Ltd.
2014 – present	Vice Chairman	KPN Music Academy Co., Ltd.
2014 – present	Vice Chairman	KPN Chinese Academy Co., Ltd.
2014 – present	Director	Innovative Learning and Design (Thailand) Co., Ltd.
2013 – present	Executive Director	INT Aviation Co., Ltd.
2013 – present	Vice Chairman	KPN Tutoring Co., Ltd.
2013 – present	Vice Chairman	KPN Academy Co., Ltd.
2013 – present	Audit Committee/ Independent Director	Finansa Plc.
2010 – present	Audit Committee/ Independent Director	Matching Maximize Solution Plc.
2010 – present	Executive Director	KPN Music Co., Ltd.
2010 – present	Executive Director	Eastern Cuisine (Thailand) Co., Ltd.
2009 – present	Director	KPN Award Co., Ltd.
2008 – present	Director	KPN Music Siam Square Co., Ltd.
2007 – present	Director	K.N. and Associates Co., Ltd.
2006 – present	Director	KPN Music & Entertainment Co., Ltd.
2002 – present	Chairman	Siam Koi Co., Ltd.
1996 – present	Chief Financial Officer	KPN Group Corporation Co., Ltd.
Present	Vice Chairman	Sport Society Co., Ltd.
Present	Director	KPN Music Chiangmai Co., Ltd.
Present	Vice Chairman	Penta Systems Co., Ltd.
Present	Director	KPN Music Room Co., Ltd.
Present	Director	CBNP (Thailand) Co., Ltd.
Present	Director	KPN Innovation Co., Ltd.
Present	Director	KPN Sakaguchi Co., Ltd.

5 years past and present work experience

Present	Director	Siam Chiangmai Co., Ltd.
Present	Director	K.E.C.International Co., Ltd.
Present	Vice Chairman	Siam Wilson Learning Co., Ltd.
Present	Director	K.P.N.Tower Co., Ltd.
Present	Director	KPN Lifestyle Co., Ltd.
Present	Director	Dudu Nong Co., Ltd.
Present	Director	K P N Trading Co., Ltd.
Present	Director	KPN Marine Co., Ltd.
2006 – 2014	Director	Computer and Consultant Services Co., Ltd.
2006 – 2014	Director	PS Business Trading Corp.,Ltd.
2006 – 2014	Director	Siam Khonkaen Co., Ltd.
2006 – 2014	Director	MB Business Trading Corp.,Ltd.
2003 – 2012	Audit Committee	Prasit Pattana Plc.
2003 – 2012	Independent Director/ Chairman of the Remuneration Committee	Phayathai Hospital 1,2,3
2010	Chief Operating Officer	KPN Group Corporation Co., Ltd.

Director/Management Position in other companies

Listed Company

- Matching Maximize Solution Plc.
- Finansa Plc.

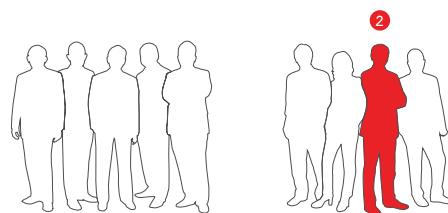
Non-listed company

- Thai AirAsia Co., Ltd.
- KPN Group Corporation Co., Ltd.
- KPN Music Co., Ltd.
- K.N. and Associates Co., Ltd.
- KPN Music & Entertainment Co., Ltd.
- KPN Tutoring Academy Co., Ltd.
- KPN Music Academy Co., Ltd.
- KPN Chinese Academy Co., Ltd.
- Innovative Learning and Design (Thailand) Co., Ltd.
- INT Aviation Co., Ltd.
- KPN Tutoring Co., Ltd.
- KPN Academy Co., Ltd.
- Eastern Cuisine (Thailand) Co., Ltd.
- KPN Award Co., Ltd.
- KPN Music Siam Square Co., Ltd.
- Siam Koi Co., Ltd.
- Sport Society Co., Ltd.
- KPN Music Chiangmai Co., Ltd.
- Penta Systems Co., Ltd.
- KPN Music Room Co., Ltd.
- CBNP (Thailand) Co., Ltd.
- KPN Innovation Co., Ltd.
- KPN Sakaguchi Co., Ltd.
- Siam Chiangmai Co., Ltd.
- K.E.C.International Co., Ltd.
- Siam Wilson Learning Co., Ltd.
- K.P.N.Tower Co., Ltd.
- KPN Lifestyle Co., Ltd.
- Dudu Nong Co., Ltd.
- K P N Trading Co., Ltd.
- KPN Marine Co., Ltd.

Other company that compete with/relate to the company

- None -

- **MR. TASSAPON BIJLEVELD**
Director/ Chief Executive Officer
(The director who is authorized to sign on behalf of the Company)



The date of appointment 21 June 2007

Age 47 years

Education

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Director Certification Program (DCP 148), Thai Institute of Directors Association (IOD)
- Directors Accreditation Program (DAP 81), Thai Institute of Directors Association (IOD)
- The Capital Market Academy (CMA 13)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
44.00	-

5 years past and present work experience

2007 – present	Director/ Chief Executive Officer	Asia Aviation Plc.
2004 – present	Director/ Chief Executive Officer	Thai AirAsia Co., Ltd.
2014 - present	Director	Tune Insurance Plc.
2013 - present	Director	Thai AirAsia X Co., Ltd.
2013 - present	Director	Ivory Coffee Co., Ltd.
2012 - present	Director	Evermore Asset Co., Ltd.
2010 - present	Director	Wealth Ventures Co.,Ltd.
2011 - 2557	Director	Dontree Leela Carabao Co., Ltd.
2011 - 2013	Director	Patty & Praemai Co., Ltd.
2010 - 2013	Director	J J Siampattana Co., Ltd.
2006 - 2013	Director	AirAsia Go Holiday Co., Ltd.

Director/Management Position in other companies

Listed Company

- None -

Non-listed company

- Thai AirAsia Co., Ltd.
- Tune Insurance Plc.
- Thai AirAsia X Co., Ltd.
- Ivory Coffee Co., Ltd.
- Evermore Asset Co., Ltd.
- Wealth Ventures Co., Ltd.

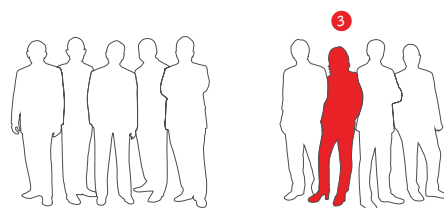
Other company that compete with/relate to the company

- None -

- **MRS. PATTRA BOOSARAWONGSE**
Director/ Chief Financial Officer
(The director who is authorized to sign on behalf of the Company)

The date of appointment 23 February 2015

Age 46 years



Education

- Master Degree of Finance & Accounting, Chulalongkorn University
- Bachelor degree of Commercial and Accountancy, Thammasat University
- Director Certification Program (DCP 177), Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.0039	-

5 years past and present work experience

2015 - present	Director/ Chief Financial Officer	Asia Aviation Plc.
2014 - present	Director/ Chief Financial Officer	Thai AirAsia Co., Ltd.
2012 - 2014	General Manager-Music Division	BEC-Tero Entertainment Plc.
2010 - 2012	General Manager	Sony Music Entertainment (Thailand)
1993 - 2010	Chief Financial Officer	Sony Music Entertainment (Thailand)

Director/Management Position in other companies

Listed Company

- None -

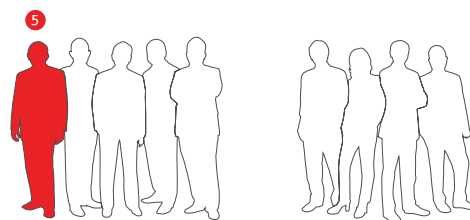
Non-listed company

- Thai AirAsia Co., Ltd.

Other company that compete with/relate to the company

- None -

- **CAPTAIN TANAPAT NGAMPLANG**
Director/ Director of Flight Operations
(The director who is authorized to sign on behalf of the Company)



The date of appointment 21 June 2007

Age 58 years

Education

- Master of Business Administration in International Business, Krirk University
- Bachelor of Art in Public Administration, Sukhothai Thammathirat Open University
- Bachelor of Science in Electrical Engineering, Royal Thai Air Force Academy
- The National Defence College of Thailand (NDC 5222)
- Air Command and Staff course 1993
- Flying Safety Officers' Course of Royal Australia Airforce 1988
- Squadron Officer course 1987
- Flight instructor course 1982
- Flight navigator course 1981
- Royal Thai Air force pilot course 1980
- Directors Certification Program (DCP143), Thai Institute of Directors Association (IOD)
- Financial Statement for Directors class 11/2011, Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.31	-

5 years past and present work experience

2007 - present	Director/ Director of Flight Operations	Asia Aviation Plc.
2014 - present	Executive Vice President	Thai AirAsia Co., Ltd.
2003 - 2014	Head of Flight Operations	Thai AirAsia Co., Ltd.
2008 - 2011	Director	Thai AirAsia Co., Ltd.

Director/Management Position in other companies

Listed Company

- None -

Non-listed company

- Thai AirAsia Co., Ltd.

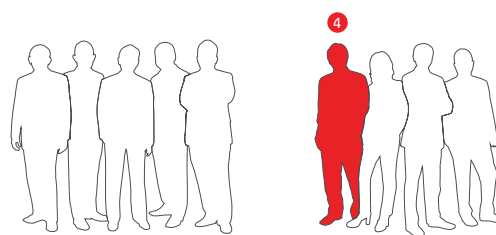
Other company that compete with/relate to the company

- None -

- **MR. PREECHAYA RASAMETANIN**
Director/ Director of Engineering
(The director who is authorized to sign on behalf of the Company)

The date of appointment 13 December 2011

Age 56 years



Education

- Bachelor of Science in Mechanical Engineering, Royal Thai Air Force Academy
- Directors Certification Program (DCP144), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.55	-

5 years past and present work experience

2007 - present	Director/ Director of Engineering	Asia Aviation Plc.
2014 - present	Executive Vice President	Thai AirAsia Co., Ltd.
2007 - 2015	Director	Thai AirAsia Co., Ltd.
2004 - 2014	Head of Engineering	Thai AirAsia Co., Ltd.

Director/Management Position in other companies

Listed Company

- None -

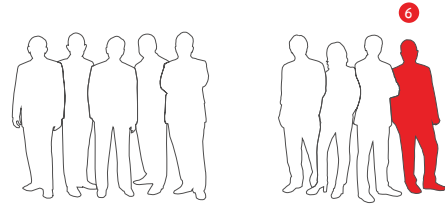
Non-listed company

- Thai AirAsia Co., Ltd.

Other company that compete with/relate to the company

- None -

- **M.L. BOVORNOVADEP DEVAKULA**
Director/ Director of Business Development
(The director who is authorized to sign on behalf of the Company)



The date of appointment 13 December 2011

Age 53 years

Education

- Bachelor of Science, State University of New York, USA
- Diploma in Science, Kemper Military College, Missouri, USA
- Directors Certification Program (DCP144), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors class 12/2011, Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.52	-

5 years past and present work experience

2011 - present	Director/ Director of Business Development	Asia Aviation Plc.
2004 - present	Head of Business Development	Thai AirAsia Co., Ltd.
2014 - present	Director	Dalvey Holdings Co., Ltd.
2014 - present	Director	Econolodge Co., Ltd.
2014 - 2015	Director	Thai AirAsia Co., Ltd.

Director/Management Position in other companies

Listed Company

- None -

Non-listed company

- Thai AirAsia Co., Ltd.
- Dalvey Holdings Co., Ltd.
- Econolodge Co., Ltd.

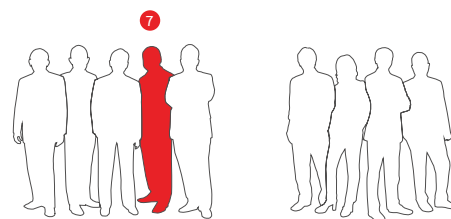
Other company that compete with/relate to the company

- None -

- **Mr. SANTISUK KLONGCHAIYA**
Director/ Director of Commercial
(The director who is authorized to sign on behalf of the Company)

The date of appointment 13 December 2011

Age 49 years



Education

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Directors Certification Program (DCP 143), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.20	-

5 years past and present work experience

2011 - present	Director/ Director of Commercial	Asia Aviation Plc.
2015 - present	Director	Thai AirAsia Co., Ltd.
2007 - present	Head of Commercial and Ancillary	Thai AirAsia Co., Ltd.

Director/Management Position in other companies:

Listed Company

- None -

Non-listed company

- Thai AirAsia Co., Ltd.

Other company that compete with/relate to the company

- None -

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

DIRECTOR PROFILES - THAI AIRASIA COMPANY LIMITED

- **MR. ARAK CHONLATANON**

The date of appointment 11 January 2013

(Details as referred in Asia Aviation Plc.)

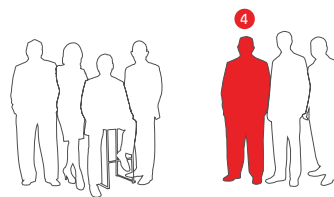
- **MR. NUTTAWUT PHOWBOROM**

(Details as referred in Asia Aviation Plc.)

- **TAN SRI DR. ANTHONY FRANCIS FERNANDES**

Director

(The director who is authorized to sign on behalf of the Company)



The date of appointment 19 September 2003

Age 51 years

Education

- Accountancy and Finance, London School of Economics
- Honorary Doctorate of Business Innovation, University Technology Malaysia (UTM)

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2003 - present	Director	Thai Airasia Co.,Ltd.
2001 - present	Non - Independent, Executive Director and Group Chief Executive Officer	AirAsia Berhad
2004 - present	Director	AirAsia Go Holiday Sdn Bhd
2003 - present	Director	AirAsia Investment Ltd.
Present	Director	AirAsia Inc.
2004 - present	Director	AirAsia (Mauritius) Limited
2006 - present	Non Independent, Non Executive Director	AirAsia X Berhad
2008 - present	Director	Aero Ventures Sdn Bhd
2009 - present	Director	Asian Contact Centres Sdn Bhd
2013 - present	Director	Big Duty Free Sdn Bhd
2014 - present	Director	Big Investment Ltd.
2011 - present	Director	Caterham Bikes Ltd.
2011 - present	Director	Caterham Cars Ltd.
2011 - present	Director	Caterham Cars Group Ltd.
2011 - present	Director	Caterham Composites Ltd.
2011 - present	Director	Caterham Enterprises Ltd.
2011 - present	Director	Caterham Merchandising Ltd.
2013 - present	Director	Caterham Moto Racing Ltd.
2011 - present	Director	Caterham Technology & Innovation Ltd.

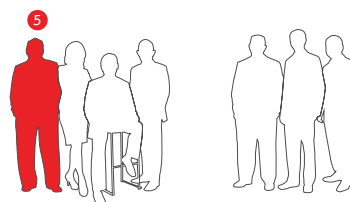
5 years past and present work experience

2011 - present	Director	Caterham (UK) Ltd.
2010 - present	Director	Caterham Ventures Sdn Bhd
2013 - present	Director	CaterhamJet Global Ltd
2011 - present	Director	CaterhamJet Holdings Pte. Ltd.
2014 - present	Director	CaterhamJet International Ltd.
2011 - present	Director	Caterhamjet Malasia Sdn Bhd
2002 - present	Director	Crunchtime Culinary Services Sdn Bhd
2010 - present	Director	Dinato Racing Limited
2005 - present	Director	Dragonback Media Interactive Sdn Bhd
2009 - present	Director	Due Voci LLC
2013 - present	Director	Educ8 Group Sdn Bhd
2010 - present	Director	Epsom College Malaysia Sdn Bhd
2011 - present	Director	EQ8 Limited
1998 - present	Director	Intellectual Property Protection Sdn Bhd
2009 - present	Director	Kuala Lumpur Education City Sdn Bhd
Present	Commissioner	PT Indonesia AirAsia
2011 - present	Director	QPR Asia Sdn Bhd (formerly known as Tune QPR Sdn Bhd)
2011 - present	Director	QPR Holdings Ltd.
2013 - present	Director	Rangers Developments Ltd.
2013 - present	Director	Rangers Stadium Development Ltd.
2014 - present	Director	roKKi IP Limited (formerly known as roKKi Media Limited)
2014 - present	Director	roKKi Retail Ltd.
2011 - present	Director	The Queens Park Rangers Football & Athletic Club Ltd.
2001 - present	Director	Tune Air Sdn Bhd
2011 - present	Director	Tune Box Sdn Bhd
2005 - present	Director	Tune Group.com Ltd.
2008 - present	Director	Tune Group Sdn Bhd
2006 - present	Director	Tune Hotels Sdn Bhd
2005 - present	Director	Tune Hotels.com Ltd.
2006 - present	Director	Tune Hotels Regional Services Sdn Bhd
2012 - present	Non Independent, Non Executive Director	Tune Ins Holdings Berhad
2007 - present	Director	Tune Longhaul Sdn Bhd
2006 - present	Director	Tune Money Sdn Bhd
2014 - present	Director	Tune Money International Sdn Bhd
2008 - present	Director	Tune Service Sdn Bhd
2006 - present	Director	Tune Talk Sdn Bhd
2000 - present	Director	Tuneasia.com Sdn Bhd
2009 - 2014	Director	1 Malaysia Racing Team Sdn Bhd
2011 - 2013	Director	AirAsia Japan Co.,Ltd.
2011 - 2014	Director	Asian Aviation Centre of Excellence Sdn Bhd
2012 - 2014	Director	Caterham Tech (M) Sdn Bhd
2011 - 2012	Non Independent, Non Executive Director and Member of Executive Committee	Malaysian Airline System Bhd
2012 - 2013	Director	Star Publications (Malaysia) Berhad
2012 - 2014	Director	Think Big Digital Sdn Bhd
2011 - 2014	Director	Tune Live Sdn Bhd
2006 - 2012	Director	Tune Sport Sdn Bhd
2010 - 2014	Director	Tune Studios Sdn Bhd
2007 - 2014	Director	Tune Tones Sdn Bhd
2009 - 2013	Director	Yayasan Satu Malaysia

• **DATO' KAMARUDIN BIN MERANUN**

Director

(The director who is authorized to sign on behalf of the Company)



The date of appointment 12 November 2003

Age 53 years

Education

- Master of Business Administration, (Finance) Central Michigan University
- Bachelor of Science degree, magna cum laude (Finance), Central Michigan University
- Diploma in Actuarial Science, University Technology MARA

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2003 – present	Director	Thai Airasia Co.,Ltd.
2001 – present	Non-Independent, Executive Chairman	AirAsia Berhad
2003 – present	Director	AirAsia Investment Ltd.
2004 – present	Director	AirAsia (Mauritius) Ltd.
2006 – present	Non Independent, Non Executive Director	AirAsia X Berhad
Present	Director	AirAsia Inc.
2004 – present	Director	AirAsia Go Holiday Sdn Bhd
2014 – present	Director	AirAsia Global Shared Services Sdn Bhd
2006 – present	Director	All Agile Industries Sdn Bhd
2008 – present	Director	Aero Ventures Sdn Bhd
2013 – present	Director	Big Duty Free Sdn Bhd
2014 – present	Director	BIG Investments Ltd.
2011 – present	Director	Caterham Bikes Ltd.
2011 – present	Director	Caterham Cars Ltd.
2011 – present	Director	Caterham Cars Group Ltd.
2011 – present	Director	Caterham Composites Ltd.
2011 – present	Director	Caterham Enterprises Ltd.
2011 – present	Director	Caterham Merchandising Ltd.
2013 – present	Director	Caterham Moto Racing Ltd.
2011 – present	Director	Caterham Technology & Innovation Ltd.
2011 – present	Director	Caterham (UK) Ltd.
2010 – present	Director	Caterham Ventures Sdn Bhd
2011 – present	Director	CaterhamJet Holdings Pte. Ltd.
2014 – present	Director	CaterhamJet International Ltd.
2013 – present	Director	CaterhamJet Global Ltd.
2011 – present	Director	Caterhamjet Malasia Sdn Bhd
2003 – present	Director	Cestar Properties Sdn Bhd
2012 – present	Director	DCS Energy Sdn Bhd
2010 – present	Director	Dinato Racing Ltd.
2002 – present	Director	Domeplex Consolidated Sdn Bhd
2005 – present	Director	Dragonback Media Interactive Sdn Bhd
2009 – present	Director	Due Voci LLC
2013 – present	Director	Educ8 Group Sdn Bhd

5 years past and present work experience

2012 – present	Director	Epsom College Malaysia Sdn Bhd
2011 – present	Director	EQ8 Ltd.
2000 – present	Director	Incam Consulting & Trading Sdn Bhd
2000 – present	Director	Incam Corporation Sdn Bhd
2000 – present	Director	Incam Equity Sdn Bhd
1996 – present	Director	Incam Global Sdn Bhd
2000 – present	Director	Incam Resources Sdn Bhd
2009 – present	Director	Intrinsic Capital Management Sdn Bhd
2010 – present	Director	Kuala Lumpur Education City Sdn Bhd
1993 – present	Director	Meranun Sdn Bhd
2008 – present	Director	Muncul Juara Sdn Bhd
1991 – present	Director	Music Works Sdn Bhd
1993 – present	Director	Nescorp Resources Sdn Bhd
2007 – present	Director	New Haven Resort Sdn Bhd
2008 – present	Director	Pacific Gem Sdn Bhd
2001 – present	Director	Persian Beauty Sdn Bhd
Present	Commissioner	PT Indonesia AirAsia
2011 – present	Director	QPR Holdings Ltd.
2013 – present	Director	Rangers Developments Ltd.
2013 – present	Director	Rangers Stadium Development Ltd.
2014 – present	Director	roKKi Retail Ltd.
2014 – present	Director	roKKi IP Ltd. (formerly known as roKKi Media Ltd.)
2014 – present	Director	Rokki Shop Sdn Bhd
1995 – present	Director	Raindance Music Sdn Bhd
1995 – present	Director	Red Podium Sdn Bhd
2011 – present	Director	The Queens Park Rangers Football & Athletic Club Ltd.
2014 – present	Director	Think Big Digital Sdn Bhd
2001 – present	Director	Tune Air Sdn Bhd
2011 – present	Director	Tune Box Sdn Bhd
2010 – present	Director	Tune Group.com Ltd.
2008 – present	Director	Tune Group Sdn Bhd
2005 – present	Director	Tune Hotels.com Ltd.
2008 – present	Director	Tune Hotels Regional Services Sdn Bhd
2007 – present	Director	Tune Hotels Sdn Bhd
2013 – present	Non-Independent, Executive Chairman	Tune Ins Holdings Berhad
2007 – present	Director	Tune Longhaul Sdn Bhd
2007 – present	Director	Tune Money Sdn Bhd
2014 – present	Director	Tune Money International Sdn Bhd
2008 – present	Director	Tune Service Sdn Bhd
2010 – present	Director	Tune Studios Sdn Bhd
2007 – present	Director	Tune Talk Sdn Bhd
2010 – present	Director	Tune Tones Sdn Bhd
2011 – present	Director	QPR Asia Sdn Bhd (formerly known as Tune QPR Sdn Bhd)
2005 – present	Director	Tuneasia.com Sdn Bhd
2005 – present	Director	Wheatley Sdn Bhd
2008 – present	Director	Sofa Al Azhar Sdn Bhd
2006 – present	Director	Yayasan Pendidikan Titiwangsa
2009 – 2014	Director	1 Malasia Racing Team Sdn Bhd
2011 – 2013	Director	AirAsia Japan Co.,Ltd.
2012 – 2014	Director	Caterham Tech (M) Sdn Bhd
2011 – 2012	Non Independent, Non Executive Director and Member of Executive Committee	Malaysian Airline System Bhd
2011 – 2014	Director	Tune Live Sdn Bhd

- **MR. TASSAPON BIJLEVELD**

The date of appointment 19 September 2003

(Details as referred in Asia Aviation Plc.)

- **MRS. PATTRA BOOSARAWONGSE**

The date of appointment 23 February 2015

(Details as referred in Asia Aviation Plc.)

- **MR. SANTISUK KLONGCHAIYA**

The date of appointment 23 February 2015

(Details as referred in Asia Aviation Plc.)

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

1	MR. TASSAPON BIJLEVELD Chief Executive Officer (Details as referred in Asia Aviation Plc.)
2	MRS. PATTRA BOOSARAWONGSE Chief Financial Officer The date of appointment 3 March 2014 (Details as referred in Asia Aviation Plc.)
3	CAPTAIN TANAPAT NGAMPLANG Executive Vice President The date of appointment 3 March 2014 (Details as referred in Asia Aviation Plc.)
4	MR. PREECHAYA RASAMETANIN Executive Vice President The date of appointment 3 March 2014 (Details as referred in Asia Aviation Plc.)
5	M.L. BOVORNOVADEP DEVAKULA Head of Business Development (Details as referred in Asia Aviation Plc.)
6	MR. SANTISUK KLONGCHAIYA Head of Commercial and Ancillary (Details as referred in Asia Aviation Plc.)

7

CAPTAIN SURAPUN PATOOMWAT

Head of Flight Operations

The date of appointment 3 March 2014

Age 55 years

Education

- Air Command and Staff College
- Safety Officer Course, RTAF
- Squadron Officer School, RTAF
- Royal Thai Air Force Academy

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.0041	-

5 years past and present work experience

2014 – present	Head of Flight Operations	Thai Airasia Co.,Ltd.
2013 – present	Designated Check Pilot	Thai Airasia Co.,Ltd.
2012 – present	Check Airman	Thai Airasia Co.,Ltd.
2005 – present	Instructor	Thai Airasia Co.,Ltd.
2013 – 2014	Deputy Director of Flight Operations	Thai Airasia Co.,Ltd.

8

MR. SUWIT SRISARAKAM

Head of Ramp and Ground Service Equipment

The date of appointment 7 August 2014

Age 47 years

Education

- Civil Aviation Training Centre of Thailand

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2014 - Present	Head of Ramp and Ground Service Equipment	Thai AirAsia Co., Ltd.
2012 - 2014	Foundation Manager	Thai AirAsia Co., Ltd.
2008 - 2012	Head of Customer Experience	Thai AirAsia Co., Ltd.
2007 - 2008	Guest Service Manager	Thai AirAsia Co., Ltd.

9

MR. BANYAT HANSAKUL

Head of Engineering

The date of appointment 3 March 2014**Age** 47 years**Education:**

- Master of Business Administration, Kasetsart University International
- Bachelor of Engineering in Aeronautical Engineering, Royal Thai Air Force Academy

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2014 – present	Head of Engineering	Thai AirAsia Co., Ltd.
2004 – 2014	Quality Assurance Manager	Thai AirAsia Co., Ltd.

10

MRS. THILADEE PANTUMCHINDA

Head of People Department

The date of appointment 3 March 2014**Age** 41 years**Education**

- Master of Human Resources Management, Rutgers, The State University of New Jersey- New Brunswick, NJ
- B.A. Political Science, Major in International Relations, Chulalongkorn University

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2014 – present	Head of People Department	Thai AirAsia Co., Ltd.
2013	Human Resource Director	Janssen-Cilag Ltd.
2010 – 2013	Senior Manager of Human Resources	Johnson & Johnson (Thailand) Ltd.

11

MISS WITCHUNEE KUNTAPENG

Head of Guest Service

The date of appointment 2 October 2014

Age 46 years

Education

- Bachelor degree of Arts in English, Faculty of Humanities, Ramkhamhaeng University

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
0.0024	-

5 years past and present work experience

2014 - present	Head of Guest Service	Thai AirAsia Co., Ltd.
2012 - 2013	Bangkok Station Manager	Thai AirAsia Co., Ltd.

12

MR. PIPAT KHUNPRAKAN

Head of Innovation Commercial and Technology

The date of appointment 2 October 2014

Age 38 years

Education

- Master degree of Telecommunication Science, Assumption University
- Bachelor degree of Computer Science, Assumption University

Number of Shares and Percentage of Asia Aviation PLC (%) ¹	Relationship with other Management ²
-	-

5 years past and present work experience

2014 - present	Head of Innovation Commercial and Technology	Thai AirAsia Co., Ltd.
2007 - 2014	Innovation Commercial and Technology Manager	Thai AirAsia Co., Ltd.
2003 - 2007	Information and Technology Supervisor	Thai AirAsia Co., Ltd.

¹ Including the shareholding from spouse and minor child

² Family relationship means relation from blood, wedding and registered by laws

Asia Aviation, through its directors, management and employees, has complied and followed the principles of good corporate governance, and believes that good corporate governance is the key success factor. Asia Aviation, as an organization with social responsibility, has adopted the principles of good corporate governance detailed as follows:

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

In awareness of the importance of good corporate governance with the belief that effective, transparent, and measurable administration will create confidence for shareholders, investors, and stakeholders, which in turns, will add value and promote sustainable growth for the Company, therefore, the Board of Directors of Asia Aviation has established the policy to follow the Code of Best Practices for Directors of Listed Company and adopted the policy in accordance to the Principles of Good Corporate Governance For Listed Companies, 2013, as prescribed by the Stock Exchange of Thailand. Policy is reviewed annually and communicated to Directors, Management, and employees to adhere. The policy covers the shareholders' rights; equitable treatment of shareholders; role of stakeholders; information disclosure and transparency; and responsibilities of the Board of Directors.

In 2014, the practices under the Corporate Governance policy in each section are reported as follows:

SECTION 1 RIGHTS OF SHAREHOLDERS

Asia Aviation is aware of and prioritizes the fundamental rights of the shareholders, by not doing anything to violate the rights of its shareholders and supporting its shareholders to exercise their rights. The fundamental rights of the shareholders include the right to buy and sell or to transfer shares, the right to receive profit sharing from Asia Aviation, the right to receive adequate information with regard to Asia Aviation, the rights relating to participation and voting in the shareholders meeting to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's memorandum of association and articles of association or the company's by laws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Asia Aviation has the policy to provide convenience for the shareholders to exercise their rights as follows:

- Asia Aviation will send the notice of the shareholders' meeting and supporting documents to each shareholder at least five business days prior to the meeting date (or any period of time as required by laws). The invitation will provide relevant information on each agenda item with opinions from the Board of Directors of Asia Aviation, proxy form as regulated by Ministry of Commerce, and list of independent directors that the shareholders may select as their proxy, as well as map of the meeting venue.
- Required documents that the shareholders need to bring to the meeting will also be sent along with the invitation in order to support the rights to participation in the shareholders meeting and to voting, as regulated by Asia Aviation's articles of association regarding the shareholders' meeting.
- Shareholders can also access any information concerning the agenda of the each meeting of Asia Aviation at www.aavplc.com
- In the case that any shareholder cannot attend a shareholders' meeting in person, Asia Aviation allows such shareholder to appoint a proxy, either an independent director or any person, to attend the meeting on his/her behalf.
- Chairman of the meeting will inform the shareholders of rules of the meeting and voting procedures. Time will be allotted appropriately.
- All shareholders will be treated equally in expressing their opinion and raising questions in the meeting. Directors and relevant management team members will attend the shareholders' meeting to provide responses to any inquiry raised at the meeting and to take any comments and suggestions into consideration or for further actions. After the shareholders' meeting, Asia Aviation prepares the complete and accurate minutes of the

meeting within 14 days and submits to related agencies within the prescribed timeframe. Minutes of the meeting will also be posted on Asia Aviation's website to allow interested shareholders and stakeholders to access the information.

SECTION 2 EQUITABLE TREATMENT OF SHAREHOLDERS

Asia Aviation applies the principle of equal treatment to all shareholders, be they management or non-management shareholders, majority or minority shareholders, or local or foreign shareholders, as follows:

- Meeting shall be carried out as specified in the agenda enclosed with the meeting notice. Additional agenda item shall not be imposed without informing the shareholders prior to the meeting unless necessary, especially items that shareholders should need significant time to study relevant information before making any decision.
- The minority shareholders can nominate directors by submitting details of nominees and consent letters to the Board of Directors prior to the shareholders meeting within reasonable time period as regulated by Asia Aviation.
- Shareholders are encouraged the use of ballots for each agenda item. Ballots shall be kept in the meeting room for vote count prior to the resolution announcement. For transparency, Asia Aviation will keep the ballots with shareholders' or proxy's signatures in case of examination if there is any future argument.
- Minutes of meeting shall be recorded completely and accurately. The minutes will be submitted to the Stock Exchange of Thailand within 14 days after the meeting. Minutes of the meeting will also be posted on Asia Aviation's website.
- Information is accessible in a complete, accurate, timely, and transparent manner, for shareholders by making relevant and significant information available regularly.

- The Company and its subsidiaries have set up clear policy and regulations to prevent Directors, Management and employees from using the Company's inside information for their own benefits. The policy is communicated for Directors, Management and employees' awareness and practice under the Code of Conduct with the details listed under the "Use of Inside Information".

SECTION 3 ROLE OF STAKEHOLDERS

Asia Aviation and its subsidiaries has placed importance on all of its stakeholders and established a policy as follows:

Shareholders

Asia Aviation determines to be a good representative for its shareholders in conducting its business for the satisfaction of its shareholders with transparency and emphasis on sustainable long-term growth, and to ensure the adherence of the policy regarding shareholders to maintain the basic rights of the shareholders, and to not violate the rights of the shareholders listed under Rights of Shareholders and Equitable Treatment of Shareholders, alongwith the transparent disclosure of information to shareholders.

The encourage for the shareholders to attend the Shareholders' Meeting to help participate in major decision making, to acknowledge the Company's operation and activities, and to monitor the performance of the Directors and Management.

Employees

Our employees are our most valuable resource and key to Asia Aviation's success. Therefore, Asia Aviation and its subsidiaries are committed to continuously enhance our corporate culture and good working environment, to promote teamwork, and to treat our employees with courtesy and to respect them as individuals. The employment, appointment, and transfer shall be on the ethical basis and the human resources shall be engaged to the best advantage to Asia Aviation.

Asia Aviation and its subsidiaries take responsibility in maintaining the safe working environment for both employees and their properties. Labor laws are strictly followed as well.

Asia Aviation and its subsidiaries respect its employees' privacy. Their private information, for example, salaries, medical records, and families, shall not be disclosed to outsiders or those who are not relevant, unless the information is required to be disclosed to the third party by laws.

Nonetheless, details of the policy regarding responsibilities toward employees in 2014 are listed in the "Corporate Social Responsibility" .

Customers

Asia Aviation and its subsidiaries are committed to customers' satisfaction and confidence in the Company by delivering quality products and services at a fair and appropriate price, and to maintain good relations. The operation guideline is set as follows:

- Provide quality products and services with the resolute aim to constantly increase the standards and disclose news and information regarding products and services completely and accurately.
- Directors, executives and employees at all levels shall not disclose customers' details without prior consent from customers or control persons of the company group, unless the information is required to be disclosed to the third party by laws.
- Nonetheless, details of the policy regarding responsibilities toward customers in 2014 are listed in the "Corporate Social Responsibility".

Business Partners

Asia Aviation conducts its business with its partners in a manner that does not result in any negative impact on the Company and its subsidiaries's reputation, nor violate any laws or regulations. The Company and its subsidiaries takes into consideration the equality in business operation and mutual interest for its partners. Vendor selection shall be done in compliance with the procurement regulations that clearly specify the process and practice. Asia Aviation and its subsidiaries believe that business partner is an important factor in helping create value for customers.

Creditors

Asia Aviation and its subsidiaries adhere to their commitments to the conditions and terms of agreements. the Company has entered into with its creditors, especially in the repayment, interests, and collateral in a manner that shall not result in any damages and shall create confidence for creditors in the Company's financial status and the ability for repayment.

Competitors

Asia Aviation and its subsidiaries have a policy to promote and support fair and open competition. The Company does not seek its competitors' trade secrets or information through illegal or unethical means. The Company shall not violate the intellectual properties of its competitors or others.

Society

Asia Aviation and its subsidiaries, as a Thai corporation, are well aware and grateful for the country. As part of the community, the Company has a social obligation to support the society and community in which Asia Aviation and its subsidiaries are operating.

Asia Aviation and its subsidiaries have a policy to provide environmentally friendly products and services and to follow environmental-related laws.

Asia Aviation and its subsidiaries promote activities that help preserve the nature and conserve energy. It has a policy to select and promote the use of environmentally friendly products.

Nonetheless, details of the policy regarding responsibilities toward the society in 2014 are listed in the "Corporate Social Responsibility".

Communication with Stakeholders and Whistleblowing Policy

Stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiaries directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com.

Nonetheless, the Company has disclosed “Whistle Blowing” Policy on its website at www.aavplc.com under “Sustainability”, “Corporate Governance” and “Whistle Blowing”. Complaints and reports shall be protected and treated confidentially by the Independent Directors or the Audit Committee for further inspection and solution (if any) and shall be reported to the Board of Directors later.

SECTION 4 INFORMATION DISCLOSURE AND TRANSPARENCY

Asia Aviation has put an importance on disclosing information that is accurate, complete, transparent, timely, and up to the standards set by to the Stock Exchange of Thailand and the Securities and Exchange Commission. This covers financial reports, general information, and any other significant information that can affect the price of stocks and decision making of investors and stakeholders of Asia Aviation In order for stakeholders of Asia Aviation to have an equal access to information, Asia Aviation is publishing its information through the Stock Exchange of Thailand and Asia Aviation’s website at www.aavplc.com

The Board of Directors is aware of the responsibility in preparing Asia Aviation’s financial reports and information presented to shareholders in annual reports, and in assuring the quality of the financial reports, including financial statements of Asia Aviation. Asia Aviation arranges to have the financial reports done according to the accounting standards and audited by reliable and independent auditors. Asia Aviation has established and adhered to appropriate accounting policies and made certain that financial reports of Asia Aviation are accurate, complete, and trustworthy, with important information being accessible.

The Board of Directors also set up an Audit Committee to review the financial reports for their accuracy, completion, and reliability and to make sure information is disclosed in an accurate, transparent and timely manner as regulated for listed companies. The Audit Committee also ensures effective internal control and that laws and regulations, as well as Asia Aviation’s regulations are adhered to. Moreover, the Committee looks into related party transactions or transactions with conflict of interest and consider the reasonableness and appropriateness before proposing to the Board of Directors of Asia Aviation for further consideration.

The Company has a policy to disclose important information to the public as follows:

1. Objectives and Articles of Association of the Company
2. Financial and Non Financial reports in an accurate and timely manner
3. Report on the responsibilities of the Board of Directors toward financial statements together with the Auditor’s report in the Annual Report
4. Information on each Director and subcommittee member and his/her roles and responsibilities and remuneration
5. Information on the attendance of Directors and subcommittee members in meetings
6. Reports on the Interests of Directors, Management, and related persons
7. Each Director and Executive has a duty to report buy-sale the Company’s shares to Board of Director before entering into the transaction including disclose summary of Shareholding reports at the Board of Director Meeting.

For investor relations, Asia Aviation has set up the Investor Relations Unit to handle the content of the information of Asia Aviation for those who are interested, for example, shareholders, analysts, and investors. The channel of communication is as follows:

Telephone	: (66) 2562 5700
Fax	: (66) 2562 5705
Email	: taa_investorrelations@airasia.com
Website	: www.aavplc.com

Asia Aviation regularly presents information to analysts, investors, and employees at Analysts’ meetings, Roadshows, Conference calls, and Conferences organized by various entities. The Company also holds joint activities with SET to meet minor investors and has Press Conference and Press Release to publicize the performance of the Company and its subsidiaries. In addition Analysts, investors, and interested parties can also join company visits to meet our management and inquire about our updates.

In 2013-2014, investor relation activities are summarized as follows:

	2013 (times)	2014 (times)
International Roadshows	7	6
Domestic Roadshow	3	7
Analyst meeting	4	4
Company Visit / Conference call	40	44
E-mail / Phone calls	3-4 times daily	4-5 times daily
Joint activities with SET and other agencies to meet investors	1	2

The Company also arranges for the Compliance Unit to oversee the disclosure of information through various channels, for example, the Company's website, The Stock Exchange of Thailand's website, and annual reports. Information shall be accurate, sufficient, timely, and complete, as required by laws, in order to create confidence from investors in the Company's transparency in business operation.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Leadership and Vision

Asia Aviation's Board of Directors consists of Directors with leadership skill and vision to drive Thai AirAsia to become a leading low-cost airline in the region, to provide the most value quality services that are trustworthy and safe.

The Company's Board of Directors revises and specifies vision and mission for the Company every five years to keep them relevant and appropriate for the changing business environment in the future.

Board of Directors' Structure

Asia Aviation's Board of Directors consists of nine directors with three being the Independent Directors who are fully qualified under the relevant regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Each Director has knowledge, competence and experience in the business. The number of Directors shall be sufficient to oversee the business of the Company, with at least one

Director with direct experiences in aviation business and another one Director with experiences in accounting and finance.

Asia Aviation's Board of Directors has the duties to set out policies, visions, strategies, goals, missions, business plans and budgets of Asia Aviation, as well as to supervise the management team to effectively and efficiently manage the business of Asia Aviation under the legal framework, objectives, articles of association of Asia Aviation and the resolutions of the Board of Directors' meeting and the shareholders' meeting. Such duties must be performed with accountability, loyalty and care under the principles of good corporate governance in order to achieve the best economic value for the business and stability for its shareholders.

Qualifications of Directors

1. Directors shall be the persons with knowledge and competency, honesty and integrity in business operation, and sufficient time to dedicate their knowledge and competency for their performance in the Company.
2. Directors shall possess full qualifications and do not have any prohibited characters in compliance with applicable laws related to public companies and other relevant laws, nor any characters that result in the inappropriateness to be trusted with the administration of a public company according to the Notifications of the Securities and Exchange Commission (SEC).
3. The Directors shall not undertake any business or be a shareholder of any business which has the same nature as and is in competition with the business of Asia Aviation for their own or others' interests, except the Shareholders' Meeting has been informed prior to the appointment.
4. The Directors shall not hold the position of Director in more than five other listed companies. In case of any Director holding the position of Director in more than five listed companies, the Board of Directors shall determine the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other company, the matter needs to pass the approval from the Company's Board of Directors.

Qualifications of Independent Directors

The Independent Directors shall possess all the qualifications required by the Capital Market Supervisory Board and the Stock Exchange of Thailand, and can oversee the interest of all shareholders equally without any conflicts of interests. The Independent Directors shall be able to attend the Board of Directors' Meetings and provide opinions independently. The qualifications are as follows:

1. Holding not exceeding 1% of the total shares with voting rights of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation. (inclusive of the shares held by any related person of such independent director);
2. Not being, nor having been, a director who participates in the management, an employee, staff member or advisor who receives a regular salary, or a control person of Asia Aviation, its parent company, subsidiary company, its associated company, its subsidiary at the same level, major shareholder or control person of Asia Aviation, unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC. However, such prohibition shall not apply in the case where such independent director has been a government official or consultant of the government sector, which is a major shareholder, or control person of Asia Aviation;
3. Not being person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its directors, its executives, its major shareholder, its control person or the person who will be nominated to take up the position of director or executive or control person of Asia Aviation or its subsidiary;
4. Not having, or not having had, any business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation in a manner which may obstruct its independent judgment. Additionally, not being or not having been a substantial shareholder or control person of a person who has a business relationship

with Asia Aviation its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC.

(the aforementioned business relationship and transaction size shall have the same definition as in the Notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares);

5. Not being, or not having been, an auditor of Asia Aviation Plc., its parent company, its subsidiary company, its associated company, major shareholder, control person of Asia Aviation, major shareholder or control person or the partner of the audit company for which the auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, and not being major shareholder or control person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
7. Not being a director nominated to be a representative of a director of Asia Aviation, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of Asia Aviation or its subsidiary company or not being a partner of the partnership or a director who participates in the

management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and is in competition with the business of Asia Aviation or its subsidiary company; and

9. Having no other qualifications causing any inability to express independent judgment in respect of Asia Aviation's business operation.

The qualifications of the Independent Directors shall be as required by the Thai Capital Market Supervisory Board.

Appointment and Terms of Positions for Directors

The appointment of a Director shall be in compliance with the Company's Articles of Association and applicable laws, in a transparent and clear manner. The nomination shall go through the process by the Nomination and Remuneration Committee. The consideration shall include sufficient detailed information and profile of the person for the Board of Directors and Shareholders to make decision. Details of the policy on appointment and nomination of Directors can be found under "Nomination and Remuneration Committee"

The Directors's terms of positions are according to the Articles of Association of Asia Aviation that at every Annual General Meeting, one-third (1/3) of the total number of the directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third (1/3) must retire from the office.

The retiring directors are eligible for re-election. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire.

Duties and Responsibilities of the Directors

Asia Aviation's Board of Directors shall oversee and administer the business and mission of Asia Aviation to be in line with the approval by shareholders and applicable laws, objectives, Articles of Association, Shareholders' Meeting Resolutions, and Board of Directors' Resolutions. Directors shall use their judgement and vigilance in making business decision and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

The Division of Duties and Responsibilities between Board of Directors and Management

Asia Aviation has clearly divided duties and responsibilities between Board of Directors and Management. The Board of Directors sets out policies and administer the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by Board of Directors and recorded as resolution passed in the minutes of Board of Director meeting. Consequently, the Chairman of the Board of Directors cannot be the same person as the Chief Executive Officer (CEO) nor the Executive Director in order to balance and examine the Management.

The Chairman of the Board of Directors has an important role in making decision for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management without interfering in the daily duties of the Management. The Chairman of the Board of Directors, as the leader of the Board of Directors, oversees and monitors the performance of the Company's Executive Directors and other subcommittees to ensure effectiveness and efficiency, and encourages all the Directors to participate in meetings and to provide comments independently. The Chairman of the Board of Directors makes the casting vote in case of the votes come to a draw between two sides.

The Company has clearly set scopes of duties and responsibilities for Board of Directors and the Chief Executive Officer, which can be found under "Scope of Duties and Responsibilities of the Board of Directors" and "Duties and Responsibilities of the Chief Executive Officer".

Asia Aviation has appointed the Company Secretary with the duties and responsibilities as follows:

1. To provide advice to the Board of Directors regarding legal framework and regulations of Asia Aviation that the Board of Directors shall be aware of, to ensure compliance to the rules and regulations, and to report any significant changes in the legal matters to the Board of Directors

2. To organize the shareholders' meeting and Board of Directors' meeting in accordance to laws and regulations of Asia Aviation
3. To record the minute of the shareholders' meeting and Board of Directors' meeting and to make sure the resolutions of the meetings are followed
4. To prepare and keep record of a register of directors, the Company's annual report, Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, Notice of the shareholders' meeting and minutes of the shareholders' meeting of Asia Aviation
5. To keeping the reports of interest filed by the directors or executives, with the copies submitted to the chairman of Board of Directors and the chairman of audit committee within seven business days after the report is received.
6. To ensure the information disclosure and report the responsible information to the related agencies as prescribed by the government's rules and regulations
7. To make sure Asia Aviation's Board of Directors has carried out their activities and other related matters in accordance to the legal framework, or as assigned by Asia Aviation's Board of Directors, or as prescribed by the notification of the Capital Market Supervisory Board

Subcommittees

In addition to the Board of Directors, Asia Aviation has set up a subcommittee to assist in administering the business, that is the Audit Committee. The three members, who are responsible for auditing and internal control for Asia Aviation, are of the qualifications as required by the Stock Exchange of Thailand and the Securities and Exchange Commission. Their duties and responsibilities are as assigned by the Board of Directors of Asia Aviation, as specified in the Audit Committee Charter.

Nevertheless, At the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on 26 February 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee. The three Independent Directors

nominate and set appropriate remuneration for Directors and Management, with the details shown under "Nomination and Remuneration Committee".

CORPORATE GOVERNANCE POLICY

Asia Aviation has set up a written policy on corporate governance and the Board of Directors is to review this policy and the compliance therewith on an annual basis. After the Company's ordinary shares have been listed on the Stock Exchange of Thailand, Asia Aviation shall comply with the relevant rules and regulations as prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board. The details of the report on corporate governance will be included in the Company's annual report and the annual registration statement (Form 56-1).

CODE OF CONDUCT

Asia Aviation has operated its business in adherent to strict business ethics, including safeguarding Asia Aviation's and its subsidiaries' confidentiality, abiding laws, operating in an honest and prudent manner, paying respect to each other, and taking good care of Asia Aviation's properties and the environment. All directors, executives and employees shall oblige by this guideline. All Directors and new recruits shall receive a business ethics manual that they have to acknowledge and strictly follow. The Company has disclosed its complete Code of Conduct on the Company's website, under "Sustainability", under "Corporate Governance" and under "Code of Conduct".

CONFLICT OF INTERESTS

The Board of Directors of Asia Aviation has set up a policy to prevent conflicts of interest on the basis that any decision-making on business transactions shall be made only for the best interest of Asia Aviation and it shall avoid any act which may cause conflicts of interest. It is required that a person who is involved in or has interest in any transaction shall report the involvement or interest in such transaction to Asia Aviation and shall abstain from voting for decision-making and shall have no power to approve such transaction.

In the case of any transaction which is not consistent with the normal course of business or the general trading conditions and may cause conflicts of interest, the entry into such transaction shall be submitted to the Board of Directors of Asia Aviation for the Audit Committee to consider with respect to the transaction appropriateness before proposing to the Board of Directors' meeting or shareholders' meeting (depending on the case) for consideration and approval. In such case, Asia Aviation shall comply with the requirements prescribed by the Capital Market Advisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors of Asia Aviation has put the internal control system in place in order for the operation of Asia Aviation to go according to the objectives, Article of Association, and applicable rules and regulations, as well as the internal audit and the check and balance system to effectively protect and look after the capital and investment of shareholders and Asia Aviation's properties. Asia Aviation has stipulated levels of authority and responsibilities of the executives and employees and operating regulations in writing. The Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Audit Committee shall monitor the administration and operation of Asia Aviation in order for Asia Aviation to achieve an effective internal control and reliable financial reporting system. The Internal Control Department shall directly submit the audit report to the Audit Committee for revision and evaluation of the internal control system of Asia Aviation. Ms. Duangporn Tantiwivat acts as the Head of Internal Control. The details on internal control and internal audit can be found under "Internal Control and Internal Audit".

RISK MANAGEMENT

Asia Aviation is aware and realizes the importance of risk management in order to achieve effectiveness and efficiency in the management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia, therefore, risk management system has been established for Thai AirAsia which is its subsidiary and

operates core business.

Risk Management Committee consists of Chief Executive Officer and the Management from all departments to manage internal and external risks that may affect operation to an acceptable and appropriate level by evaluating and examining evaluation result from all departments and revising policy regarding risk management at least annually. The details on risk management can be found under "Risk Management".

REPORT OF THE BOARD OF DIRECTORS

The Audit Committee has the duty to review the Company's financial reporting and submit the reports to the Board of Directors of Asia Aviation on a quarterly basis. The Board of Directors of Asia Aviation shall be responsible for the accuracy of Asia Aviation's financial statements and financial information as described in the annual report. The financial statements shall be prepared in accordance with the accounting principles which are generally accepted in Thailand and audited by a certified public accountant. An appropriate accounting policy shall be applied and always be complied with. In addition, information shall be adequately disclosed in the notes to the financial statements.

At the Asia Aviation's Audit Committees' Meeting No. 1/2015, held on 23 February 2015, the Audit Committee, consisting of three Independent Directors, evaluated the internal control system by interviewing the Head of Internal Control and concluded that the internal control for Asia Aviation and its subsidiaries was sufficiently effective in alleviating business risks. The operation of the internal control in 2014 in inspecting other departments within Asia Aviation and its subsidiaries did not result in any significant weakness in internal control system that can affect the operation of Asia Aviation and its subsidiaries. Auditor did not report any significant weakness.

BOARD OF DIRECTORS' MEETING

According to the Articles of Association of Asia Aviation, the Board of Directors shall hold a Board of Directors' Meeting at least once every three months by setting dates for the whole year and additional special meetings may be held as necessary. A meeting notice shall be delivered to directors

for consideration at least five business days prior to the date of the meeting, unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. At each meeting, the agenda of the meeting will be clearly specified and supported by the completed and sufficient documents, and are delivered to the directors in advance so that the directors will have enough time to study such information prior to the meeting. At the Board of Directors' Meeting, each director shall be able to openly discuss and express his or her opinion. In addition, the senior management will be invited to attend the Board of Directors' Meeting in order to give additional information as they are directly involved in such matters.

Asia Aviation is committed to providing the Board of Directors with adequate, complete continuous and timely information prior to a Board of Directors' Meeting. The directors can directly and independently contact the Company Secretary. The Company Secretary is responsible for advising the Board of Directors of Asia Aviation on the compliance with legal and regulatory requirements.

The Board of Director has also specified that non-executive Directors can organize meetings as deemed appropriate without the attendance of any Executive Director or Management, in order to create an opportunity for discussion on business challenges of the Company or other topics of interest.

REMUNERATION

At the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on 26 February 2014, and the Thai AirAsia's Board of Directors' Meeting No. 1/2014, held on 3 March 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee to determine and propose remuneration for Directors and Management annually for the Board of Directors' and/or Shareholders' approval.

The Committee has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors.

The Company has disclosed the aforementioned information and the remuneration for each Director in the Annual Report and Form 56-1 of the Company, which can be found under "Structure of Directors' Remuneration".

DEVELOPMENT ON DIRECTORS AND MANAGEMENT

The Board of Directors of Asia Aviation has a policy to enhance and accommodate the provision of training and knowledge for Directors and Management to administer the business of the Company effectively with the continuous improvement on operation. Directors and Management are encouraged to participate in valuable trainings that are beneficial to their performance, including training by state agencies or independent organizations, for example, Director Training by the Thai Institute of Directors that the SEC requires directors of registered companies to participate at least in one program, including the Directors Certification Program (DCP) Directors Accreditation Program (DAP) and the Audit Committee Program (ACP).

In the case of a change in directorship, the Company Secretary is assigned to assist in the preparation for the Director's duties by coordinating in the following areas:

1. Collecting required information related to directorship to ensure the compliance with applicable laws related to directorship.
2. Preparing useful information for new Director to perform his/her duties, for example, Articles of Association of the Company, Director's Manual for Listed Companies, Operating Results, and Nature and Direction of Business.
3. Organizing meetings or discussions between Chairman and Directors, and Management to acknowledge and inquire about the business operation of the Company and its subsidiaries.

THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The Performance Assessment of the Board of Directors shall be carried out annually by dividing into the Performance Assessment of the Board of Directors and the Individual Performance Assessment (Self-Assessment), to be used as the framework in examining the performance of the Board of Directors and in improving the performance of the Board of Directors to correspond with specified policies.

The Performance Assessment of the Board of Directors covers six main areas as follows:

Structure and qualifications of the Board of Directors

1. Roles, duties and responsibilities of the Board of Directors
2. Board of Directors' Meeting
3. Performance of the Directors
4. Relationship with the Management
5. Self-improvement of the Directors and managerial development

Moreover, the Board of Directors has arranged for an annual performance assessment for the Chief Executive Officer, main areas as follows:

Section 1: Progress of plan with specified goals and milestone for each goal

Section 2: Performance assessment

- Leadership
- Strategic setting
- Strategic practice
- Financial planning and results
- Relationship with the Board of Directors
- External relationship
- Management and relationship with human resources
- Position succession
- Knowledge of products and services
- Personal characteristics

Section 3: Self-improvement

REPORT OF INTEREST

The Company has required that Directors, Executive Directors, and Management, under the definition by the SEC, provide report of interest for themselves and their related persons when they are appointed. Changes shall be revised and reported annually.

SUCCESSION PLAN

The Board of Directors has established succession plans for positions of Chief Executive Officer and Senior Management in order to maintain confidence from stakeholders that the operation of the Company can continue without any disruption.

The Board of Directors has assigned the Nomination and Remuneration Committee to consider and specify the criteria and succession plan when the position of Chief Executive Officer is vacant. Revision of the succession plan shall be carried out annually and Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

THE USE OF INTERNAL INFORMATION

Asia Aviation's and its subsidiaries' Boards of Directors have set the policy and procedure for the directors and management and employees in using the inside information that has not been made public for personal interest and communicated the policy to their Directors, Management, and employees for their acknowledgement in writing in the Code of Conducts with details as follows:

1. Inform the directors and executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act B.E. 2535 (and its amendment)
2. The directors and executives of Asia Aviation, along with their spouses, and their minor children to prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of Asia Aviation's securities children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), and copies of the reports to be submitted to Asia Aviation on the same day as to the Securities and Exchange Commission
3. Directors, executives and employees of Asia Aviation and its subsidiaries, who have an access of any inside information that can affect price of stocks, shall be careful in the trading of Asia Aviation's stocks within one month before the financial statements or the inside information are accessible to the public and 24 hours

after the said information is accessible to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand. Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

4. Directors, executives and employees of Asia Aviation shall not use any inside information they receive from their positions, that can affect price of stocks and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

AUDIT FEE FOR THE YEAR 2014

Audit Fee

In 2014, Asia Aviation and subsidiary paid the audit fee of 4.50 million baht to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of 1.03 million baht and 3.47 million baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

Non-Audit Fee

Asia Aviation and subsidiary paid total non-audit fee for the special purpose review and advisory service was 0.7 million baht. No the expense of undelivered work for the year 2014.

The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditor



Your Regional Bank



As the ASEAN Economic Community takes shape, new challenges and opportunities beckon. With in-depth knowledge of local markets, and the connections to help with all personal and business banking needs, Bangkok Bank is your ideal financial guide for ASEAN's new era.

Our 29 branches and one representative office in 14 economies, including the global financial centers of New York and London, make us Thailand's truly regional bank.





TAKE OFF WITH SHELL AVIATION

SAFE AND EFFICIENT OPERATIONS
ARE OUR TOP PRIORITY

www.shell.com/aviation





With the good intention in making Thai AirAsia which is owned by Asia Aviation, become the low-cost airline for everyone, we are committed to serve as a cog in creating, developing and improving the sustainable Thai society. The Company set up policies on social responsibility or Corporate Social Responsibility (CSR) covering its operations and via various potential projects, which cover the following topics:

RESPONSIBILITY TOWARD CONSUMER

Thai AirAsia is committed to operate under 2014 concept of making everyone realizes of our services as “Truly Low Fares, Trusted Quality”. Apart from being the leader in Low fares airline, our “service quality” is the key best expressing our consumer responsibility. Start from the confidence in our services rendered by 40 Airbus A320 aircraft of Thai AirAsia (status at the end of 2014), which are new airplanes from Airbus Factory in Toulouse, France. We are confident of the internationally accepted manufacturing standards.

In addition, Thai AirAsia has developed the comprehensive aircraft repair and maintenance and safety training systems to all of the related parties like pilots, crew and staff in every department. The training is to get ready for the

emergency situations, including reliable safety audit system to ascertain that we strictly comply with the aviation industry safety standards. Department of Civil Aviation will audit the Company twice a year on safety basis. The supervising authorities from other countries will frequently audit on our safety as well.

In term of service rendering, Thai AirAsia considers the consumers’ benefits as the important factor by committing to offer service with worthy, reliability and friendship. We focus on punctual service as the first priority by consistently controlling the on time flight schedule. In 2014, flights run by Thai AirAsia were the most on time performance in Asia rated by FlightStats. We are proud that this factor shows our operations with full efficiency to every consumer.

However, Thai AirAsia has warning systems for flights cancellation and postponement to the customers via email, SMS or telephone. Any customers who are not able to contact the Company via these channels will be notified at the check-in counter before taking the flights. In case of disaster or unexpected event, which stops the flight from operation, Thai AirAsia will take care of the passengers by

using the appropriate standards, e.g. provision of accommodation, foods and shuttle service to the airport, to ensure that the passengers receive satisfactory and fair services.

However, Thai AirAsia emphasizes on the clear communication about its business operations format by clearly classifying the service fees in all of its distribution channels so that the consumers understand and select the services that best meet their demand. This will offer the opportunity to the consumers, who once cannot access the air travel due to restrictions on price, to have opportunities to try our services from our continuous special fare promotion campaigns.

ENVIRONMENTAL CONSERVATION

Thai AirAsia is a Low Fares airline that contemplates on environmental conservation and reduces non-renewable resources consumption in all of its service systems. Apart from the effective cost management, we also intend to contribute to environmental conservation of the country and the world. This is the subject that every organization should jointly realize.

Starting from the selection of Airbus A320 for the whole aircraft fleet, which is the new aircraft model with more efficient use of energy and more environmentally friendly. Since Airbus launched the “Sharklet” project, it has introduced the new aircraft model equipped with large wing tip devices designed with the aerodynamics of the aircraft and new technology. Therefore, it reduces fuel burn and

emissions by 3%. The new Airbus A320 fleets on duty in AirAsia crew are all equipped with these “Sharklet” devices.

In addition, Thai AirAsia has ordered Airbus A320neo (new engine option) under A320 aircraft family, which has been designed with the new engines and equipped with Sharklet at the wing tip. This can reduce the energy consumption by 14%. Airbus expects to deliver the first A320neo to the airline customers in 2015.

For AirAsia passenger service, resources are valuably used to the highest benefits e.g. normally the length of baggage identification tag is 14-21 inches, but we use the 10-inch tag in order to reduce the consumption of both paper and ink.

Similarly, AirAsia uses the smallest possible size for its boarding passes and prints them using a process devoid of additional treatment or decoration in the interest of conserving resources. Moreover, the airline was the first to introduce the electronic boarding pass or E-Boarding Pass to its domestic flights. By allowing passengers to present an electronic boarding pass on their mobile phone at the boarding gate, the airline was further able to reduce printing needs as well as check-in counter necessity. The innovation was highly effective in reducing resource requirements.

Thai AirAsia sets up policies and strategies encouraging the passengers to pre-book foods and services. Apart from allowing the passengers to select various services and foods



by themselves, Thai AirAsia also allows their passengers to take their own foods and relevant services that meet their real demand on board. This avoids the large production and transportation of foods for the flights. Therefore, the non-consumed resources can be reduced, leading to the reduced weight of loading on the flight and reduction of energy consumption as well.

COMMUNITY AND SOCIAL DEVELOPMENT

Community and social development plays an importance role that Thai AirAsia emphasizes because the Company has its operations across all the regions of the country. We have opportunities to join and have access to various activities, which can be classified into the following categories:



THAI CULTURAL HERITAGE CONSERVATION

“Air Travel to Preserve Art” Program

Thai AirAsia in collaboration with Ministry of Culture open a camp for folk art performance and a stage for Thai youth to exhibit their arts and cultural capabilities in “Fly Thru AirAsia to Preserve and Create Work of Art” Project. There are national artists from 3 regions of Thailand to convey the cultural beauties in 10 provinces in Thailand.

“Air Travel to Preserve Art” Program is organized under the intention of encouraging young people across the country to have the opportunities to learn the master-level native cultures from the national artists with the stage to perform and disseminate the Thai cultures. The folk art performance camp is established under the guidance of the following 3 national artists from 3 regions:

Northeastern artist : Baanyen Raakkaen, national artist in folk singing

Northern artist : Baasorn Thanomboon, national artist in bamboo stump fiddling

Southern artist : Klao Rojanamethagul, national artist in shadow playing

The “Air Travel to Preserve Art” Program is organized to continue AirAsia support on the national artists’ passenger welfare in disseminating the national cultures. Such project sets up training camps covering 10 provinces e.g. Ubon Ratchathani, Udon Thani, Nakhon Phanom, Khon Kaen, Chiang Mai, Chiang Rai, Trang, Hat Yai, Surat Thani and Nakhon Si Thammarat to select interested youth to learn the folk arts directly from the national artists for 3 days and 2 nights. Over 500 young people will join the activities and enter the selection process to find the candidates for cultural youth ambassadors. Only one winner from each province will be entitled to travel with Thai AirAsia (FD) for a period of 1 year to exhibit the beauty of Thai performing arts on both national and international stages in the future.





SOCIAL RESPONSIBILITY THROUGH EQUAL OPPORTUNITY AIR TRAVEL

“AirAsia Ambassadors Universal Design” Project

Thai AirAsia is mindful of offering equal opportunity air travel, first by providing facilities that are accessible to all types of passengers, by providing necessary assistance equipment and by training its staff in properly assisting special needs passengers. Furthermore, we take part in activities promoting Universal Design, designs that address the needs of all physical states ie. the elderly, the disabled, the ailing, pregnant women and young children. Our support has been carried out through the AirAsia Ambassadors Universal Design project, which focuses on promoting universal design to executives in both the state and public sectors, to local leaders, to average citizens and to Thai society as a whole. So far, campaigns have been held in Chiang Mai and Krabi, both strategic locations in Thailand’s

economic and tourism sectors. Thai Educational Promotion and Support

“Connecting Our Wisdoms” Project

With the intention to be part of educational development for Thai youth, Thai AirAsia in collaboration with Book for Thailand Foundation have organized the activities to promote Thai education under “Connecting Our Wisdoms” Project. Such activities are expected to be part of the campaign in promoting the reading habits for Thai youth.

Book for Thailand Foundation is a non-profit organization with the intention to promote reading habits and use of libraries in Thailand. The foundation receives donated English text books from abroad 4-6 times in a year. Each year there are over 50,000 donated English books. Therefore, the foundation opens the opportunity for organizations or

educational institutes nationwide who are in need to request for such books without any charges. However, with the limit on transportation expenses, the foundation has restrictions in delivering the books to different areas. From such causes, there are too many books to be stored in the limited space, which force the foundation to destroy over 1,000 books each year.

Thai AirAsia realizes the importance of such issues. With our resources available to fulfil the objectives, we cooperate with Book for Thailand Foundation in delivering English books to the organizations and education institutes in need in 10 provinces of Thailand. In 2014, AirAsia could deliver more than 50,000 books.

Special Flight to “Chang-Hua-Mun” Royal Initiative Project

Originated from the collaboration between Thai AirAsia and “Chang-Hua-Mun” Royal Initiative Project, we offer special flight to take young people from remote areas all over the country to visit and study “Chang-Hua-Mun” Royal Initiative Project in Hua Hin, Prachuab Khiri Khan Province in order to learn about His Majesty the King’s royal duties, which contribute very much to Thai development.

Since Thai AirAsia has been in the aviation business and close to the Thai society for a long time, we value the importance of learning about “Chang-Hua-Mun” under King Bhumibol’s Royal Initiative Project to serve as the sources of learning and disseminating the royal knowledge and duties, which lead to changes and development in the country. Realizing the potential of our air travel service, which will more

or less contribute to the dissemination of King Bhumibol’s royal duties, we set up special Bangkok – Hua Hin flight to take the youth from remote educational institutes all over the country to visit the royal project. The purposes are to open the opportunities for the youth in remote areas in learning King Bhumibol’s duties on agricultural development. It can be considered as the transfer of knowledge not only to the participating youth and individuals, but also for them to convey this knowledge to their community by word of



mouth. We selected 70 young people from 14 provinces in the country i.e. Chiang Mai, Chiang Rai, Phitsanulok, Ubon Ratchathani, Udon Thani, Nakhon Phanom, Khon Kaen, Trang, Krabi, Nakhon Si Thammarat, Surat Thani, Hat Yai, Phuket and Narathiwat to travel from Bangkok by Thai AirAsia special flight to Hua Hin during September 11-13, 2014.

SPORTS PROJECT

Sports are universal languages that everyone can have access easily. Thai AirAsia uses sport activities as the media in building relationship and developing society, e.g.



- Support football teams in Thai Premier League and Premier Division. Football has rapidly become the favorite sports for Thai people over the past few years, especially in the domestic match and football fan. Thai AirAsia focuses on supporting 22 football teams development for the regional and division teams so that football can be the medium to access most of the community. This also includes the international match, which will develop the potential of the athletes as well as Thai football teams.
- Support Thailand Volleyball Association by transporting Thai athletes, coaches and association staff in various matches at the full capacity without any fatigue from the trip. Support Youth Volleyball Tournament – AirAsia at the age of not more than 14 years, etc.
- Support trips to the match for national male football players, especially to snatch the championship from AFF Suzuki Cup 2014.

In addition, in promoting sports to access more variety groups, Thai AirAsia also supports other sports categories, especially at the youth level ready to grow as the significant roles and the inspiration creation in the future, e.g. support “Nong Taew” or Tassaporn Naklor to experience the female youth tennis match. The Company aims to use sports as the most sustainable creative media for further building up society and youth.

SUPPORT OF COMMUNITY GOODS AND PRODUCTS WITH IN-FLIGHT RETAIL

Thai AirAsia as the airline with the most extensive network of destinations across the regions of Thailand has wholeheartedly taken part in providing retail channels for locally produced goods and products so that they may be purchased by Thai and international travelers alike. Throughout 2014, the airline presented a variety of community made goods on its flights such as solar dried bananas coated in chocolate from Phitsanulok and Tom Yum flavored salted cashews from Phuket. We are fully ready to continue offering the products on our flights in 2015.

AID IN TIMES OF NATURAL CALAMITY

Thai AirAsia recognizes the importance of assisting those affected by natural calamity and contributed by both assembling donations and providing funds for the

rehabilitation and construction of learning facilities, cafeterias and roofing for the multipurpose building of Chiang Rai Panyanukul School, which was affected by the earthquake incident in Chiang Rai. The institution was the focus of the aid as it deemed assisting it would help continue the education of many students.

INNOVATION POSSESSION AND DISSEMINATION

Thai AirAsia is a truly innovative airline with the intention to facilitate the passengers and promote the airline’s operating efficiency in various forms e.g.

- Personal Check-In – Passengers do not need to check in or show their tickets in order to get the boarding pass at the airport check-in counter. They can choose to check-in via website, mobile phone or check-in kiosk, which are more convenient and faster.
- Advance food ordering and special service: Foods are not only sold right on board, but the airline has 20 variety menus for advance ordering so that passengers can choose the menus during ticket reservation process or before travelling, which is different from the service on board where only a few menus are available. In addition, the passengers can select special services in advance like baggage weight, seat selection, airport transfer to the city, etc. Moreover, we have always developed the new goods and food menus on board, including sales of local products like sun-dried banana from Phitsanulok; cashew nuts from Phuket, etc. This can help generate and distribute income to the society.
- Island Transfer and City Transfer: Air travelling no longer limits at our destination airports. Passengers can buy tickets thru from their places of origin to several islands or cities apart from airports. Air tickets as well as bus or ferry transfer tickets to their destination venues can be bought at the same time. Passengers can conveniently take transfers from airports to their nearby destinations.
- Fly Thru Service: Thai AirAsia opens the service line for passengers who want to connect their flights at Don Mueang Airport. Originally, passenger needs to buy point-to-point tickets and clears baggage at each point before checking in baggage for the connecting flight. With Fly Thru service, passenger can buy the two-flight tickets at the same time from his/her origin to the destination

with the connecting flight at Don Mueang Airport. Upon check-in process, passenger can receive boarding passes of both flights and conveniently check through the baggage to claim at the destination airport. This makes the trip a bit easier for everyone.

Thai AirAsia hopes that with our clear goals and consistent social activities, they will drive the creativity and develop the better living society in every region of the country. The Company plans for consistent CSR activities in coupled with the best service rendering in response to the trust from Thai society and customers.

RESPONSIBILITY TOWARD EMPLOYEES

RECRUITMENT POLICY

- Thai AirAsia continues to recruit more employees to support the growth and the expansion of the fleets to serve passengers and for the opening of new routes and the increase in frequencies of existing routes.
- The recruiting process is based on the equal opportunity and fair system of written examination and interviews by a panel of committees with experiences, knowledge, and skills in a transparent manner.
- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere. Mentoring system is promoted in order to create happiness for employees at work.

BENEFIT MANAGEMENT

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees. Benefits include :

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees' weddings
- Six free air tickets per year
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members,

namely parents, spouses, and children

- Financial aid for child birth
- Employee uniforms

RENUMERATION AND SALARY MANAGEMENT

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

EMPLOYEE RELATION ACTIVITIES

Thai AirAsia regularly organizes activities to promote good relationship between employees and provide opportunity for employees to give opinions and participate in activities for unity and happiness in the organization.

- New Year Staff Party is organized for employees to meet and gather to create good relationship between employees and organization, under different themes.
- Sport Day is organized for employees to compete and cheer for their colleagues to create good relationship and to promote unity, sportsmanship, and forgiveness.
- Merit making activity and donation for people affected by disasters in the country and abroad
- Company anniversary is organized for the Management and employees to join in alms giving ceremony and lunch.

HUMAN RESOURCES DEVELOPMENT

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organization. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their skills and developing their knowledge and expertise to create confidence in dealing with changes and challenges in business competition.

Thai AirAsia is providing trainings according to needs of each business unit as follows:

Trainings for Engineers

- Maintenance Familiarization
- AMOS Training
- Basic Digital Avionics
- Basic Gas Turbine
- Basic Airframe
- Basic Electronic

Training for Flight Attendance

- Duty Free / Handheld Device
- Thai Announcement
- Airline Business
- Civil Aviation Regulations
- Flight Attendant Procedure

Training for Ground Staff

- Customer Service Excellence
- Central Baggage Tracking Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

Training for Pilots

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

Training for Ramp

- Ramp Ground Handling
- Aircraft Pushback
- Initial Airside Safety and ERP Plan

COMPLIANCE TO RULES AND REGULATIONS AND BUSINESS ETHICS

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to business ethics and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has provided related training, for example, training on Code of Conduct, training on prevention of corruption, and anti-corruption and anti-bribery training, which are compulsory for all employees at all levels. All new recruits shall participate in the following trainings and take required examination during their probation periods otherwise they will not pass the probation :

- Code of Conduct Training for all employees to understand the principle and standard that all employees shall adhere in order to eliminate doubt in integrity of the employees and Thai AirAsia.
- Fraud Awareness Training for employees to learn to prevent and report any suspicious act of corruption for Thai AirAsia.
- Anti-Corruption and Anti-Bribery Training for employees to understand problems and effects of corruption and bribery, and to learn to prevent and report any suspicious act of corruption or bribery through the Company's channels

OCCUPATIONAL HEALTH AND SAFETY AND WORK ENVIRONMENT

In 2014, Thai AirAsia has proceeded with the Safety Management System with the Safety Office, Pilot Safety Sub-Committee, Cabin Crew Safety Sub-Committee, and Occupational Health and Safety and Work Environment Committee working as coordinators for various projects and directly report to the Chief Executive Officer to ensure that the organization sustainably manages safety.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example :

- Safety Always 2014 programme which aims at creating the organization-wide culture of safety.
- Behavior based safety programme that creates positive approach by safety officer together with heads of units to observe employees' behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable "safety culture". At the start of the programme (January 2014), the percentage of safety behavior was 98.66, and at the end of the programme (December 2014), the percentage of safety behavior was 99.42.

- “Greeting, Praising, Warning” activities focus on every staff and superior to applaud anyone who perform their work with safety and warn one another when insecure operations are found. In addition, superior and staff should jointly find solutions to attain their safe operations so as to promote the culture of safety work.
- Safety Icon programme which is the selection of employees with outstanding performance in terms of safety as an example for other employees
- Hazard reporter programme that focuses on the participation of employees in reporting hazard or unsafe work environment, and improvement on the safety issues reported by employees, to proactively prevent accidents. In 2014, there was a total of 30 reports on hazards.
- Kiken Yoshi Training (KYT) to train each employee to analyze or predict hidden hazard in operation and to prevent the hazard correctly and appropriately
- Prepare and review the manual to deal with emergency in order to handle the Company’s emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Preparing and revising emergency plan for each of the 24 stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station
- Emergency exercise for some areas with Don Mueang Airport (DMK – EMEX 14) as a preparation in handling the emergency and the communication and coordination plan between emergency responsive team of Thai AirAsia and related agencies at Don Mueang Airport
- Training for the Special Assistance Team as a preparation in handling the emergency for passengers and their relatives including physical and mental assistance
- Regular training for safety officer at the Management, operation, and team leader level
- Crew Resource Management training for pilots and cabin crew annually
- Safety Emergency Procedure training for pilots and cabin crew annually
- Fire extinguishing training for ground staff
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation
- Inspection of working environment, for example, noise inspection and light inspection to take pre-caution in working environment that may be health hazard for employees.

HUMAN RIGHTS POLICY

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company’s policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through the Company’s channel.

TREATMENT FOR EMPLOYEES

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.

- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.
- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.
- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.
- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.

TREATMENT FOR OTHER STAKEHOLDERS

- The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

INTELLECTUAL PROPERTY RIGHT POLICY AND PRACTICE

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.

ANTI-CORRUPTION POLICY

Asia Aviation and Thai AirAsia operate businesses on the basis of transparency, fairness and integrity by identifying the organization structure with clear segregation of responsibilities, working process, chain of command in each organization so as to balance the appropriately intra-related power. Practical guidelines for directors, management, staff and related

parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that may expose to certain fraud and corruption under good investigation and care. Details are as follows :

DEFINITION

"Corruption" means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices

OVERALL POLICY

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

ROLES AND RESPONSIBILITIES

1. Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.
2. Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company's financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.

3. Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.
4. Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.

OPERATING GUIDELINES

1. Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.
2. Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.
3. Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
4. The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.
5. Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all relevant parties who perform or operate any significant issues that may affect

the Company or its subsidiaries in relevance to the Anti-Corruption policy.

6. Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

FINANCIAL OR OTHER BENEFITS

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business counterparts, or any persons for working in the name of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business counterparts of Asia Aviation and Thai AirAsia, except loans from banks or financial institutions as customers of said banks or financial institutions.

GIFT AND HOSPITALITY

- Directors, Management, and employees shall avoid accepting gift, in cash or in kind, from customers or business counterparts of Asia Aviation and Thai AirAsia, except in the customary traditions and the value does not exceed THB 5,000. If the value of the gift exceeds THB 5,000, the employee shall declare the gift to his/her supervisor for further appropriate action.
- Directors, Management, and employees may accept business hospitality if it is beneficial for Asia Aviation and Thai AirAsia However, hospitality shall be avoided if it is in the manner not appropriate for business relationship from persons relevant to Asia Aviation and Thai AirAsia or future business counterparts.

CASH OR OTHER REWARDS

- Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards

in any forms to customers, business counterparts, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

CHARITABLE CONTRIBUTION OR SPONSORSHIP

- Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia Examination and approval of transaction shall be done by responsible persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

RISK ASSESSMENT FOR CORRUPTION

The Company has set up a team consisting of Internal Audit Manager, Compliance and Accounting Manager to assess its exposure to fraud and corruption. Their responsibilities are to determine the procedures for risk management on fraud and corruption by jointly assess, analyze, monitor, control and update risk status on the overall fraud and corruption to remain at the acceptable level. The team will investigate the suspected cases that are vulnerable to fraud and prepare the annual report for presentation to the Audit Committee.

Risk assessment tools are used to assess exposures to fraud and corruption by adjusting The Association of Certified Fraud Examiners' guidelines in evaluating the internal control environment and various kinds of frauds that may incur in the Company. In 2014, the team analyzed and assessed business risks of various departments so as to identify their exposures to fraud and corruption e.g. manipulation; forge; change of record or document or financial report; misuse of business assets; misappropriation; conflict of interest; abuse of internal information; corruption in various forms; etc. Last year, exposures to fraud and corruption remain in the

acceptable level. Information from the assessment will be used as guidelines to increase the Company's internal audit efficiency and effectiveness and to find preventive measures on fraud operations by setting the good internal control system.

DISSEMINATION OF ANTI-CORRUPTION POLICY

For every individual in the organization to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions :

1. Communicate the Anti-Corruption policy through cooperate communication channel, namely the Company's website, Annual Registration Statement (56-1), and Annual Report (56-2).
2. Provide training on Anti-Corruption policy for new recruits.
3. Review Anti-Corruption policy annually.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors has put the comprehensive internal control system in place in order to ensure the Company and its subsidiary's compliance with the objectives, Article of Association and applicable rules and regulations, as well as the check and balance mechanism to effectively protect the capital and investment of shareholders and asset of the Company and its subsidiary. The Company has stipulated levels of authority and responsibilities of the executives and employees and operating regulations in writing. The Internal Audit Department has its duty to audit the operation of all departments in the Company and its subsidiary to ensure compliance with the established rules and regulations. The Audit Committee oversees the management and operation of the Company in order to ensure an effective internal control and reliable financial reporting system. The Internal Audit Department reviews and evaluates the internal control system of the Company and its subsidiary and reports the audit result directly to the Audit Committee.

At the Board of Directors Meeting No. 1/2558 on February 23, 2015, the Audit Committee consisting of 3 independent directors attended the meeting. The Board of Directors evaluated the internal control system by asking Head of the Internal Audit Department and concluded that from the evaluation of various aspects of the Company's internal control system, i.e. 5 components; control environment; risk assessment; control activities; information and communication. The Company provided sufficient personnel to implement the system efficiently including the internal control system on the supervision of the subsidiaries' operations to prevent the misuse of Company's and its subsidiaries' assets from the directors or the management without authorization. It also included the transactions with persons who might have conflicts of interest and related parties. For internal control in other topics, the Board of Directors agreed that there were sufficient internal control. In addition, no significant error on internal control system was found from the operations carried by the internal audit unit in 2014 in auditing various organizations in the Company, which may have any impact on the Company's and its subsidiaries' operations. The external auditor did not report any significant errors as well.

HEAD OF THE INTERNAL AUDIT

The Company assigned Miss Duangporn Tantiwivat as the Company's Head of Internal Audit on July 15, 2011 because she has gained experiences in accounting audit and internal

audit operations for over 10 years and understands the Company's and its subsidiaries' activities and operations. As a result, it is appropriate for her to be able to sufficiently perform the functions.

However, the consideration and approval of appointing, removing and transferring Head of Internal Audit must be approved by the Audit Committee.

COMPLIANCE

The Company assigned Miss Nisres Distes as Compliance to oversee the compliance to regulations set by the authorities supervising the Company's business operations.

RISK MANAGEMENT

Asia Aviation is aware and realizes the importance of risk management in order to achieve effectiveness and efficiency in the management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia, therefore, risk management system has been established for Thai AirAsia which is its subsidiary, with details as follows:

Thai AirAsia's Board of Directors has approved the policy and guideline in risk management for each department to adopt in evaluating, analyzing, ranking, and setting direction and strategy to manage risks, along with setting scopes and responsibilities of each relevant department with details of policy, process, risk management framework, as follows:

PRINCIPLE AND POLICY

1. Thai AirAsia is aware that risk is the main factor in business operation from setting the strategy and business plan, to daily business operation. The Company aims to manage risks to the acceptable level and uses resources in an effective and efficient manner.
2. Risk management is part of the organization culture that is communicated and assigned to the Management and all employees to realize its importance, and to participate in all the process of risk management.
3. The Management and employees jointly identify, evaluate, and set up risk management semi-annually.

4. Risk Management Committee and Audit Committee evaluate the framework for risk management annually and prepare a report.
5. Each step of risk management shall be reported in writing.
3. Risk management process includes setting up objectives, goals, and strategies for risk identification, risk assessment, risk evaluation, risk management, and risk monitoring and reporting.

FRAMEWORK FOR RISK MANAGEMENT

1. Roles and responsibilities of each unit on risk management include :

- Board of Directors and Chief Executive Officer identify direction and strategy, and set up structure and overall environment for the Company to support risk management effectively. Board of Directors also evaluates risk assessment and risk management plan, and approves the operation according to plan.
- Risk Management Committee specifies risk management policy to cover all risks in management, considers and approves risk management plan, establish working groups and evaluates, assesses, monitors, reports systematically, and recommends risk management process to each unit, and constantly monitors and reports the results to the Board of Directors.
- Audit Committee examines the risk management to ensure that risks are managed and controlled effectively and at the acceptable level.
- Internal Audit Department examines the internal control system in the area related to risks specified by the Management as significant, examines the overall risk management procedure, and prepares all the results for report to the Company's Board of Directors, Audit Committee, and other relevant unit.
- Process owners identify, analyze, manage and evaluate risks in their own areas of responsibilities.

2. The aim is to summarize the principle and process adopted by Thai AirAsia in managing risks by jointly apply the policy and process for risk management to identify and manage risks that have the tendency to affect the efficiency and growth of Thai AirAsia.

The operation has followed the framework for risk management under the international standards set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows :

1. Considering the characteristics of existing or future risks by identifying events or risk factors that may affect or contribute to the achievement of the organization's and operational goals appropriately by considering risks from the internal operation, laws, society, politics, and external environment, and assigning all departments to identify and categorize risks systematically, and monitoring changes and reporting to the Management or relevant party regularly
2. Evaluating risk by specifying criteria for evaluation at each level appropriately at the organizational and operational level, and qualitatively and quantitatively evaluating level of risk by considering both acceptable and unacceptable risks in two aspects, which are the impact of the risk taking place and the possibility of the risk for taking place by specifying the level of risk as high, medium or low.
3. Setting strategy to respond to risk at each level and overall risk by avoiding, reducing, averting, and accepting risk, to ensure that all alternatives are efficiently and worthily considered by managing the high risk first to reduce the possibility and impact of the risk.
4. Each department heads controls, evaluates, and monitors results of risk management to keep it to the acceptable and appropriate level, and regularly revises changes or increases of risks in a risk evaluation report to the Top Management.
5. Risk Management Committee follows up on the success of risk management by considering the plan of the Management who responsible for risk factors and the result of the credible evaluation from operation. In each meeting, Risk Management Committee assigns the responsible Management to report the result of risk management for the Audit Committee's acknowledgement.

RELATED PARTIES TRANSACTIONS

In the years ended 31 December 2014 and 2013, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows :

1. Passenger revenue received on behalf of members within AirAsia group

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(1) AirAsia Berhad (AAB)	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	Passenger revenue received on behalf is only occurred when payment is made in foreign currency through the bank's payment gateway which includes internet purchase and counter sales. AAB and IAA receive the revenue on behalf of TAA and vice versa.			
(2) Indonesia AirAsia (IAA)	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	<p>1.1 Revenue that AAB received on behalf of TAA Receivable from receipts on behalf – AAB</p> <p>1.2 Revenue that IAA received on behalf of TAA Receivable from receipts on behalf – IAA</p> <p>1.3 Revenue that TAA received on behalf of AAB (including on behalf of IAA) Payable from receipts on behalf – AAB</p>	<p>2,720,329,210</p> <p>331,449,719</p> <p>-</p> <p>40,669,951</p> <p>579,198,442</p>	<p>3,106,233,677</p> <p>215,776,300</p> <p>15,607,080</p> <p>40,502,625</p> <p>559,195,738</p>	<p>TAA shares ticket reservation and booking system within AirAsia group in order to provide customers with convenience in booking ticket across the AirAsia network on the website and counter and sales agents. Passenger revenue received on behalf is a result due to the limitation of bank's payment gateway in transferring passenger revenue to the owner of such revenue within AirAsia Group when payment is made in foreign currency.</p> <p>Pricing: Reimbursed on actual receipts on behalf of</p> <p>Payment term: within 30 days</p> <p>Transaction in the future: Passenger revenue received on behalf will be an ongoing transaction in the future as it is a normal course of business with general commercial term under the approval in principle by Board of Directors and Audit Committee.</p>
(3) Thai AirAsia X (TAAAX)	TAAAX has three directors who are also directors in TAA; Mr. Tasapon Bijleveld, Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun. Mr. Tasapon Bijleveld is the shareholder in TAAAX which holds 41% Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX and AAX which holds 49% in TAAAX.	<p>1.4 Revenue that TAA received on behalf of TAAAX Payable from receipts on behalf – TAAAX</p> <p>1.5 Revenue that TAA received on behalf of AAX Payable from receipts on behalf – AAX</p>	<p>84,722,830</p> <p>351,909,649</p> <p>29,806,714</p> <p>240,094,832</p> <p>11,247,505</p>	<p>61,362,445</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(4) AirAsia X (AAX)	AAX has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX				
2. Advance payment on behalf of members within AirAsia group					
Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(1) AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	Advance payment on behalf within AirAsia group includes airport charges of airport terminal, ramp and apron areas, passenger service charges, air navigation charges, check-in counters, aerobridge, customs, immigrations and quarantine as well as marketing expenses, training expenses and ICT expenses.			To enhance operational efficiency and management on services which can be shared within AirAsia group, the advance payment will be made by the party who initiated the route and entered into contract with that particular airport, as well as for marketing and promotional expenses in relation to common routes, training and ICT expenses. The party who entered into contract with the third party will make advance payment on behalf of the group before making reimbursement based on actual expense.
(2) IAA	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	<p>2.1 TAA makes advance payment on behalf of AAB Receivable on advance payment – AAB</p> <p>2.2 TAA makes advance payment on behalf of IAA Receivable on advance payment – IAA</p>	175,900,768 99,165,278 3,934,675 6,266,028 147,325,410	289,002,542 77,333,303 7,209,808 22,183,959 8,498,577	<p>Pricing:- Reimbursement based on actual advance payment or in portion according to the agreed allocation.</p> <p>Payment term:- within 30 days</p> <p>Transaction in the future:- Advance payment on behalf will be an ongoing transaction in the future as it is a normal course of business with normal commercial term under the approval in principle by Board of Directors and Audit Committee.</p>
(3) AAX	AAX has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX	<p>2.3 TAA makes advance payment on behalf of AAX Receivable on advance payment – AAX</p> <p>2.4 TAA makes advance payment on behalf of TAA Receivable on advance payment – TAA</p> <p>2.5 AAB makes advance payment on behalf of TAA Payable on advance payment – AAB</p> <p>2.6 TAA makes advance payment on behalf of TAA Payable on advance payment – IAA</p>	- 287,924,016 624,855,309 77,242,202 535,871 11,385,683	- - 476,037,214 185,812,888 494,971 10,756,551	

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(4) TAA	TAA has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun. Mr. Tassapon Bijleveld is the shareholder in TAA which holds 41% Mr. Fernandes and Mr. Meranun are the indirect shareholders in AAX through Aero Ventures Sdn Bhd which holds 52% equity interest in AAX and AAX which holds 49% in TAA.	2.7 AAX makes advance payment on behalf of TAA Payable on advance payment – AAX	1,620,750 -	3,683,531 -	
3. Interest income and interest expenses within AirAsia group					
Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	Interest income and interest expense within AirAsia group is calculated upon the late payment of the net outstanding receivables/payables for more than 30 days from invoice date.			TAA and companies within AirAsia group have charged interest within the group on the late payment of the net outstanding receivables/payables over the due date, which is 30 days from invoice date.
IAA	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.	<p>3.1 Interest income : TAA receives interest income from AAB and IAA on the delay of payment.</p> <p>3.1.1 Interest income - AAB Outstanding net receivable - AAB Interest income receivable - AAB</p> <p>3.1.2 Interest income - IAA Outstanding net receivable – IAA Interest income receivable – IAA</p>	<p>3,474,759</p> <p>-</p> <p>-</p> <p>4,817,108</p> <p>-</p> <p>10,808,427</p>	<p>-</p> <p>-</p> <p>-</p> <p>3,110,799</p> <p>-</p> <p>5,907,614</p>	<p>Interest rate: Interest rate within AirAsia group is applied, equivalent to AAB's financial cost at 6% per annum in 2012 and 2013.</p> <p>Transaction in the future: Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>

4. Aircraft lease

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AirAsia Mauritius (AAM)	AAM is a subsidiary of AAB in which AAB hold 100% equity interest.	TAA leases its aircraft (operating lease) from AAM of 28 aircraft and 27 aircraft (as of 31 December 2014 and 2013)			<p>TAA has leased its aircraft from AAM for business operation. AirAsia group has a pooling purchase for higher bargaining power with manufacture.</p> <p>Lease rate :</p> <p>Lease rate is quoted in US Dollar term for a monthly payment with contract period of 12 years and comparable to industry average rate.</p> <p>Payment term : within 30 days</p> <p>Transaction in the future :</p> <p>Aircraft lease will be an ongoing transaction until the expiration of lease agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee. In addition, TAA will continue the pooling purchase order together with AirAsia group.</p>
		Aircraft lease	3,750,883,931	3,278,934,900	
		Aircraft lease payable - AAM	-	306,099,926	
		Other non-current asset – aircraft lease deposit Aircraft lease deposit payable - AAM	630,333,888	605,152,224	

5. Aircraft maintenance

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAM	AAM is a subsidiary of AAB in which AAB hold 100% equity interest.	TAA pays aircraft repair and maintenance cost to AAM, the lessor, for the D check or major overhaul as specified under the aircraft lease agreement.			<p>The operating lease agreement between TAA and AAM required for TAA to have repair and maintenance on leased aircraft as well as has set conditions before delivery, in which the leased aircraft must be fully repaired upon the contract expiration as this a normal terms under aircraft lease agreement.</p> <p>Maintenance rate :</p> <p>Maintenance rate is quoted per flight hour / cycle in US Dollar term for a monthly payment and comparable to industry average rate</p> <p>Payment term : within 30 days</p> <p>Transaction in the future :</p> <p>Aircraft maintenance will be an ongoing transaction until the expiration of lease agreement and maintenance agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>
		Aircraft maintenance Aircraft maintenance payable - AAM	1,502,123,611 393,997,290	1,476,958,962 142,250,602	

6. Booking Fee

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA pays online air ticket booking system fee (booking fee) to AAB. Booking fee Booking fee payable - AAB	104,976,328 10,078,034	88,184,386 9,366,661	TAA shares the same booking system with others in AirAsia group. AAB has entered into a contract, on behalf of the group, with Navitaire, an independent air ticket sales and management system provider, and will charge the booking fee from TAA based on the actual usage at the rate charged by Navitaire. Booking fee rate : Booking fee is charged at a fixed rate per passenger on a monthly basis; the rate shall not exceed the amount specified in the contract. Payment term : within 30 days Transaction in the future : Booking fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

7. Purchase of merchandise and equipment

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board. Purchase of merchandise and equipment Purchase payable - AAB	228,167,100 22,913,613	215,282,972 18,840,272	TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralized the product sourcing, AAB will accumulate all demand from AirAsia Group before making a pooling purchase for higher bargaining power with suppliers. Pricing : Comparable pricing with the one AAB made with outsiders Payment term : within 30 days Transaction in the future : Purchase from the group will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

8. Administrative Fee

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA pays administrative fee to AAB			<p>TAA pays administrative fee to AAB in return of its assistance on business operations in term of airline technical expertise including administration, crew sourcing, consulting and other assistance in regards to airline business.</p> <p>Pricing:</p> <p>Fix rate of USD 40,000 per month as agreed in the administrative agreement</p> <p>Payment term: within 30 days</p> <p>Transaction in the future:</p> <p>Administrative fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>
		Administrative fee	15,649,508	14,879,892	
		Administrative fee payable - AAB	1,324,528	1,317,976	

9. Accounting staff cost allocation

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(1) AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA provides accounting services for AAB and IAA			<p>TAA provides accounting services for companies within AirAsia group by using TAA personnel, in which, TAA will charge back on services provided based on number of aircraft operated.</p> <p>Pricing:</p> <p>Actual accounting staff cost will be charged back based on number of aircraft of each member within the group plus margin as specified in the service agreement.</p> <p>Payment term: within 30 days</p> <p>Transaction in the future:</p> <p>These transactions have been terminate on 30 September 2013</p>
		<p>9.1 Staff cost allocation – AAB</p> <p>Staff cost allocation payable - AAB</p> <p>9.2 Staff cost allocation - IAA</p> <p>Staff cost allocation payable - IAA</p>	<p>-</p> <p>-</p> <p>-</p>	<p>(27,911,822)</p> <p>5,269,300</p> <p>(10,053,670)</p>	
(2) IAA	IAA is an associate of AAB in which AAB holds indirect 49% equity interest and operates low cost airlines business in Indonesia.		18,171,721	18,380,873	

10. (Gain) or loss from fuel swap agreement allocation

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA has the share of loss (gain) from fuel price swap agreements done through AAB as specified in the fuel swap agreement.			In protecting the risks on fluctuation of fuel price, TAA has entered into the fuel price swap agreement through AAB for better bargaining power. The decision making is dependent on TAA's judgment.
		Share of loss (gain) from fuel price swap agreements - AAB	312,406,466	43,827,989	<u>(Gain) or loss allocation:</u> (Gain) loss from fuel price swap agreement will be allocated on a monthly basis by the estimated amount of fuel used by each company.
		Payable on share of gain/loss from fuel price swap agreements - AAB	160,002,199	(10,165,545)	<u>Payment term:</u> within 30 days
		Other non-current assets - deposits on fuel price swap	16,406,400	16,338,900	<u>Transaction in the future:</u> (Gain) loss from fuel swap agreement allocation will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

11. Pilot training cost

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
Asian Aviation Centre of Excellence Sdn Bhd (AACOE)	AACOE is a joint venture of AAB in which AAB hold 50% equity interest.	TAA pays pilot training cost to AACOE Pilot training cost Pilot training cost payable	84,540,826 3,710,479	96,546,247 20,851,134	TAA receives service of pilot training and facilities from AACOE, which is the Malaysian, based joint venture between AAB and CAE, a reputable pilot training center in Canada. <u>Pricing:</u> At agreement price of different types of the training <u>Payment term:</u> within 30 days <u>Transaction in the future:</u> Pilot training cost will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

12. Brand license fee to AirAsia Berhad

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AAB	AAB is the indirect major shareholder in TAA through AAI which holds 45% equity interest in TAA	TAA paid Brand license fee to AirAsia Berhad. Brand license - Expense Payable on brand license fee - AAB	244,381,651 74,667,584	239,766,820 67,009,623	<p>"From January 2013, TAA will pay AAB for using the brand." " AirAsia " .</p> <p>Pricing : At one 1% of total revenue The rate is comparable to the rate that AAB charge to other joint venture within AirAsia Group.</p> <p>Payment term : within 30 days</p> <p>Transaction in the future : Brand license fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee."</p>

13. Advance from director.

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
Mr. Tassapon Bijleveld	Holds 44% in AAV and is a director and the Chief Executive Officer of AAV and TAA	Mr. Tassapon Bijleveld made an advance for AAV to pay administrative expenses. Advance from director	-	8,000,000	<p>Mr. Tassapon Bijleveld has advance for AAV to pay administrative expenses as AAV had no income of its main business</p> <p>Interest rate : None</p> <p>Term : at call</p> <p>Transaction in the future : The company has repayment to Director on the year 2014.</p>

14. Revenue from administrative fee from Insurance premium

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
(1) Tune Insurance Malaysia Berhad (TIMB)	TIMB has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun	TAA receive administrative fee from Insurance Premium which is received from passenger in Airasia Insure project 14.1 Revenue from administrative from Insurance premium - TIMB Insurance Premium Administrative fee Payable on license fee - TIMB	18,292,963 4,573,241 1,876,428	- - -	TAA receive administrative fee from Insurance Premium which is received from passenger in Airasia Insure project Pricing: Insurance Premium paid to TIMB and Permpoonsub is based on actual receipts. Administrative fee as agreed in the administrative agreement can be comparable to market price. Payment term: within 30 days Transaction in the future: Administrative fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
(2) Permpoonsub Broker Co.,Ltd. (Permpoonsub)	Permpoonsub has two directors who are also directors in TAA; Mr. Anthony Francis Fernandes and Mr. Kamarudin Bin Meranun, Mr. Fernandes and Mr. Meranun are the indirect shareholders in Permpoonsub through Tune Inc Holding Berhad which holds 49% equity interest in Permpoonsub	14.2 Revenue from administrative from Insurance premium - Permpoonsub Insurance Premium Administrative fee Payable on license fee - TIMB	29,527,997 5,315,039 12,836,126	- - -	

15. Management Fee

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
Asia Aviation Public Company Limited (AAV)	AAV is majority shareholder of TAA which holds 55% equity interest in TAA	TAA paid management fee to AAV Management fee Payable on management fee - AAV	25,000,000 -	- -	TAA paid management fee to AAV for consultant and management policy which are related to operating company. Pricing: Management fee at 6,250,000 Baht per quarter as agreed in the administrative agreement Payment term: within 30 days Transaction in the future: Management fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

16. Accounting fee

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
AirAsia Global Shared Services Sdn Bhd. (AGSS)	AGSS is a subsidiary of AAB in which AAB hold 100% equity interest.	AGSS provide service for people, accounting, and ICT services for Airasia group Accounting service fee Payable on management fee – AGSS	31,371,651 3,865,822		AGSS provide service for accounting, people and ICT services for AirAsia group. AGSS will calculate services fee by staff head count. Pricing: - Invoices will be issued to Airasia group by calculating from staff head count as agreed in the administrative agreement plus margin as specified in the service agreement. Payment term: within 30 days Transaction in the future: Management fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

17. Loyalty program service fee

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2014	2013	
Think Big Digital Sdn Bhd. (TBD)	TBD is a joint venture of AAB in which AAB hold 50% equity interest.	TBD arrange Big Loyalty program for return benefit to customer in Airasia group, by issuing big point. Customer can redeem point for flight ticket and other service in Airasia group. Loyalty program service fee Payable on Loyalty program service fee – TBD Passenger Revenue Receivable on Passenger Revenue	6,818,567 6,818,567 2,786,228 2,786,228		TBD arrange Big Loyalty program for return benefit to customer in Airasia group, by issuing big point. Customer can redeem point for flight ticket and other service in Airasia group. Pricing: - Loyalty program service fee as agreed in the administrative agreement - Payment term: within 30 days Transaction in the future: Loyalty program service fee will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.

THE AUDIT COMMITTEE OPINION ON THE RELATED PARTIES' TRANSACTIONS

The related parties' transactions have been considered and opined by the audit committee of Asia Aviation and Thai AirAsia as reasonable and essential for the operations of both companies, having general commercial terms under the normal course of business, undertaken for the best interests of the companies.

APPROVAL PROCEDURE FOR RELATED PARTIES' TRANSACTIONS

In the case of entering into the related parties transactions, Asia Aviation and Thai AirAsia will follow the guidance in accordance with the Securities and Exchange Act as well as the notifications, rules and regulations of the Securities Exchange Commission (SEC) and will consider on the basis of necessity and reasonableness of the transaction with the

fair price and business terms at the company's best interests before proposing to the Board of Directors and/or Shareholders' Meeting, whichever case may be. Person with conflict of interest shall not be eligible to approve on such transaction. In the case that the audit committee of the Company and/or of Thai AirAsia lacks the expertise in considering the upcoming related parties transactions, the Company and Thai AirAsia will appoint independent experts or auditors for opinion on such transactions.

POLICY ON ENTERING INTO THE RELATED PARTIES' TRANSACTION IN THE FUTURE

Asia Aviation and Thai AirAsia will enter into transactions with related parties in the future with considerations on the reasonableness, the appropriate pricing policy and fair business terms as well as with proper approval process according to relevant rules and regulations at the best interest of the company.

Dear Shareholders of Asia Aviation Public Company Limited,

The Audit Committee comprises of three qualified independent directors, namely Mr. Arak Chonlatanon as Chairman of the Audit Committee, Mr. Distorn Vajarodaya and Mr. Nuttawut Phowborom as directors. The Head of the Internal Audit Department also acts as the Committee Secretary.

All directors on the Audit Committee are fully qualified as required by the Stock Exchange of Thailand and have performed their duties responsibly and completely as stipulated in the Audit Committee Charter approved by the Company's Board of Directors, as well as in accordance to the Notice of the Stock Exchange of Thailand.

For the accounting period ending 31 December, 2014, the Audit Committee called 4 meetings attended by all members of the Audit Committee. Two Audit Committee Meetings were attended by all of the 3 members while the other 2 meetings were attended by 2 members. After that, the Audit Committee reported results from the Audit Committee Meeting to the Board of Directors Meeting.

For the accounting period ending 31 December, 2014, the Audit Committee completely perform their duty as specified in the committee charter. The details can be summarized as follows :

1. Reviewed the quarterly and annual financial statements for 2014 with the Company's executives and the auditors with constructive comments and recommendations to ensure that the financial information is accurate, complete, reliable and in compliance with the generally accepted practices, and also being appropriately and sufficiently disclosed.
2. Reviewed the efficiency and effectiveness of the internal control system, the risk management, and the internal audit system, together with the Internal Audit Department, the Company's executives, and auditors.
3. Reviewed the Audit Committee Charter and the Internal Audit Charter in order to make them up-to-date and appropriate to the corporate environment.
4. Reviewed the results of the internal audit for each quarter in 2014 and ensured the modification and improvement as recommended in the audit reports for effective and efficient operation.
5. Approved the plan, budget and headcount of internal audit for year 2014 and considered the result of internal audit report which Internal Audit Department reported directly to Audit Committee including evaluated the performance of the Head of Internal Audit Department.
6. Reviewed and commented on connected transactions or transactions which might give rise to conflict of interest and the disclosure of the said information as regulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.
7. Considered the appointment and remuneration of auditors by taking the business expertise and experiences, the appropriateness of the fees and the independence of the auditors into consideration. Consequently, for the fiscal year ending on 31 December 2014, the Audit Committee selected and proposed Mr. Chanchai Chaiprasith, the certified public accountant with registration number 3760; Mr. Khajornkiat Arunpairojanagul, the certified public accountant with registration number 3445; and Mr. Paiboon Tagoon, the certified public accountant with registration number 4298 as the Company's and its subsidiaries' external auditors. Over the past accounting period, the external auditors performed their work with good knowledge, professional capabilities and provided recommendations on internal control system as well as risk exposures. They are independent in doing their jobs with the appropriate remuneration rates.

8. Reviewed the Company's compliance with the regulations and legal framework of the Stock Exchange of Thailand and the Securities and Exchange Commission and other applicable laws, and the principles of good corporate governance, in cooperation with the Company's executives and the Internal Audit Department.

From the above-mentioned operations, the Audit Committee believe that in 2014 the Company prepared its financial statements accurately in compliance with the generally accepted accounting standards with information accurately, sufficiently and reliably disclosed; appropriate and efficient internal audit and risk management. The Company complied with the relevant laws and regulations with the transparent supervision on related transactions without causing any conflicts of interest and having optimal benefits to the Company and its shareholders. The Company's operations were sufficiently, transparently and reliably in compliance with the principle of good corporate governance.



Mr. Arak Chonlatanon
Chairman of the Audit Committee

REPORT OF DIRECTORS RELATING TO RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for Asia Aviation Public Company Limited's financial statements and Asia Aviation Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

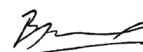
In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been examined by an external auditor, Pricewaterhouse Coopers ABAS Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Aviation Public Company Limited's financial statements and Asia Aviation Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Arak Chonlatanon
Chairman of the Board



Mr. Tassapon Bijleveld
Chief Executive Officer

Asia Aviation Public Company Limited's financial performance for the year ended 31 December 2013 and 2014 has been summarized below:

STATEMENT OF COMPREHENSIVE INCOME

For the year ended of 2014, Asia Aviation had revenues of Baht 25,355.5 million, increased by Baht 1,870.5 million or 8%, compared to the same period last year. Moreover, earnings before finance costs and income tax amounted to baht 642.8 million. As result in 2014, Net profit attributable to owners of the parent amounted to Baht 183.2 million and earnings per share for the year ended of 2014 amounted to at 0.04 Baht.

Total comprehensive income attributable to owners of the parent amounted to Baht 188.3 million in 2014 resulted from actuarial gain on defined retirement benefit plan amounted to Baht 11.7 million and income tax relating to components of other comprehensive expense amounted to Baht 2.3 million.

STATEMENT OF FINANCIAL POSITION

As of 31 December 2014, total assets amounted to Baht 49,501.8 million, increased by Baht 4,566.5 million or 10% compared with the year ended 31 December 2013, mainly from an increase in the aircraft, leasehold improvements, and equipment – net by Baht 5,077.3 million, given that 5 aircraft deliveries in 2014. Hence, the current ratio was 0.95 times.

As of 31 December 2014, total liabilities amounted to Baht 22,485.9 million, increased by Baht 4,225.9 million or 23% compared with the year ended 31 December 2013, mainly due to finance lease liabilities and deferred revenues increased by Baht 3,916.1 million and Baht 330.1 million, respectively.

As of 31 December 2014, total shareholders' equity amounted to Baht 27,015.9 million, increased by Baht 4,566.5 million or 1% compared with the year ended 31 December 2013, due to net profit in this period led to retained earnings increased by Baht 188.3 million. Thus, as at 31 December 2014 the equity attributable to owners of the parent amounted to Baht 19,534.2 million and non-controlling interests amounted to Baht 7,481.7 million.

STATEMENT OF CASH FLOWS

For year ended 31 December 2014, Asia Aviation had net cash generated from operating activities amounted of Baht 1,849.0 million due to net positive cash flows from revenues and changes in operating assets and liabilities mainly from an increase in deferred revenues. However, net cash generated from investing activities was Baht 2,025.4 million from the maturity of short-term investment and disposal of investment in private fund. Furthermore, net cash used in financing activities was Baht 1,030.8 million from repayment of finance lease and interest paid. As a result, Asia Aviation had net increase in cash and cash equivalents of Baht 1,958.6 million, while the cash and cash equivalent at the end of the period amounted to Baht 4,789.1 million.

Thai AirAsia's financial performance for the year ended 31 December 2013 and 2014 has been summarized below:

STATEMENT OF COMPREHENSIVE INCOME

For 2014, revenues of Thai AirAsia amounted to Baht 25,355.5 million, increased by 8% from Baht 23,485.0 million in 2013, primarily due to an increase in ancillary revenues per person from Baht 358 in 2013 to Baht 359 in 2014. It mainly derived from an increase in connection fees (Fly-Thru) and assigned seat fees. Moreover, the number of passenger increased from 10.5 million in 2013 to 12.2 million in 2014 or 16% growth while the capacity increased by 21% compared to the same period last year. However, the average fares in 2014 amounted to Baht 1,726 decreased by 8% from Baht 1,885 in 2013 in line with a decrease in the load factor by 3 percentage points to 80% in 2014 due to political instability during the beginning of the year. In addition, the number of stages flown was at 85,074 flown in 2014, increasing from 70,149 flown in 2013 as flying new routes and additional frequencies of existing routes. The aircraft utilization was at 10.9 hours per day in 2014.

Net profit for the year amounted to Baht 335.3 million, decreased by 83% compared with 2013. It was primarily from an increase in fuel expenses from the Baht's depreciation and high fuel consumption in relation to fleet expansion, despite a decrease in the global fuel price. Moreover, ramp and airport operation, and depreciation expenses increased in relation to larger fleet size.

Total comprehensive income for the year amounted to Baht 344.6 million resulted from actuarial gain on defined retirement benefit plan amounted to Baht 11.7 million and income tax relating to components of other comprehensive expense amounted to Baht 2.3 million

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014, total assets amounted to Baht 25,689.3 million, increased by Baht 4,581.5 or 22% compared with the year ended 31 December 2013, mainly due to the aircraft, leasehold improvements and equipment-net increased by Baht 5,096.5 million, given that 5 aircraft deliveries in 2014.

As at 31 December 2014, total liabilities amounted to Baht 19,488.3 million, increased by Baht 4,236.8 million or 28% compared with the year ended 31 December 2013, mainly from finance lease liabilities increased by Baht 3,916.2 million, as taking additional 5 aircraft in 2014. Moreover, deferred revenues increased by Baht 330.1 million.

As at 31 December 2014, total shareholders' equity amounted to Baht 6,201.0 million, increased by Baht 344.6 million or 6% compared with the year ended 31 December 2013, resulted from net profit during the period led to an increase in retained earnings amounted to Baht 344.6 million.

STATEMENT OF CASH FLOWS

For year ended 31 December 2014, Thai AirAsia had net cash generated from operating activities amounted of Baht 1,845.4 million due to net positive cash flows from revenues and changes in operating assets and liabilities mainly from an increase in deferred revenues. However, net cash generated from investing activities was Baht 2,025.4 million from the maturity of short-term investment and disposal of investment in private fund. Furthermore, net cash used in financing activities was Baht 1,030.8 million from repayment of finance lease and interest paid. As a result, Thai AirAsia had net increase in cash and cash equivalents of Baht 1,956.6 million, while the cash and cash equivalent at the end of the period amounted to Baht 4,783.4 million.



KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



In Every Pace of Business Move, Every Minute Counts

TIME GUARANTEE

The Manageable Timing for Every Financial Transaction



At KASIKORNBANK, we value every single minute of our customers. Thus, we initiate "Time Guarantee Service" to be a global benchmark for the manageable transaction everywhere in the world.

BIZ Automation Complete Control of Your Enterprise

K CORPORATE BUSINESS

www.kasikornbank.com
K-BIZ Contact Center 02-8888822



KBank Live



KBank_Live



KBank Live



KBank Live

บริการทุกระดับประทับใจ



ptt
Group

aviation@pttplc.com





FINANCIAL STATEMENTS

ASIA AVIATION PUBLIC COMPANY LIMITED

December 31, 2014

To the Shareholders of Asia Aviation Public Company Limited

I have audited the accompanying consolidated and company financial statements of Asia Aviation Public Company Limited and its subsidiaries and of Asia Aviation Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

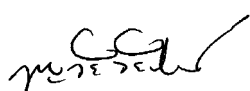
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Asia Aviation Public Company Limited and its subsidiaries and of Asia Aviation Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



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

Bangkok
23 February 2015

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	4,789,064,903	1,958,637,392	5,632,235	2,082,971
Cash at financial institutions pledged as security		6,109,410	13,356,900	-	-
Short-term investments	8	1,492,718,615	3,448,628,170	-	-
Investments in private funds	9	10,480,236	1,032,551,182	-	-
Trade and other receivables, net	10	631,014,664	723,504,686	-	-
Amounts due from related parties	25.4	68,162,932	87,240,764	-	-
Inventories		96,845,864	90,210,619	-	-
Prepaid expenses		270,989,534	343,887,487	967,691	918,387
Value added tax receivable		86,822,474	78,686,650	-	-
Other current assets		40,339,352	40,144,187	901,695	12,340
Total current assets		7,492,547,984	7,816,848,037	7,501,621	3,013,698
Non-current assets					
Cash at financial institutions pledged as security		171,192,685	339,189,114	-	-
Long-term investments	11	1,299,268,100	1,312,007,600	-	-
Investment in a subsidiary	12	-	-	3,067,114,370	3,067,114,370
Aircraft, leasehold improvements and equipment, net	13	16,033,305,083	10,956,024,359	24	24
Intangible assets, net	14	14,867,983,340	14,868,736,837	1	1
Goodwill	15	8,824,825,803	8,824,825,803	-	-
Deferred tax assets	18	-	-	2,201,186	-
Other non-current assets	16	812,677,583	817,647,640	-	-
Total non-current assets		42,009,252,594	37,118,431,353	3,069,315,581	3,067,114,395
Total assets		49,501,800,578	44,935,279,390	3,076,817,202	3,070,128,093

The accompanying notes are an integral part of these consolidated and company financial statements.

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		175,170,833	152,951,492	-	-
Other accounts payable		192,155,392	124,132,639	-	-
Amounts due to related parties	25.5	472,709,254	506,830,215	-	-
Deferred revenues		4,629,227,573	4,299,163,449	-	-
Accrued expenses		1,372,431,680	1,390,467,580	1,000,000	444,376
Current portion of finance lease liabilities	17	959,006,292	615,065,684	-	-
Income tax payable		-	150,473,336	-	-
Other current liabilities		64,050,869	32,484,297	2,723,961	8,120,597
Total current liabilities		7,864,751,893	7,271,568,692	3,723,961	8,564,973
Non-current liabilities					
Finance lease liabilities	17	11,117,961,859	7,545,773,009	-	-
Deferred tax liabilities, net	18	3,345,639,796	3,309,661,779	-	-
Employee benefit obligations	20	157,547,925	132,997,460	-	-
Total non-current liabilities		14,621,149,580	10,988,432,248	-	-
Total liabilities		22,485,901,473	18,260,000,940	3,723,961	8,564,973

The accompanying notes are an integral part of these consolidated and company financial statements.

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares, 4,850,000,000 shares of par Baht 0.1 each	21	485,000,000	485,000,000	485,000,000	485,000,000
Issued and paid-up share capital					
Ordinary shares, 4,850,000,000 shares of paid-up Baht 0.1 each		485,000,000	485,000,000	485,000,000	485,000,000
Premium on share capital		2,599,808,274	2,599,808,274	2,599,808,274	2,599,808,274
Retained earnings (Deficits)		16,449,402,593	16,261,079,344	(11,715,033)	(23,245,154)
Equity attributable to owners of the parent		19,534,210,867	19,345,887,618	3,073,093,241	3,061,563,120
Non-controlling interests		7,481,688,238	7,329,390,832	-	-
Total shareholders' equity		27,015,899,105	26,675,278,450	3,073,093,241	3,061,563,120
Total liabilities and shareholders' equity		49,501,800,578	44,935,279,390	3,076,817,202	3,070,128,093

The accompanying notes are an integral part of these consolidated and company financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Revenues from sales and services	22	25,355,514,917	23,485,042,536	25,000,000	-
Cost of sales of goods and services		(23,707,654,246)	(19,928,354,155)	-	-
Gross profit		1,647,860,671	3,556,688,381	25,000,000	-
Net gain on exchange rates		126,024,280	258,151,066	-	1,416
Other income		793,763,630	670,649,775	604,803	773,660
Profit before expenses		2,567,648,581	4,485,489,222	25,604,803	775,076
Selling expenses		(1,180,060,295)	(1,147,762,163)	-	-
Administrative expenses		(744,837,116)	(607,905,725)	(16,267,696)	(11,792,650)
Net loss on exchange rates		-	-	(8,172)	-
Profit (loss) before finance costs and income tax		642,751,170	2,729,821,334	9,328,935	(11,017,574)
Finance costs		(312,758,626)	(170,971,996)	-	-
Profit (loss) before income tax		329,992,544	2,558,849,338	9,328,935	(11,017,574)
Income tax	19	1,279,965	(651,177,101)	2,201,186	-
Net profit (loss) for the year		331,272,509	1,907,672,237	11,530,121	(11,017,574)
Other comprehensive income (expense):					
Actuarial gain on employee benefit obligations	20	11,685,182	15,929,471	-	-
Income tax relating to components of other comprehensive expense for the year	19	(2,337,036)	(3,185,894)	-	-
Other comprehensive income for the year		9,348,146	12,743,577	-	-
Total comprehensive income (expense) for the year		340,620,655	1,920,415,814	11,530,121	(11,017,574)

The accompanying notes are an integral part of these consolidated and company financial statements.

(Unit : Baht)

Notes	Consolidated		Company	
	2014	2013	2014	2013
Net profit (loss) attributable to:				
Owners of the parent	183,181,769	1,042,761,319	11,530,121	(11,017,574)
Non-controlling interests	148,090,740	864,910,918	-	-
	<u>331,272,509</u>	<u>1,907,672,237</u>	<u>11,530,121</u>	<u>(11,017,574)</u>
Total comprehensive income (expenses) attributable to:				
Owners of the parent	188,323,249	1,049,770,286	11,530,121	(11,017,574)
Non-controlling interests	152,297,406	870,645,528	-	-
	<u>340,620,655</u>	<u>1,920,415,814</u>	<u>11,530,121</u>	<u>(11,017,574)</u>
Earnings (loss) per share				
Basic earnings (loss) per share	24 0.038	0.215	0.002	(0.002)

The accompanying notes are an integral part of these consolidated and company financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2014

(Unit : Baht)

	Consolidated					
	Attributable to owners of the parent					Non-controlling interests
	Issued and paid-up share capital	Premium on share capital	Retained earnings	Other component of equity reserves	Total owners of the parent	
Opening balance as at 1 January 2013	485,000,000	2,599,808,274	15,211,309,058	(37,047,145)	18,259,070,187	6,458,745,304
Effect of share-based payment	-	-	-	37,047,145	37,047,145	-
Total comprehensive income for the year	-	-	1,049,770,286	-	1,049,770,286	870,645,528
Closing balance as at 31 December 2013	485,000,000	2,599,808,274	16,261,079,344	-	19,345,887,618	7,329,390,832
Opening balance as at 1 January 2014	485,000,000	2,599,808,274	16,261,079,344	-	19,345,887,618	7,329,390,832
Total comprehensive income for the year	-	-	188,323,249	-	188,323,249	152,297,406
Closing balance as at 31 December 2014	485,000,000	2,599,808,274	16,449,402,593	-	19,534,210,867	7,481,688,238

The accompanying notes are an integral part of these consolidated and company financial statements.

Statement of Changes in Shareholders' Equity (Cont'd)

	(Unit : Baht)			
	Company			
	Issued and paid-up share capital	Premium on share capital	Deficits	Total
Opening balance as at 1 January 2013	485,000,000	2,599,808,274	(12,227,580)	3,072,580,694
Total comprehensive expense for the year	-	-	(11,017,574)	(11,017,574)
Closing balance as at 31 December 2013	485,000,000	2,599,808,274	(23,245,154)	3,061,563,120
Opening balance as at 1 January 2014	485,000,000	2,599,808,274	(23,245,154)	3,061,563,120
Total comprehensive income for the year	-	-	11,530,121	11,530,121
Closing balance as at 31 December 2014	485,000,000	2,599,808,274	(11,715,033)	3,073,093,241

The accompanying notes are an integral part of these consolidated and company financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Cash flows from operating activities					
Profit (loss) before income tax expense		329,992,544	2,558,849,338	9,328,935	(11,017,574)
Adjustments for:					
Depreciation	13	817,881,659	401,631,053	-	-
Amortisation	14	5,741,679	4,691,165	-	-
Amortisation of prepaid expenses		122,861,382	114,274,273	2,206,571	2,389,069
(Gain) loss on disposals and write-offs of leasehold improvements and equipment		(255,597)	647,460	-	-
Employee benefit expenses	20	36,235,647	38,428,899	-	-
Amortisation of share-based payment		-	33,712,691	-	-
Net (gain) loss on exchange rates		48,254,196	85,854,062	8,172	(1,416)
Net gain on fair value adjustment in investments in private funds	9	(13,359,792)	(32,551,182)	-	-
Finance costs		312,758,626	170,971,996	-	-
Interest income		(168,309,331)	(161,794,765)	(14,616)	(23,660)
		1,491,801,013	3,214,714,990	11,529,062	(8,653,581)
Changes in operating assets and liabilities:					
- Trade and other receivables		91,388,290	(328,871,752)	-	-
- Amounts due from related parties		23,297,623	127,600,550	-	-
- Inventories		(6,635,245)	(10,622,716)	-	-
- Prepaid expenses		(49,963,429)	(257,113,778)	(2,255,875)	(2,405,927)
- Value added tax receivable		(8,135,824)	20,602,427	-	-
- Other current assets		5,387,237	(26,708,010)	(889,355)	(12,340)
- Other non-current assets		4,970,057	(144,366,633)	-	-
- Trade accounts payable		22,219,341	81,962,723	-	-
- Other accounts payable		68,022,753	18,141,000	-	-
- Amounts due to related parties		(34,120,961)	79,104,745	-	-
- Deferred revenues		330,064,124	717,003,064	-	-
- Accrued expenses		(33,840,419)	783,526,476	555,624	67,629
- Other current liabilities		31,566,572	13,209,526	(5,396,636)	8,010,643
Cash generated from (used in) operating activities		1,936,021,132	4,288,182,612	3,542,820	(2,993,576)

The accompanying notes are an integral part of these consolidated and company financial statements.

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Interest received		34,071,970	24,904,203	14,616	23,660
Income tax paid		(121,134,793)	(291,854,734)	-	-
Employee benefit paid	20	-	(1,348,352)	-	-
Net cash generated from (used in) operating activities		1,848,958,309	4,019,883,729	3,557,436	(2,969,916)
Cash flows from investing activities					
Decrease (increase) in cash at financial institutions pledged as security		175,243,919	(327,448,453)	-	-
Decrease (increase) in short-term investments		1,955,909,555	(1,152,727,210)	-	-
Decrease (increase) in investments in private funds	9	1,035,430,738	(1,000,000,000)	-	-
Increase in long-term investments	11	(1,715,500)	(1,301,779,300)	-	-
Proceeds from disposals of leasehold improvements and equipment		1,057,329	7,129,506	-	-
Payments for aircraft, leasehold improvements and equipment		(1,266,087,577)	(1,903,710,405)	-	-
Payments for intangible assets	14	(4,988,182)	(4,582,938)	-	-
Interest received		130,521,985	117,924,293	-	-
Net cash generated from (used in) investing activities		2,025,372,267	(5,565,194,507)	-	-
Cash flows from financing activities					
Repayments of finance leases		(704,485,139)	(269,439,143)	-	-
Interest paid		(326,277,187)	(166,777,116)	-	-
Net cash used in financing activities		(1,030,762,326)	(436,216,259)	-	-

The accompanying notes are an integral part of these consolidated and company financial statements.

Statement of Cash Flows (Cont'd)

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Net increase (decrease) in cash and cash equivalents	2,843,568,250	(1,981,527,037)	3,557,436	(2,969,916)
Cash and cash equivalents at the beginning of the year	1,958,637,392	3,852,838,996	2,082,971	5,051,471
Exchange gain (loss) on cash and cash equivalents	(13,140,739)	87,325,433	(8,172)	1,416
Cash and cash equivalents at the end of the year	<u>4,789,064,903</u>	<u>1,958,637,392</u>	<u>5,632,235</u>	<u>2,082,971</u>

Non-cash transactions

Significant non-cash transactions during the years ended 31 December 2014 and 2013 are as follows:

Purchases of aircraft spare parts which have not been paid	14,430,535	50,396,888	-	-
Purchases of aircraft and aircraft engine under finance lease agreements	4,475,499,524	6,135,366,989	-	-
Share-based payment	-	33,712,691	-	-

The accompanying notes are an integral part of these consolidated and company financial statements.

For the year ended 31 December 2014

1 General information

Asia Aviation Public Company Limited (“the Company”) is a public company and incorporated in Thailand. The address of the Company’s registered office is as follows:

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

The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiary are referred to as “the Group”.

The principal business operations of the Company and its subsidiary are summarised below:

The Company’s principal business operation is to invest in low-fare airline business company which is Thai AirAsia Company Limited. The Company’s shareholding interest is 55%.

The subsidiary, Thai AirAsia Company Limited, principally provides low-fare airline services.

As disclosed in Note 12, in May 2012, Thai AirAsia Company Limited changed from the Company’s joint venture to a subsidiary under the “Amended and Restated Shareholders’ Agreement”.

The consolidated and company financial statements were authorised for issue by the Board of Directors on 23 February 2015.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention, except as disclosed otherwise in the accounting policies.

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The preparation of consolidated and company financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements have been prepared from the consolidated and company 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 consolidated and company financial statements shall prevail.

2.2 Revised accounting standards, financial reporting standards, and related interpretations

2.2.1 Revised accounting standards, financial reporting standards, and related interpretations which are effective on 1 January 2014 and are relevant to the Group are as follows:

TAS 1	(revised 2012)	Presentation of financial statements
TAS 7	(revised 2012)	Statement of cash flows
TAS 12	(revised 2012)	Income taxes
TAS 17	(revised 2012)	Leases
TAS 18	(revised 2012)	Revenue
TAS 19	(revised 2012)	Employee benefits
TAS 21	(revised 2012)	The effects of changes in foreign exchange rates
TAS 24	(revised 2012)	Related party disclosures
TAS 34	(revised 2012)	Interim financial reporting
TAS 36	(revised 2012)	Impairment of assets
TAS 38	(revised 2012)	Intangible assets
TFRS 8	(revised 2012)	Operating segments
TFRIC 13		Customer loyalty programmes

2 Accounting policies (Cont'd)

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

2.2.1 The Group's management has assessed and determined that the revised accounting standards, financial reporting standards, and related interpretations do not have impact to the financial statement being presented, except TFRIC 13 which clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. However, the management assessed that impact is immaterial to the financial statements.

2.2.2 Revised accounting standards, financial reporting standards, and related interpretations which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

a) Accounting standards, financial reporting standards, and interpretations that have significant changes:

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 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
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.

2 Accounting policies (Cont'd)

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

2.2.2 Revised accounting standards, financial reporting standards, and related interpretations which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont'd)

- a) Accounting standards, financial reporting standards, and interpretations that have significant changes: (Cont'd)

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.

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

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.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns.

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.

The Group's management is yet to assess the full impact of these revised accounting standards, financial reporting standards, and related interpretations.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 Revised accounting standards, financial reporting standards, and related interpretations which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont'd)

b) Accounting standards, financial reporting standards, and interpretations that have minor changes:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TFRS 8 (revised 2014)	Operating segments
TSIC 25 (revised 2014)	Income taxes – changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 13 (revised 2014)	Customer loyalty programmes

The Group's management has assessed and determined that the revised accounting standards, financial reporting standards, and interpretations will not have impact to the consolidated and company financial statements being presented.

2 Accounting policies (Cont'd)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and company financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss in the statement of comprehensive income.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss in the statement of comprehensive income, any exchange component of that gain or loss is recognised in profit and loss in the statement of comprehensive income.

2.4 Segment reporting

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

2.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition and are not pledged as security.

2 Accounting policies (Cont'd)

2.6 Investments in private funds

Investments in private funds comprise fixed deposits, government bonds and debt instruments which are classified as trading investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Trading investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are included in current assets.

The investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised as profit or loss in the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss in the statement of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.7 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the end of year. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in statement of comprehensive income within administrative expenses.

2 Accounting policies (Cont'd)

2.8 Inventories

Inventories comprise food, beverage, merchandise, and consumables.

Food, beverage and merchandise are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Consumables used internally for aircraft repairs and maintenance are stated at the lower of cost or net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowance is made, where necessary, for obsolete, slow moving or defective inventories.

2.9 Investments

Investments other than investments in subsidiaries are classified into the following two categories: (1) held-to-maturity investments; and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments with fixed maturity that the management has the intent and ability to hold to maturity are
- (2) classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

2 Accounting policies (Cont'd)

2.9 Investments (Cont'd)

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

For the Company financial statements, investments in subsidiaries are accounted for at cost less impairment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in statement of comprehensive income.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated; unrealised losses are also eliminated unless costs cannot be recovered. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Accounting policies (Cont'd)

2.11 Aircraft, leasehold improvements and equipment

Aircraft, leasehold improvements and equipment are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to write-off the cost of each asset, to its residual value over the estimated useful life as follows:

Aircraft and aircraft engine	5 - 25 years
Aircraft spare parts	10 years
Leasehold improvements	5 years
Computers	5 years
Furniture, fixtures and office equipment	5 years
Operating equipment	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in statement of comprehensive income.

2 Accounting policies (Cont'd)

2.12 Intangible assets

2.12.1 Landing rights

Landing rights are stated at cost less any accumulated impairment losses. They are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided that minimum utilisation requirements are observed, and are tested for impairment annually and whenever there is an indicator of impairment.

2.12.2 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years on the straight-line basis.

2.13 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition of subsidiary is reported in the consolidated statement of financial position as goodwill and is reported in the company statement of financial position as part of the investment in a subsidiary. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is tested for impairment as part of the overall investment in a subsidiary.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.14 Leases - where the Group is the lessees

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is charged to statement of comprehensive income over the lease period. The assets acquired under finance lease are depreciated over the useful life of the asset.

2 Accounting policies (Cont'd)

2.14 Leases - where the Group is the lessees (Cont'd)

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Employee benefits

2.15.1 Provident fund

The Group operates a provident fund that is a defined contribution plan. The fund assets are held in a separate trust fund and are managed by an external fund manager. The provident fund is funded by payments from employees and by the Group. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the prior and current periods. The Group's contributions to the provident fund are charged to statement of comprehensive income in the year to which they relate.

2.15.2 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 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 referred government 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 liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2 Accounting policies (Cont'd)

2.16 Share-based payment

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions; and
- excluding the impact of any service and non-market performance vesting conditions (remaining an employee of the entity over a specified time period)

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in statement of comprehensive income, with a corresponding adjustment to equity.

With respect to the grant by the company of shares over its equity instruments to the employees of subsidiary, the fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period.

2.17 Provisions

Provisions, which exclude the provision relating to employee benefits, are recognised when the Group have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expect a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2 Accounting policies (Cont'd)

2.19 Revenue recognition

Passenger revenue and other related services such as baggage handling fee, assigned seat revenue and cancellation and documentation revenue are recognised upon the rendering of services. The value of seats sold for which services have not been rendered is included in deferred revenues.

Revenue from sales comprises receivable for the sale of goods net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Other income is recognised on an accrual basis.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose them to a variety of financial risks, including the effects of changes in fuel price and foreign currency exchange rates. The Group's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the financial performance. The Group does not have policies to use derivative financial instruments for trading or speculative purpose.

Fuel price risk

The Group is exposed to the fluctuation of fuel price. To manage the risk of fuel price fluctuation, AirAsia Berhad, a related party, is carried out the risk management on behalf of the Group (Note 3.2).

Foreign exchange risk

Foreign currency assets mainly represent deposits at banks, other deposits and amounts due from related parties. Foreign currency liabilities mainly represent trade accounts payable amounts due to related parties and finance lease liabilities.

The Group is exposed to foreign exchange risk arising from currency exposures mainly in respect of US Dollars. The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency. However, the Group uses forward foreign exchange contract to hedge its exposure to foreign currency risk for fixed deposit (Note 3.2).

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

Interest rate risk

The Group's interest rate risk arises from finance lease liabilities and amounts due to related parties. Finance lease liabilities issued at variable rates and amounts due to related parties issued at fixed rate. However, the Group uses interest rate swap agreement as a risk management instrument to manage on the fluctuation of future interest rate of finance lease liabilities (Note 3.2).

Credit risk

Most of the Group's income, being passenger revenue, is normally paid by clients in advance. The credit risk incurred from amounts due from related parties is low. Management is therefore of the opinion that credit risk is not significant. The Group has not entered into any derivative contracts relating to credit risk. Cash transactions are limited to high credit quality financial institutions.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping credit lines available.

3.2 Accounting for derivative financial instruments and hedging activities

Derivative financial instruments, which the Group used to manage risk, comprise fuel price swap agreements and forward foreign exchange contract.

Fuel price swap agreements

AirAsia Berhad, a related party, has entered into fuel price swap agreements with third parties which protect the Group from the risk of movements in fuel price. The Group has entered into the agreements with AirAsia Berhad under the term of the agreements that gain or loss on fuel price swap agreements are allocated to the Group based on proportion of fuel consumption on a monthly basis. The Group recorded these transactions in statement of comprehensive income as a component of operating costs when they incur.

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities (Cont'd)

Forward foreign exchange contracts

The Group entered into a forward foreign exchange contract with a local financial institution in order to hedge the foreign exchange risk relating to fixed deposits. As at 31 December 2014, the outstanding contracts due for the settlement dated 10 March 2015 and 29 June 2015 (As at 31 December 2013: 10 March 2014 and 30 June 2014) are as follows:

	(Unit : Baht)			
	Consolidated		Company	
	2014	2013	2014	2013
The amount to be received				
US Dollars 15.14 million at rate Baht 32.49 per US Dollar 1	-	491,715,277	-	-
US Dollars 20.23 million at rate Baht 32.90 per US Dollar 1	-	665,694,448	-	-
US Dollars 15.14 million at rate Baht 32.24 per US Dollar 1	488,245,471	-	-	-
US Dollars 10.10 million at rate Baht 33.14 per US Dollar 1	334,524,996	-	-	-

Interest rate swap agreement

The Group entered into the interest rate swap agreement in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of financial lease liabilities by changing from floating interest rate to fixed interest rate under the interest rate swap agreement. Under the interest rate swap agreement, the Group agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2014, the notional principal from the contract was amounting to Baht 1,090 million (2013: Nil), the fixed interest rates 5.09% and the floating interest rates was THBFIX1M plus 2.20% (2013: Nil).

Interest rate swap agreement is due for exchange of the differences in interest amount every month.

3 Financial risk management (Cont'd)

3.3 Fair value estimation

Fair values of financial assets and liabilities are approximate their carrying amounts because their periods of maturities are short, therefore, there are no significant risk that would impact the Group's future cash flows.

Fuel price swap agreements

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

	(Unit : US Dollars)			
	Consolidated		Company	
	2014	2013	2014	2013
Favourable (unfavourable) fuel price swap agreements	(27,322,704)	309,928	-	-

Forward foreign exchange contracts

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

	(Unit : Baht)			
	Consolidated		Company	
	2014	2013	2014	2013
Unfavourable forward foreign exchange contracts	(13,115,208)	(9,893,762)	-	-

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.

3 Financial risk management (Cont'd)

3.3 Fair value estimation (Cont'd)

Interest rate swap agreement

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

	(Unit : Baht)			
	Consolidated		Company	
	2014	2013	2014	2013
Unfavourable interest rate swap agreement	(25,340,152)	-		

4 Critical accounting estimates, assumptions, and judgements

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Aircraft maintenance under operating leases

The Group has a commitment to maintain aircrafts under operating lease agreements, a provision is made throughout the lease term for the rectification obligations contained within the lease agreements. The provision is based on estimated future repair and maintenance costs of major airframe, certain engine maintenance checks and estimated one-off costs incurred at the end of the lease by charging to statement of comprehensive income according to the number of flying hours in each year.

Estimated useful lives and residual values of aircraft frames and engines

The Group reviews annually the estimated useful lives and residual values of aircraft airframes and engines based on key factors concerned such as business plans and strategies, expected level of usage, future technological developments and market prices. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In order to obtain the promotional privileges from the Board of Investment, the Group has to maintain minimum capital investment as specified in each certificate.

6 Segment information

Financial information by business segments

(Unit : Baht)

	2014				
	Scheduled flight operations	Charter flight operations	Other business	Elimination	Total
Revenues from sales and services	24,179,617,929	1,175,896,988	25,000,000	(25,000,000)	25,355,514,917
Profit from operation	(429,501,229)	163,158,678	8,732,304	-	(257,610,247)
Unallocated costs					(19,426,493)
Net gain on exchange rates					126,024,280
Other income					793,763,630
Finance costs					(312,758,626)
Profit before income tax					329,992,544
Income tax					1,279,965
Net profit for the year					331,272,509
Consolidated total assets					49,501,800,578

6 Segment information (Cont'd)

Financial information by business segments (Cont'd)

(Unit : Baht)

	2013				
	Scheduled flight operations	Charter flight operations	Other business	Elimination	Total
Revenues from sales and services	22,514,025,294	971,017,242	-	-	23,485,042,536
Profit from operation	1,816,133,850	28,734,849	(11,792,650)	-	1,833,076,049
Unallocated costs					(32,055,556)
Net gain on exchange rates					258,151,066
Other income					670,649,775
Finance costs					(170,971,996)
Profit before income tax					2,558,849,338
Income tax					(651,177,101)
Net profit for the year					<u>1,907,672,237</u>
Consolidated total assets					44,935,279,390

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 Group's reporting segments are described as follows:

- Scheduled flight operations: The Group provides passenger air transportation services to routine destinations based on scheduled flights. The Group sells tickets through its distribution channels such as website, sale counters and travel agents etc.
- Charter flight operations: The Group 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 Group measures its profit or loss from operation in the financial statements. Net gain on exchange rates, other income, finance costs and income tax expense are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segments. Hence, they are not allocated to each reporting segment.

7 Cash and cash equivalents

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Cash on hand	5,599,026	30,199,508	-	-
Deposits held at call with banks	4,599,799,877	1,656,852,884	5,632,235	2,082,971
Short-term bank deposits and bill of exchange with maturity of three months or less	183,666,000	271,585,000	-	-
Total cash and cash equivalents	4,789,064,903	1,958,637,392	5,632,235	2,802,971

The interest rate of deposits held at call with banks was weighted average rate of 0.87% per annum (2013: 1.24% per annum).

As at 31 December 2014, interest rate of short-term bank deposits and bill of exchange with maturity of three months or less was 2.82% per annum (2013: 4.25% - 5.00% per annum).

8 Short-term investments

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Fixed deposits and bill of exchange	1,492,718,615	3,448,628,170	-	-

As at 31 December 2014, short term investments comprise fixed deposits and bills of exchange of US Dollars 25.50 million and Chinese Yuan 125.00 million (2013: US Dollars 35.50 million, Chinese Yuan 305.00 million and Baht 650.00 million). Fixed deposits and bills of exchange have the period of 6-month to 12-month and bear interests at the rates of 2.25% to 4.00% per annum (2013: 2.00% to 3.50% per annum).

9 Investments in private funds

As at 31 December, the Group had securities of investments in private funds as follows:

(Unit : Baht)

	Consolidated		Company	
	Fair value 2014	Fair value 2013	Fair value 2014	Fair value 2013
Bank deposits	10,480,236	214,971,212	-	-
Government bonds	-	147,311,470	-	-
Debt instruments	-	670,268,500	-	-
Total investments in private funds	10,480,236	1,032,551,182	-	-

The movement of investments in private funds is as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
For the year ended 31 December 2014				
Opening net book amount	1,032,551,182	-	-	-
Additions	-	1,000,000,000	-	-
Disposals	(1,035,430,738)	-	-	-
Fair value adjustment	13,359,792	32,551,182	-	-
Closing net book amount	10,480,236	1,032,551,182	-	-

10 Trade and other receivables, net

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Trade accounts receivable	255,647,615	317,179,582	-	-
<u>Less</u> Allowance for doubtful account	-	(2,220,250)	-	-
Trade accounts receivable, net	255,647,615	314,959,332	-	-
Accrued airport incentive	253,027,273	355,247,616	-	-
Accrued income	111,865,263	37,195,392	-	-
Other accounts receivable	10,474,513	16,102,346	-	-
Total trade and other receivables, net	631,014,664	723,504,686	-	-

10 Trade and other receivables, net (Cont'd)

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

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Up to 3 months	216,357,455	269,321,178	-	-
3 - 6 months	3,881,108	3,902,087	-	-
6 - 12 months	12,291,770	34,573,329	-	-
Over 12 months	23,117,282	9,382,988	-	-
Total trade accounts receivable	255,647,615	317,179,582	-	-
<u>Less</u> Allowance for doubtful account	-	(2,220,250)	-	-
Total trade accounts receivable, net	<u>255,647,615</u>	<u>314,959,332</u>	<u>-</u>	<u>-</u>

11 Long-term investments

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Opening book amount	1,312,007,600	10,228,300	-	-
Additions	1,715,500	1,301,779,300	-	-
<u>Less</u> Unrealised loss on exchange rate	(14,455,000)	-	-	-
Closing book amount	<u>1,299,268,100</u>	<u>1,312,007,600</u>	<u>-</u>	<u>-</u>

As at 31 December 2014, long-term investments comprise:

(Unit : Baht)

	Consolidated		
	Held to maturity investment	General investment	Total
Fixed deposits	1,287,140,000	-	1,287,140,000
Equity securities	-	12,128,100	12,128,100
Total long-term investments	<u>1,287,140,000</u>	<u>12,128,100</u>	<u>1,299,268,100</u>

Held-to-maturity investments comprise 15-month fixed deposits of Baht 500.00 million, bearing interest at the rate of 3.50% per annum and 24-month fixed deposits of Chinese Yuan 150.00 million, bearing interest at the rate of 4.13% per annum.

General investment of the Group is the investment in ordinary shares of Aeronautical Radio of Thailand Limited.

12 Investment in a subsidiary

Details of investment in a subsidiary are as follows:

Business	Total number of holding shares	Par value	% of shareholding	Company	
				Cost method	
				2014	2013
		Baht per share	Percent	Baht	Baht
Thai AirAsia Company Limited	providing a low-fare Airline services	23,955,553	10	55.00	
				3,067,114,370	3,067,114,370
				3,067,114,370	3,067,114,370

On 14 February 2012, the Company entered into an “Amended and Restated Shareholders’ Agreement” with three parties which are AirAsia Investment Ltd. (a subsidiary of AirAsia Berhad), AirAsia Berhad and Thai AirAsia Company Limited pursuant to which the parties set out their respective rights and obligations with respect to Thai AirAsia Company Limited. According to the “Amended and Restated Shareholders’ Agreement”, the Company has gained controls over Thai AirAsia Company Limited. The “Amended and Restated Shareholders’ Agreement” will be effective from the date that the Securities and Exchange Commission issues a letter to the Company notifying that it has commenced counting the period of effectiveness of the draft prospectus filed by the Company in relation to an initial public offering, which is 4 May 2012. Therefore, Thai AirAsia Company Limited has been considered as a subsidiary instead of a joint venture from that date onward.

On 29 May 2012, the Company subscribed for an additional 3,555,560 shares of Thai AirAsia Company Limited, totalling Baht 2,663.11 million, or Baht 749 each. Therefore, the Company’s shareholding interest in Thai AirAsia Company Limited was increased from 51% to 55% from that date.

The investment in a subsidiary has not changed in years 2014 and 2013.

13 Aircraft, leasehold improvements and equipment, net

(Unit : Baht)

	Consolidated							
	Leasehold improvements	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Aircraft and Aircraft engine	Aircraft spare parts	Assets under installation
								Total
At 1 January 2013								
Cost	62,805,080	77,521,560	26,430,767	166,729,383	110,280,437	2,513,860,588	773,608,918	21,399,654
Less Accumulated depreciation	(32,452,146)	(53,651,746)	(19,101,476)	(97,776,835)	(72,089,104)	(28,273,639)	(373,850,922)	-
Net book amount	30,352,934	23,869,814	7,329,291	68,952,548	38,191,333	2,485,586,949	399,757,996	21,399,654
For the year ended 31 December 2013								
Opening net book amount	30,352,934	23,869,814	7,329,291	68,952,548	38,191,333	2,485,586,949	399,757,996	21,399,654
Additions	18,740,211	8,039,196	4,949,828	15,781,772	-	8,007,395,386	176,242,182	58,843,283
Disposals, net	-	(13,146)	(1,652)	(29)	(2)	-	(6,287,888)	-
Write-offs, net	(1,474,248)	-	-	-	-	-	-	(1,474,248)
Transfers	37,260,624	-	14,306,781	4,643,485	(9)	-	(277,918)	(55,932,963)
Depreciation charge	(12,152,611)	(8,314,882)	(3,500,433)	(24,085,847)	(18,218,272)	(274,091,437)	(61,267,571)	-
Closing net book amount	72,726,910	23,580,982	23,083,815	65,291,929	19,973,050	10,218,890,898	508,166,801	24,309,974
At 31 December 2013								
Cost	108,542,731	84,947,557	45,573,468	185,590,260	109,401,710	10,521,255,973	939,758,806	24,309,974
Less Accumulated depreciation	(35,815,821)	(61,366,575)	(22,489,653)	(120,298,331)	(89,428,660)	(302,365,075)	(431,592,005)	-
Net book amount	72,726,910	23,580,982	23,083,815	65,291,929	19,973,050	10,218,890,898	508,166,801	24,309,974

13 Aircraft, leasehold improvements and equipment, net (Cont'd)

	Consolidated									(Unit : Baht)
	Leasehold improvements	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Aircraft and aircraft engine	Aircraft spare parts	Assets under installation	Total	
For the year ended 31 December 2014										
Opening net book amount	72,726,910	23,580,982	23,083,815	65,291,929	19,973,050	10,218,890,898	508,166,801	24,309,974	10,956,024,359	
Additions	18,048,466	13,853,660	8,432,384	56,744,272	4,500,000	5,614,655,738	146,957,363	32,772,232	5,895,964,115	
Disposals, net	-	(233,843)	(4,260)	(7,123)	(444,321)	-	(112,185)	-	(801,732)	
Transfers	16,085,014	-	1,762,797	9,310,559	13,321,389	-	-	(40,479,759)	-	
Depreciation charge	(23,281,134)	(9,500,924)	(6,968,041)	(23,881,141)	(13,871,159)	(671,152,040)	(69,227,220)	-	(817,881,659)	
Closing net book amount	83,579,256	27,699,875	26,306,695	107,458,496	23,478,959	15,162,394,596	585,784,759	16,602,447	16,033,305,083	
At 31 December 2014										
Cost	142,676,211	79,676,405	55,701,610	249,895,413	125,465,083	16,135,911,711	1,086,585,053	16,602,447	17,892,513,933	
Less Accumulated depreciation	(59,096,955)	(51,976,530)	(29,394,915)	(142,436,917)	(101,986,124)	(973,517,115)	(500,800,294)	-	(1,859,208,850)	
Net book amount	83,579,256	27,699,875	26,306,695	107,458,496	23,478,959	15,162,394,596	585,784,759	16,602,447	16,033,305,083	

The leased assets included above, where the Group is a lessee under finance lease agreements, comprise aircraft, aircraft engine and motor vehicles, total cost of which is Baht 16,147.65 million and total accumulated depreciation of Baht 981.92 million (2013: total cost of Baht 10,538.13 million and total accumulated depreciation of Baht 307.89 million).

13 Aircraft, leasehold improvements and equipment, net (Cont'd)

	(Unit : Baht)
	Company
	Office equipment
At 1 January 2013	
Cost	40,687
<u>Less</u> Accumulated depreciation	(40,663)
Net book amount	24
For the year ended 31 December 2013	
Opening net book amount	24
Depreciation charge	-
Closing net book amount	24
At 31 December 2013	
Cost	40,687
<u>Less</u> Accumulated depreciation	(40,663)
Net book amount	24
For the year ended 31 December 2014	
Opening net book amount	24
Depreciation charge	-
Closing net book amount	24
At 31 December 2014	
Cost	40,687
<u>Less</u> Accumulated depreciation	(40,663)
Net book amount	24

14 Intangible assets, net

(Unit : Baht)

	Consolidated			
	Landing rights	Computer software	Computer software under installation	Total
At 1 January 2013				
Cost	14,856,000,000	35,160,555	1,413,615	14,892,574,170
<u>Less</u> Accumulated amortisation	-	(23,729,106)	-	(23,729,106)
Net book amount	<u>14,856,000,000</u>	<u>11,431,449</u>	<u>1,413,615</u>	<u>14,868,845,064</u>
For the year ended 31 December 2013				
Opening net book amount	14,856,000,000	11,431,449	1,413,615	14,868,845,064
Additions	-	920,791	3,662,147	4,582,938
Transfers	-	1,776,824	(1,776,824)	-
Amortisation charge	-	(4,691,165)	-	(4,691,165)
Closing net book amount	<u>14,856,000,000</u>	<u>9,437,899</u>	<u>3,298,938</u>	<u>14,868,736,837</u>
At 31 December 2013				
Cost	14,856,000,000	37,858,170	3,298,938	14,897,157,108
<u>Less</u> Accumulated amortisation	-	(28,420,271)	-	(28,420,271)
Net book amount	<u>14,856,000,000</u>	<u>9,437,899</u>	<u>3,298,938</u>	<u>14,868,736,837</u>
For the year ended 31 December 2014				
Opening net book amount	14,856,000,000	9,437,899	3,298,938	14,868,736,837
Additions	-	4,276,474	711,708	4,988,182
Transfers	-	4,010,646	(4,010,646)	-
Amortisation charge	-	(5,741,679)	-	(5,741,679)
Closing net book amount	<u>14,856,000,000</u>	<u>11,983,340</u>	<u>-</u>	<u>14,867,983,340</u>
At 31 December 2014				
Cost	14,856,000,000	46,138,870	-	14,902,138,870
<u>Less</u> Accumulated amortisation	-	(34,155,530)	-	(34,155,530)
Net book amount	<u>14,856,000,000</u>	<u>11,983,340</u>	<u>-</u>	<u>14,867,983,340</u>

Landing rights is tested for impairment together with the impairment of goodwill as shown in Note 15.

14 Intangible assets, net (Cont'd)

	(Unit : Baht)
	Company
	Computer Software
At 1 January 2013	
Cost	6,420
<u>Less</u> Accumulated amortisation	(6,419)
Net book amount	1
For the year ended 31 December 2013	
Opening net book amount	1
Amortisation charge	-
Closing net book amount	1
At 31 December 2013	
Cost	6,420
<u>Less</u> Accumulated amortisation	(6,419)
Net book amount	1
For the year ended 31 December 2014	
Opening net book amount	1
Amortisation charge	-
Closing net book amount	1
At 31 December 2014	
Cost	6,420
<u>Less</u> Accumulated amortisation	(6,419)
Net book amount	1

15 Goodwill

On 4 May 2012, the Company had gained controls over Thai AirAsia Company Limited according to an “Amended and Restated Shareholders’ Agreement”. Then the Company had determined the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited and compared to the fair value of 51% shareholding previously held before acquisition date in Thai AirAsia Company Limited. The excess of the cost of an acquisition over the fair value of the Company’s share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition is recognised as Goodwill in the Group’s financial statements position.

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
At 31 December				
Cost	8,824,825,803	8,824,825,803	-	-
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	<u>8,824,825,803</u>	<u>8,824,825,803</u>	<u>-</u>	<u>-</u>

16 Other non-current assets

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Aircraft rental deposits	25.7	630,333,888	605,152,224	-	-
Airport operation deposit		34,600,000	34,600,000	-	-
Fuel price swap deposit	25.7	16,406,400	16,338,900	-	-
Rental deposits		46,610,702	40,443,020	-	-
Prepaid expenses		10,880,712	24,086,098	-	-
Other deposits		73,845,881	97,027,398	-	-
Total other non-current assets		<u>812,677,583</u>	<u>817,647,640</u>	<u>-</u>	<u>-</u>

17 Finance lease liabilities

Finance lease liabilities - minimum lease payments:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Within 1 year	1,365,914,441	840,034,332	-	-
Later than 1 year but not later than 5 years	5,451,922,249	3,733,718,639	-	-
Later than 5 years	7,737,871,073	5,006,647,324	-	-
Less Future finance charges on finance leases	(2,478,739,612)	(1,419,561,602)	-	-
	<u>12,076,968,151</u>	<u>8,160,838,693</u>	<u>-</u>	<u>-</u>
Representing lease liabilities:				
- Current portion	959,006,292	615,065,684	-	-
- Non-current portion	11,117,961,859	7,545,773,009	-	-
	<u>12,076,968,151</u>	<u>8,160,838,693</u>	<u>-</u>	<u>-</u>

The present value of finance lease liabilities is as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Within 1 year	1,338,730,452	825,903,954	-	-
Later than 1 year but not later than 5 years	4,889,550,263	3,417,297,611	-	-
Later than 5 years	5,848,687,436	3,917,637,128	-	-
	<u>12,076,968,151</u>	<u>8,160,838,693</u>	<u>-</u>	<u>-</u>

During the year, the Group entered into four Aircraft and one Aircraft engine Finance Lease Agreements. The lease period of each Aircraft is 12 years and Aircraft engine is 5 years, with a purchase option from the lessor at the end of the lease period.

18 Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 20%.

The analysis of deferred tax assets and deferred tax liability is as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	2,201,186	-
Deferred tax assets to be recovered after more than 12 months	1,352,163,663	809,835,441	-	-
	<u>1,352,163,663</u>	<u>809,835,441</u>	<u>2,201,186</u>	<u>-</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	(4,660,421)	-	-
Deferred tax liabilities to be settled after more than 12 months	(4,697,803,459)	(4,114,836,799)	-	-
	<u>(4,697,803,459)</u>	<u>(4,119,497,220)</u>	<u>-</u>	<u>-</u>
Deferred tax asset (liabilities), net	(3,345,639,796)	(3,309,661,779)	2,201,186	-

The gross movement and the deferred income tax account is as follows:

	(Unit : Baht)			
	Consolidated		Company	
	2014	2013	2014	2013
At 1 January	(3,309,661,779)	(3,034,141,674)	-	-
Charged (credited) to profit or loss	(33,640,981)	(275,668,664)	2,201,186	-
Credited to other comprehensive income	(2,337,036)	(3,185,894)	-	-
Tax charged directly to equity	-	3,334,453	-	-
At 31 December	(3,345,639,796)	(3,309,661,779)	2,201,186	-

18 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows:

(Unit : Baht)

	Consolidated				
	Tax loss	Retirement benefit	Depreciation	Finance lease	Total
Deferred tax assets					
At 1 January 2013	-	22,219,821	110,862	247,352,832	269,683,515
Charged (credited) to profit or loss	-	6,635,910	(110,862)	536,812,772	543,337,820
Credited to other comprehensive income	-	(3,185,894)	-	-	(3,185,894)
At 31 December 2013	-	25,669,837	-	784,165,604	809,835,441
At 1 January 2014	-	25,669,837	-	784,165,604	809,835,441
Charged to profit of loss	188,861,816	5,993,276	-	349,810,166	544,665,258
Credited to other comprehensive income	-	(2,337,036)	-	-	(2,337,036)
At 31 December 2014	188,861,816	29,326,077	-	1,133,975,770	1,352,163,663

Deferred income tax assets are recognised for tax loss and carry forward only the extent that realisation of the related tax benefit through the future taxable profits is probable.

(Unit : Baht)

	Consolidated			
	Gain on fair value of previously held equity interests	Share-based payment	Finance lease	Total
Deferred tax liabilities				
At 1 January 2013	(3,006,325,157)	(6,062,641)	(291,437,391)	(3,303,825,189)
Charged (credited) to profit or loss	6,411,113	2,728,188	(828,145,785)	(819,006,484)
Charged directly to equity	-	3,334,453	-	3,334,453
At 31 December 2013	(2,999,914,044)	-	(1,119,583,176)	(4,119,497,220)
At 1 January 2014	(2,999,914,044)	-	(1,119,583,176)	(4,119,497,220)
Charged (credited) to profit or loss	3,885,297	-	(582,191,536)	(578,306,239)
At 31 December 2014	(2,996,028,747)	-	(1,701,774,712)	(4,697,803,459)

19 Income tax

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Current tax:				
Current tax on profit for the year	-	375,508,436	-	-
Adjustment in respect of prior year	(34,920,946)	-	-	-
Total current tax	(34,920,946)	375,508,436	-	-
Deferred tax:				
Origination and reversal of temporary differences:				
- Deferred tax assets	(544,665,258)	(552,736,540)	(2,201,186)	-
- Deferred tax liabilities	578,306,239	828,405,205	-	-
Total deferred tax	33,640,981	275,668,665	(2,201,186)	-
Total income tax	(1,279,965)	651,177,101	(2,201,186)	-

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Group as follows:

(Unit : Baht)

	Consolidated	
	2014	2013
Profit before income tax	329,992,544	2,558,849,338
Tax calculated at a tax rate of 20%	65,998,509	511,769,868
Tax effect of:		
Profit exempted from corporate income tax due to promotional privilege from BOI	(268,666,793)	(145,637,363)
Expenses not deductible for tax purpose	7,994,870	1,171,052
Difference in finance lease under promotional privilege period	232,381,370	286,181,107
Adjustment in respect of prior year	(34,920,946)	(7,845,531)
Share-base directly charged to equity	-	3,334,453
Tax losses which no deferred income tax asset was recognised	(4,066,975)	2,203,515
Tax charge	(1,279,965)	651,177,101

The weighted average applicable tax rate was -0.39% (2013: 25.45%). The decrease is caused by the increase in profit exempted from corporate income tax due to promotional privilege from BOI and prior year tax adjustment.

19 Income tax (Cont'd)

The tax charged relating to component of other comprehensive income is as follows:

(Unit : Baht)

	Consolidated					
	2014			2013		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
Actuarial gain on employee benefit obligations	11,685,182	(2,337,036)	9,348,146	15,929,471	(3,185,894)	12,743,577
Other comprehensive income	<u>11,685,182</u>	<u>(2,337,036)</u>	<u>9,348,146</u>	<u>15,929,471</u>	<u>(3,185,894)</u>	<u>12,743,577</u>
Current tax		-			-	
Deferred tax		<u>(2,337,036)</u>			<u>(3,185,894)</u>	
		<u>(2,337,036)</u>			<u>(3,185,894)</u>	

The tax credited directly to equity during the year is as follows:

(Unit : Baht)

	Consolidated	
	2014	2013
Current tax		
Share option scheme	-	3,334,453

20 Employee benefit obligations

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Statement of financial position				
Retirement benefits obligation	157,547,925	132,997,460	-	-
Statement of comprehensive income				
Retirement benefits expense	36,235,647	38,428,899	-	-
Actuarial gain recognised in the statement of comprehensive income	(11,685,182)	(15,929,471)	-	-
Cumulative actuarial gain recognised in the statement of comprehensive income	(23,359,868)	(11,674,686)	-	-

Movements in the retirement benefit obligations over the year are as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Opening book amount	132,997,460	111,846,384	-	-
Current service costs	30,673,843	33,642,699	-	-
Interest costs	5,561,804	4,786,200	-	-
Actuarial gain	(11,685,182)	(15,929,471)	-	-
Benefit paid	-	(1,348,352)	-	-
Closing book amount	157,547,925	132,997,460	-	-

20 Employee benefit obligations (Cont'd)

The amounts recognised in the statement of comprehensive income are as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Current service costs	30,673,843	33,642,699	-	-
Interest costs	5,561,804	4,786,200	-	-
Total, included in staff costs	<u>36,235,647</u>	<u>38,428,899</u>	<u>-</u>	<u>-</u>

The principal actuarial assumptions used were as follows:

		Consolidated		Company	
		2014	2013	2014	2013
Discount rate	% per annum	3.34	4.18	-	-
Future salary increase rate	% per annum	5.59 - 10.00	5.59 - 10.00	-	-
Resignation rate	% per annum	0.00 - 10.00	0.00 - 11.00	-	-

21 Share capital

	Par value	Number of authorised ordinary shares	Issued and paid-up ordinary shares	Issued and paid-up ordinary shares	Share premium	Total
	Baht	Shares	Shares	Baht	Baht	Baht
At 1 January 2013	0.10	4,850,000,000	4,850,000,000	485,000,000	2,599,808,274	3,084,808,274
Issue of shares	-	-	-	-	-	-
At 31 December 2013	0.10	4,850,000,000	4,850,000,000	485,000,000	2,599,808,274	3,084,808,274
Issue of shares	-	-	-	-	-	-
At 31 December 2014	<u>0.10</u>	<u>4,850,000,000</u>	<u>4,850,000,000</u>	<u>485,000,000</u>	<u>2,599,808,274</u>	<u>3,084,808,274</u>

The total number of authorised ordinary shares is 4,850,000,000 shares (2013: 4,850,000,000 shares) with a par value of Baht 0.10 per share (2013: Baht 0.10 per share). All issued shares are fully paid.

22 Revenues from sales and services

Revenues from sales and services are as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Passenger revenues	18,154,708,921	17,403,345,544	-	-
Baggage handling and other service fees	5,561,579,215	4,703,474,581	-	-
Charter flight revenues	1,175,896,988	971,017,242	-	-
In-flight revenues	260,875,934	225,029,896	-	-
Freight revenues	202,453,859	182,175,273	-	-
Management fee	-	-	25,000,000	-
Total revenues	25,355,514,917	23,485,042,536	25,000,000	-

23 Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

(Unit : Baht)

	Notes	Consolidated		Company	
		2014	2013	2014	2013
Depreciation and amortisation	13, 14	823,623,338	406,322,218	-	-
Staff costs		2,799,564,751	2,480,510,804	-	-
Fuel costs		11,272,295,601	9,386,304,462	-	-
Aircraft rental	25.2	3,750,883,931	3,278,934,900	-	-
Repair and maintenance		1,861,852,842	1,953,501,169	-	-
Ramp and airport operating costs		2,291,867,842	1,605,399,932	-	-

24 Earnings (loss) per share

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

	Consolidated		Company	
	2014	2013	2014	2013
Net profit (loss) attributable to shareholders of the parent (Baht)	183,181,769	1,042,761,319	11,530,121	(11,017,574)
Weighted average number of paid-up ordinary shares outstanding (Shares)	4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000
Basic earnings (loss) per share (Baht)	0.0378	0.2150	0.0024	(0.0023)

The Group does not have diluted ordinary shares as at 31 December 2014 and 2013.

25 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.

The major shareholder of the Company is management of the Company. The remaining is widely held.

For reporting purposes, AirAsia Berhad who held 45% of the shares of Thai Air Asia company limited, a subsidiary, and AirAsia Berhad's related parties are referred to as the other related parties.

25 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

25.1) Other income

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Other related parties				
Interest income	8,291,867	3,110,799	-	-
Other administrative fee	9,888,280	-	-	-
Subsidiary				
Management fee	-	-	25,000,000	-

25.2) Purchases of goods and services and expenses

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Other related parties				
Share of loss from fuel price swap agreements	312,406,466	43,827,989	-	-
Share of staff costs for accounting services	31,371,651	(37,965,492)	-	-
Aircraft rental	3,750,883,931	3,278,934,900	-	-
Aircraft repair and maintenance	1,502,123,611	1,476,958,962	-	-
Purchases of merchandises and equipment	228,167,100	215,282,972	-	-
Management fee expenses	15,649,508	14,879,892	-	-
Booking fee expenses	104,976,328	88,184,386	-	-
Pilot training expenses	84,540,826	96,546,247	-	-
Brand license fee expenses	244,381,651	239,766,820	-	-

25 Related party transactions (Cont'd)

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

25.3) Management remunerations

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

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Salaries and other short-term employee benefits	94,545,894	66,889,457	6,290,000	3,640,000
Retirement benefits	5,055,044	5,667,787	-	-
	<u>99,600,938</u>	<u>72,557,244</u>	<u>6,290,000</u>	<u>3,640,000</u>

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

25.4) Amounts due from related parties

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Other related parties	<u>68,162,932</u>	<u>87,240,764</u>	<u>-</u>	<u>-</u>

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

25.5) Amounts due to related parties

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Other related parties	<u>472,709,254</u>	<u>506,830,215</u>	<u>-</u>	<u>-</u>

25 Related party transactions (Cont'd)

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

25.6) Advance from a director

As at 31 December 2013, the advance from a director amounting to Baht 8 million was provided interest-free and due for repayment at call. The advance was granted for the Group operating purpose. In 2014, the advance had been returned in full amount.

25.7) Other non-current assets

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Other related parties				
Aircraft rental deposits	630,333,888	605,152,224	-	-
Fuel price swap deposit	16,406,400	16,338,900	-	-
	<u>646,740,288</u>	<u>621,491,124</u>	<u>-</u>	<u>-</u>

26 Commitments

Operating lease commitments

As at 31 December, the Group had outstanding commitments in respect of the non-cancellable office leases and others as follows:

(Unit : Baht)

	Consolidated		Company	
	2014	2013	2014	2013
Within 1 year	42,611,872	49,014,345	-	-
Later than 1 year but not later than 5 years	5,306,226	33,453,035	-	-
Total	<u>47,918,098</u>	<u>82,467,380</u>	<u>-</u>	<u>-</u>

26 Commitments (Cont'd)

As at 31 December, the Group had the future aggregate minimum lease payments in respect of non-cancellable operating aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company, and insurance agreements of aircraft and aircraft engine as follows:

(Unit : US Dollars)

	Consolidated			
	2014		2013	
	Rental	Insurance agreement	Rental	Insurance agreement
Within 1 year	115,260,000	2,993,762	111,480,000	893,590
Later than 1 year but not later than 5 years	459,325,479	-	445,920,000	-
Later than 5 years	275,132,384	-	362,093,589	-
Total	849,717,863	2,993,762	919,493,589	893,590

27 Guarantees

As at 31 December 2014, 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 99.29 million (as at 31 December 2013: Baht 34.75 million). Normally, a guarantee is terminated when the pilot trainee earns a commercial pilot's license and is assigned as a co-pilot or when the pilot trainee settles all outstanding debts with the bank. However, the Group can fully reclaim the stated liabilities from the pilot trainees' guarantors, who have pledged guarantees with the Group.

28 Letters of guarantee

The Group 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:

	Consolidated					
	2014			2013		
	Baht million	US Dollars million	India Rupee million	Baht million	US Dollars million	India Rupee million
Guarantees relating to flight operating activities	7.90	0.09	12.38	6.75	0.09	3.38
Guarantees relating to maintenance reserve fund	-	9.59	-	-	9.59	-
Total	7.90	9.68	12.38	6.75	9.68	3.38

28 Letters of guarantee (Cont'd)

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

	Consolidated			
	2014		2013	
	Baht million	India Rupee million	Baht million	India Rupee million
Saving account	171.01	-	337.37	-
Current account	-	12.68	-	3.68
Total	171.01	12.68	337.37	3.68

29 Promotional privileges

On 13 March 2013, a subsidiary 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 subsidiary must comply with the conditions and restrictions provided in the promotional certificates. The conditions require that the subsidiary’s authorized and paid-up share capital is not less than Baht 435.5 million.

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

30 Subsequent events

On 11 January 2015 and 23 January 2015, Thai AirAsia Company Limited, its subsidiary accepted the delivery of two additional AIRBUS A320-200 aircraft. The expansion of the subsidiary’s fleet is to support the launch of new routes and increase the frequency of flights on the subsidiary’s existing routes. These aircraft are acquired under lease agreements for the period of 12 years.

GENERAL INFORMATION

Company name :

Asia Aviation Public Company Limited (AAV)

Type of business :

A holding company investing in business of low-cost airline or relevant business in relation to airline operation

CG Scoring :



Head Office :

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

Tel : 02-562-5700

Fax : 02-562-5705

Website : www.aavplc.com

Registration number : 0107554000313

Authorized and paid-up capital

as at December 31, 2014 :

Common stock of 4,850,000,000 shares at the par value of Baht 0.10 amounted Baht 485,000,000

“Investors can study more information from the company’s annual registration statement (Form 56-1) from www.sec.or.th or “www.aavplc.com”

SUBSIDIARY’S GENERAL INFORMATION

Subsidiary name :

Thai AirAsia Company Limited

Type of business :

A low-cost airline or relevant business in relation to airline operation

Head Office :

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

Tel: 02-562-5700

Fax: 02-562-5705

Authorized and paid-up capital

as at December 31, 2014 :

Common stock of 43,555,560 shares at the par value of Baht 10 amounted Baht 435,555,600

Shareholding :

55.0%

REFERENCES

Registrar: Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110

Tel : 02-229-2800

Fax : 02-359-1259

Website : www.tsd.co.th

AUDITOR: PricewaterhouseCoopers ABAS Ltd.

15th Floor, Bngkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120

Tel : 02-286-9999, 02-344-1000

Tel : 02-286-5050

Website : www.pwc.com/th



**We
Provide
Accidental
& Medical
Coverages
& More!**

**Anytime, anywhere.
We are there for you.**

From as low as THB 281.40
with Tune INSURE AirAsia Travel Protection,
you can enjoy **coverage from the start until the end
of your travel**. Benefits include emergency
medical evacuation, reimbursements for medical and
hospitalisation expenses, personal accident, flight
delays and many more essential benefits cover
up to THB 1,250,000*.



**Accidental & Medical
Reimbursement**



**Trip Cancellation
& Curtailment**



**Delay, Loss or Damage to
Baggage & Personal Effects**



Flight Delay



**Emergency Medical
Evacuation**



**24-Hour Worldwide Travel
Assistance Services**

Activate your travel protection here:



**During booking
at AirAsia.com**



**AirAsia
Mobile App**



**Manage My
Booking**



Web Check-in

Tune INSURE AirAsia Travel Protection is underwritten by
Tune Insurance Public Company Limited. *Benefits offered are subject
to the type of plan purchased. Terms and conditions apply.
Tel. 02-576 5888 E-Mail: enquiry.th@tuneinsure.com

 **INSURE**
AirAsia Travel Protection
www.tuneinsurethailand.com

FLEXIBILITY FOR THE DISCERNING BUSINESS TRAVEL

ENJOY EXTRA BENEFITS When flying with **PREMIUM FLEX**



Flexi~ Flight

Flexibility to change your flights



Favourite Seat

Complimentary Pick A Seat



Inflight Meal

Complimentary inflight meal



Pack More

20KG baggage allowance



Xpress Boarding

Be at the front of the line and board first



Express Baggage

Priority baggage collection at check-out



Premium Flex Counter

Dedicated counter for your convenience



AirAsia BIG Loyalty Programme

Earn BIG Points THB 10 = 1 BIG Point



Book now @
airasia.com

Terms and Conditions

- 2 Flight Changes - up to 2 hours before scheduled time of departure time of the original flight with no flight change fee, fare differences may apply.
- Flight Change has to be done at least 3 hours before the scheduled time of departure of the new flight for AirAsia (AK, QZ, FD, PQ, Z2, I5) and at least 4 hours before the scheduled time of departure of the new flight for AirAsia X (D7,XJ)
- All redemptions have to be made at www.airasiabig.com applicable for AirAsia routes only (AK, QZ, FD, PQ, Z2, I5).
- For more detail, please contact Call Centre 02-515 9999

Asia Aviation Public Company Limited (AAV)

Head office : Don Mueang International Airport, 3rd Floor,
Central Office Building, Room No. 3200
Vibhavadee Rangsit Rd., Don Mueang
Bangkok 10210

Telephone : 02-562-5700
Fax : 02-562-5705
Web : www.aavplc.com