



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 2016)

FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2021

**ANNOUNCEMENT**

The Board of Directors of AirAsia X Berhad (“AirAsia X” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia X and its subsidiaries (collectively known as “the Group”) for the first quarter ended 30 September 2021.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		30/09/2021	30/09/2020	30/09/2021	30/09/2020
		RM'000	RM'000	RM'000	RM'000
Revenue	10	99,270	-	99,270	-
Operating Expenses					
- Staff costs	11	(11,577)	-	(11,577)	-
- Aircraft fuel expenses		(32,935)	-	(32,935)	-
- Maintenance and overhaul		(112,203)	-	(112,203)	-
- User charges		(13,311)	-	(13,311)	-
- Other operating expenses		(11,929)	-	(11,929)	-
Other income	12	152	-	152	-
Share of results of an associate	16	-	-	-	-
Share of results of a joint venture	17	-	-	-	-
<b>EBITDA *</b>		<b>(82,533)</b>	-	<b>(82,533)</b>	-
Finance income	13	5,141	-	5,141	-
Finance costs	13	(59,378)	-	(59,378)	-
<b>Net Operating loss</b>		<b>(136,770)</b>	-	<b>(136,770)</b>	-
Net foreign exchange losses	13	(12,360)	-	(12,360)	-
<b>Loss before taxation</b>		<b>(149,130)</b>	-	<b>(149,130)</b>	-
Taxation					
Current taxation	14	(8)	-	(8)	-
<b>Loss for the financial period</b>		<b>(149,138)</b>	-	<b>(149,138)</b>	-
Attributable to:					
Equity holders of the Company		(149,138)	-	(149,138)	-
Non-controlling Interests		-	-	-	-
		<b>(149,138)</b>	-	<b>(149,138)</b>	-
Loss per share (sen)					
Basic	26	(3.6)	-	(3.6)	-
Diluted	26	(3.6)	-	(3.6)	-

\* Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

This unaudited condensed consolidated income statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached in the interim financial statements.



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FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period Ended	Period Ended
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
<b>Loss for the financial period</b>	(149,138)	-	(149,138)	-
Other comprehensive (loss)/income				
Foreign currency translation differences	(479)	-	(479)	-
<b>Total comprehensive loss for the financial period</b>	(149,617)	-	(149,617)	-
Total comprehensive loss attributable				
To equity holder of the company	(149,617)	-	(149,617)	-
<b>Total comprehensive loss for the financial period</b>	(149,617)	-	(149,617)	-

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

This unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached in the interim financial statements.



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FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

		Unaudited As At 30/09/2021 RM'000	Audited As At 30/06/2021 RM'000
<b>NON-CURRENT ASSETS</b>	<b>Note</b>		
Property, plant & equipment	15	-	-
Right of use assets	16	-	-
Finance lease receivable	17	-	-
Investment in an associate	18	-	-
Investment in a joint venture	19	-	-
Trade and other receivables	20	2,247,348	2,118,782
Amount due from an associate		18,766	23,434
		2,266,114	2,142,216
<b>CURRENT ASSETS</b>			
Inventories	21	-	-
Trade and other receivables	20	125,666	119,604
Amount due from an associate		179,177	150,540
Amounts due from related parties		15,334	4,068
Finance lease receivable	17	-	-
Tax recoverable		1,694	1,694
Deposits, cash and bank balances	22	67,850	74,110
		389,721	350,016
<b>CURRENT LIABILITIES</b>			
Sales in advance		500,767	504,841
Trade and other payables	23	1,850,552	1,741,420
Provision for termination	24	25,163,344	25,163,344
Amount due to an associate		27,659	3,625
Amount due to related parties		354,834	353,906
Borrowings	25	6,852,517	6,766,607
Provision for aircraft maintenance		29,469	29,469
		34,779,142	34,563,212
<b>Net Current Liabilities</b>		(34,389,421)	(34,213,196)
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	23	589	589
Amount due to an associate		170,284	170,284
Borrowings	25	-	2
Provision for aircraft maintenance		1,437,101	1,339,809
		1,607,974	1,510,684
		(33,731,281)	(33,581,664)
<b>CAPITAL AND RESERVES</b>			
Share capital		1,534,044	1,534,044
Currency translation reserve		248	727
Accumulated losses		(35,265,573)	(35,116,435)
<b>Shareholders' equity</b>		(33,731,281)	(33,581,664)

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

This unaudited condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached in the interim financial statements.



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FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Issued and fully paid  
ordinary shares  
of RM0.15 each

	Number of shares '000	Nominal Value RM'000	Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<b>At 1 July 2021</b>	4,148,149	1,534,044	727	(35,116,435)	(33,581,664)
Net loss for the financial period	-	-	-	(149,138)	(149,138)
Other comprehensive loss	-	-	(479)	-	(479)
Total comprehensive loss	-	-	(479)	(149,138)	(149,617)
<b>At 30 September 2021</b>	<b>4,148,149</b>	<b>1,534,044</b>	<b>248</b>	<b>(35,265,573)</b>	<b>(33,731,281)</b>
<b>At 1 January 2020</b>	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-
<b>At 30 June 2021</b>	-	-	-	-	-

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

This unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached in the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Note	Period ended	Period ended
		30/09/2021	30/09/2020
		RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(149,130)	-
Adjustments:			
Finance income		(1,388)	-
Finance costs		57,069	-
Impact of discounting effect on financial instruments (net)		(1,444)	-
Net unrealised foreign exchange losses		2,978	-
<b>Operating loss before working capital changes</b>		<b>(91,915)</b>	<b>-</b>
Changes in working capital:			
Trade and other receivables		(1,135)	-
Related parties balances		(8,095)	-
Trade and other payables		85,715	-
Sales in advance		(4,074)	-
<b>Cash flows generated from operations</b>		<b>(19,504)</b>	<b>-</b>
Finance costs paid		(1,683)	-
Interest received		22	-
<b>Net cash used in operating activities</b>		<b>(21,165)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of hire purchase		(3)	-
<b>Net cash used in financing activities</b>		<b>(3)</b>	<b>-</b>
<b>NET DECREASE FOR THE FINANCIAL PERIOD</b>		<b>(21,168)</b>	<b>-</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>		<b>14,908</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		<b>68,466</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>22</b>	<b>62,206</b>	<b>-</b>

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

This unaudited condensed consolidated cash flow statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached in the interim financial statements.



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**KEY OPERATING STATISTICS - 30 SEPTEMBER 2021**

**Performance indicator for current quarter against the same quarter last year**

During the quarter ended 30 September the Company has suffered from the full impact of the Covid 19 pandemic and, with the suspension of scheduled flight operations in April 2020, and the parking of the majority of the aircraft fleet, the performance indicators for the business are not meaningful. The tabular presentation of revenue and cost metrics in the quarter is therefore not included below, as there is no like-for-like comparison to the same quarter as at 30 September 2021.



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**NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the preceding year corresponding periods.

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021.

For comparison purposes, the consolidated income statement for the quarter ended 30 September 2021 based on presentation in the unaudited financial statements, which is in line with the requirements of MFRS 134: Interim Financial Reporting, will be as follows:

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	10	99,270	-	99,270	-
Operating Expenses					
- Staff costs	11	(11,577)	-	(11,577)	-
- Depreciation		-	-	-	-
- Aircraft fuel expenses		(32,935)	-	(32,935)	-
- Maintenance and overhaul		(112,203)	-	(112,203)	-
- User charges		(13,311)	-	(13,311)	-
- Aircraft operating lease expenses		-	-	-	-
- Other operating expenses		(11,929)	-	(11,929)	-
- Provision for termination		-	-	-	-
Other income	12	152	-	152	-
<b>Operating loss</b>		<b>(82,533)</b>	-	<b>(82,533)</b>	-
Finance income	13	5,141	-	5,141	-
Finance costs	13	(59,378)	-	(59,378)	-
<b>Net operating loss</b>		<b>(136,770)</b>	-	<b>(136,770)</b>	-
Foreign exchange gains/(losses)	13	(12,360)	-	(12,360)	-
Share of results of an associate	16	-	-	-	-
Share of results of a joint venture	17	-	-	-	-
Other losses		-	-	-	-
<b>Loss before taxation</b>		<b>(149,130)</b>	-	<b>(149,130)</b>	-
<b>Taxation</b>					
Current taxation	14	(8)	-	(8)	-
Deferred taxation	14	-	-	-	-
		(8)	-	(8)	-
<b>Loss for the financial period</b>		<b>(149,138)</b>	-	<b>(149,138)</b>	-



## AIRASIA X BERHAD

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### NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021

#### 2. Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021. The Group did not early adopt any new standards, interpretation or amendment that has been issued but is not yet effective.

#### 3. Auditors' report on preceding annual financial statements

The auditors have expressed a disclaimer of opinion on material uncertainty relating to going concern, in view of the current economic condition and Covid-19 Pandemic, in respect of AirAsia X Berhad's audited financial statements for the financial year ended 30 June 2021 in their report dated 29 October 2021.

The Disclaimer of opinion by Independent Auditors are as follows:

##### *Basis for disclaimer of opinion*

As disclosed in Note 2.1 and 46 to the financial statements, the global economy and in particular, the commercial airline industry, faces uncertainty over the expected timing of the recovery from the COVID-19 pandemic. The travel and border restrictions implemented by countries around the world have led to a significant fall in demand for international air travel which have impacted the Group's and the Company's financial position, financial performance and cash flows. The Group and the Company have reported a net loss of RM33.72 and RM33.79 billion respectively for the financial period ended 30 June 2021 and current liabilities exceeded current assets by RM34.21 billion and RM34.30 billion respectively. In addition, the Group and the Company also reported a shareholders' deficit of RM33.58 billion and RM33.66 billion respectively.

As a result of the pandemic, the Group and the Company have grounded most of the fleet since March 2020 and have deferred payment to creditors. Consequently, the Group and the Company have triggered events of default for various contracts and have made a provision for termination claims of RM25.16 billion in respect of these contracts as disclosed in Note 3(iv) and 10 to the financial statements.

These events or conditions indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is highly dependent on the successful implementation of the following management's plans in responding to the conditions above.

##### (1) Implementation of proposed debt restructuring exercise

The Group and the Company have grounded most of the fleet since March 2020 and has deferred payment to creditors. Consequently, the Group and the Company have triggered events of default for various contracts. On 6 October 2020, the Group and the Company announced a proposed debt restructuring exercise amounting to RM64.15 billion which involves a proposed debt settlement and waiver for the debts owing to the creditors pursuant to Section 366 of the Companies Act 2016 as further described in Note 46 to the financial statements.

In conjunction with the proposed debt restructuring exercise, the scheme creditors submitted a proof of debt (including termination claims) amounted to RM65.14 billion. The scheme creditors are creditors of the Group and the Company whose debts are to be dealt with under the proposed debt restructuring exercise.





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### NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021

#### 3. Auditors' report on preceding annual financial statements (cont'd.)

Based on the relevant provisions in the applicable law of the relevant contracts, creditors are required to take action to mitigate their losses and to reduce their termination claims including offsetting against any deposits and prepayments wherever applicable. Accordingly, management had engaged an expert to assist in determining the provisional scheme amounts and applied significant judgement in assessing and estimating the provisional scheme amounts totalling to RM33.65 billion as further disclosed in Note 3 (iv) and Note 10 to the financial statements.

On 18 October 2021, the Group and the Company have announced that the Court Convened Meeting of creditors ("CCM") will be held on 12 November 2021. The Group and the Company require at least 75% of each class of scheme creditors in the CCM to vote favourably for the proposed debt restructuring exercise.

There is material uncertainty on the outcome of the CCM as the scheme creditors decisions are not within the Group's and the Company's control.

#### (2) Implementation of the proposed fundraising exercise

As disclosed in Note 46 to the financial statements, on the premise that the debt restructuring is successful, the Group and the Company intend to raise funds of a minimum of RM150 million up to a maximum of RM500 million as approved conditionally by the shareholders in an Extraordinary General Meeting held on 1 June 2021.

In addition to the material uncertainty on the outcome of the CCM as disclosed above, there is also material uncertainty on the whether the Group and the Company would be able to raise the minimum funds required as the Group and the Company are still in the midst of securing the underwriter(s) for the rights issue of RM100 million and the Special Purpose Vehicle as defined in Note 46 to the financial statements has not signed the share subscription agreement of RM50 million as of to-date.

#### (3) Implementation of the revised business plan

As disclosed in Note 46 to the financial statements, on the premise that the proposed debt restructuring exercise and proposed fundraising exercise are successfully implemented, the Group's and the Company's plan to return to profitability entails implementing a revised business plan that involves operating a leaner and more sustainable cost structure. This will involve negotiating and signing of new agreements with relevant vendors, including amongst others, aircraft manufacturer, lessors and aircraft maintenance service providers. The ability of the Group

#### (4) Recovery of COVID-19 pandemic

As disclosed in Note 2.1 and 46 to the financial statements, the global economy, in particular the commercial airline industry, faces uncertainty over the expected timing of recovery from the COVID-19 pandemic. As at the date of this report, the Group's and the Company's fleet remains grounded apart from a limited number of cargo and charter flights and the Group and the Company will not be able to restart scheduled operations until there is an easing of travel restrictions and a gradual reopening of international borders. There is a material uncertainty on the timing of recovery of international travel.

In view of the multiple uncertainties described above, we are unable to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effects on the financial statements.



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### **NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021**

#### **4. Seasonality of operations**

AirAsia X is primarily involved in the provision of air transportation services and thus, is subject to seasonal demand for air travel. During the other quarter, the Company maintained only minimal operations in supporting repatriation of travellers as well as freight and cargo services. The total numbers of sectors flown on charter and cargo basis totalled up to 600 during the quarter.

#### **5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period.

#### **6. Changes in estimates**

There were no changes in estimates that have had material effect on the results of current quarter and financial year.

#### **7. Capital and reserves**

There was no issuance of shares during the current quarter. Total issued and paid up share capital as at 30 September 2021 is RM1,534,043,625 (30 June 2021: RM1,534,043,625).

#### **8. Dividend paid**

No dividends were declared, approved or paid during the quarter ended 30 September 2021.

#### **9. Segment reporting**

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker, which is the Group's Chief Executive Officer ("GCEO"). The GCEO considers the business from a geographical perspective. The operating segments have been identified by each Air Operator Certificate ("AOC") held under the AirAsia brand, and are categorised as Malaysia, Thailand and Indonesia.

The GCEO assesses the performance of the operating segments based on revenue and net operating profit.

Reconciliation to the reportable segments relates to the elimination of the associate and joint venture companies.



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**NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021**

**9. Segment reporting (cont'd.)**

The segment information provided to the GCEO for the reportable segments are as follows:

	<b>Malaysia</b>	<b>Thailand</b>	<b>Indonesia</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Adjustments</b>	<b>RM'000</b>
				<b>RM'000</b>	
<b>Quarter ended 30 September 2021</b>					
Revenue	99,270	64,478	-	(25,722)	138,026
Operating expenses					
- Staff costs	(11,577)	(10,347)	(64)	-	(21,988)
- Depreciation	-	(91,207)	(396)	-	(91,603)
- Aircraft fuel expenses	(32,935)	(36,729)	-	-	(69,664)
- Maintenance and overhaul	(112,203)	(57,551)	5,086	25,722	(138,946)
- User charges	(13,311)	(33,684)	(3)	-	(46,998)
- Aircraft operating lease expenses	-	-	-	-	-
- Other operating expenses	(11,929)	(4,908)	1,166	-	(15,671)
Other income	152	-	-	-	152
<b>Operating loss</b>	<b>(82,533)</b>	<b>(169,948)</b>	<b>5,789</b>	<b>-</b>	<b>(246,692)</b>
Finance income	5,141	1,889	-	-	7,030
Finance costs	(59,378)	(19,120)	(1)	-	(78,499)
<b>Net operating loss</b>	<b>(136,770)</b>	<b>(187,179)</b>	<b>5,788</b>	<b>-</b>	<b>(318,161)</b>
Foreign exchange (losses)/gains	(12,360)	(165,370)	6,472	-	(171,258)
Other losses	-	-	-	-	-
<b>(Loss)/Profit before taxation</b>	<b>(149,130)</b>	<b>(352,549)</b>	<b>12,260</b>	<b>-</b>	<b>(489,419)</b>



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**NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021**

**9. Segment reporting (cont'd.)**

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination Adjustments RM'000	Total RM'000
<b>Period ended 30 September 2021</b>					
<b><u>Segment results</u></b>					
Revenue	99,270	64,478	-	(25,722)	138,026
Operating expenses					
- Staff costs	(11,577)	(10,347)	(64)	-	(21,988)
- Depreciation	-	(91,207)	(396)	-	(91,603)
- Aircraft fuel expenses	(32,935)	(36,729)	-	-	(69,664)
- Maintenance and overhaul	(112,203)	(57,551)	5,086	25,722	(138,946)
- User charges	(13,311)	(33,684)	(3)	-	(46,998)
- Aircraft operating lease expenses	-	-	-	-	-
- Other operating expenses	(11,929)	(4,908)	1,166	-	(15,671)
Other income	152	-	-	-	152
<b>Operating loss</b>	<b>(82,533)</b>	<b>(169,948)</b>	<b>5,789</b>	<b>-</b>	<b>(246,692)</b>
Finance income	5,141	1,889	-	-	7,030
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<b>Net operating loss</b>	<b>(136,770)</b>	<b>(187,179)</b>	<b>5,788</b>	<b>-</b>	<b>(318,161)</b>
Foreign exchange (losses)/gains	(12,360)	(165,370)	6,472	-	(171,258)
Other losses	-	-	-	-	-
<b>Loss before taxation</b>	<b>(149,130)</b>	<b>(352,549)</b>	<b>12,260</b>	<b>-</b>	<b>(489,419)</b>

a) Reconciliation of segment revenue to reported revenue:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2021 RM'000	Quarter ended 30/09/2020 RM'000	Period ended 30/09/2021 RM'000	Period ended 30/09/2020 RM'000
Segment revenue	138,026	-	138,026	-
Add: Inter-segment revenue	25,722	-	25,722	-
Less: Revenue from affiliates which were not consolidated	(64,478)	-	(64,478)	-
	<u>99,270</u>	<u>-</u>	<u>99,270</u>	<u>-</u>



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**NOTES TO THE UNAUDITED ACCOUNTS - 30 SEPTEMBER 2021**

**9. Segment reporting (cont'd.)**

b) Reconciliation of segment loss before taxation to reported loss before taxation:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Segment loss before taxation	(489,419)	-	(489,419)	-
Add: Segment profit/(loss) from affiliates which were not consolidated	340,289	-	340,289	-
	(149,130)	-	(149,130)	-

**10. Revenue**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Scheduled flights	2,310	-	2,310	-
Charter flights	2,420	-	2,420	-
Freight services	68,534	-	68,534	-
Ancillary revenue **	258	-	258	-
Aircraft operating lease income	25,506	-	25,506	-
Management fees	242	-	242	-
	99,270	-	99,270	-

\*\* Ancillary revenue includes baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sale of meals and merchandise.

**11. Staff cost**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Wages, salaries, bonuses and allowances	10,509	-	10,509	-
Defined contribution retirement plan	1,068	-	1,068	-
	11,577	-	11,577	-



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**13. Finance income/(costs) and foreign exchange (losses)/gains**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2021 RM'000	Quarter ended 30/09/2020 RM'000	Period ended 30/09/2021 RM'000	Period ended 30/09/2020 RM'000
<b>Finance income:</b>				
Interest income on deposits with licensed banks	22	-	22	-
Other interest income	1,366	-	1,366	-
	1,388	-	1,388	-
Impact of discounting effect on financial instruments	3,753	-	3,753	-
	5,141	-	5,141	-
<b>Finance costs:</b>				
Interest expense on lease liabilities	(55,386)	-	(55,386)	-
Bank facilities and other charges	(1,683)	-	(1,683)	-
	(57,069)	-	(57,069)	-
Impact of discounting effect on financial instruments	(2,309)	-	(2,309)	-
	(59,378)	-	(59,378)	-
<b>Net foreign exchange (losses)/gains:</b>				
Realised	(9,382)	-	(9,382)	-
Unrealised	(2,978)	-	(2,978)	-
	(12,360)	-	(12,360)	-

**14. Taxation**

**Current taxation**

The current taxation charge comprises tax payable on interest income.

The explanation of the relationship between taxation and loss before taxation is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2021 RM'000	Quarter ended 30/09/2020 RM'000	Period ended 30/09/2021 RM'000	Period ended 30/09/2020 RM'000
Loss before tax	(149,130)	-	(149,130)	-
Tax calculated at Malaysian statutory tax rate of 24% (2019: 24%)	(35,791)	-	(35,791)	-
Tax effects:				
- deferred tax movement	-	-	-	-
- expenses not deductible for tax purposes	35,799	-	35,799	-
Taxation	8	-	8	-



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**15. Property, plant and equipment**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Property, plant and equipment	582,122	582,122
Less: Impairment loss	(582,122)	(582,122)
	<u>-</u>	<u>-</u>

(a) Acquisition and disposal

During the period ended 30 September 2021, the Group has not acquired property, plant and equipment (period ended 30 June 2021: RM4.3 million).

During the period ended 30 September 2021, there is no disposal of property, plant and equipment (period ended 30 June 2021: RM0.3 million).

(b) Revaluation

There was no revaluation of property, plant and equipment for the period ended 30 September 2021 (period ended 30 June 2021: RM Nil).

(c) Write-off

During the period ended 30 September 2021, there was no write-off property, plant and equipment (period ended 30 June 2021: RM Nil).

**16. Right of use assets**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Right of use assets	4,006,080	4,006,080
Less: Impairment loss	(4,006,080)	(4,006,080)
	<u>-</u>	<u>-</u>

**17. Finance lease receivable**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Finance lease receivable	794,250	794,250
Less: Impairment loss	(794,250)	(794,250)
	<u>-</u>	<u>-</u>



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**18. Investment in an associate**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Unquoted investments, at cost	21,122	21,122
Group's share of post-acquisition profit	(21,122)	(21,122)
	<u>-</u>	<u>-</u>

The details of the associate is as follows:-

Name	Country of Incorporation	Group effective equity interest		Principal activity
		30/09/2021 %	30/06/2021 %	
Thai AirAsia X Co. Ltd ("TAAX")	Thailand	49%	49%	Commercial air transport services

TAAX recorded a net loss of RM352.5 million in the current quarter. As at 30 September 2021, the unrecognised amount of the Group's share of loss of TAAX which have not been equity accounted for amounted to RM976.3 million. In accordance to MFRS 128, any profits will only be recognised when its shares of the profits equals the share of losses previously not recognised.

**19. Investment in a joint venture**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Unquoted investments, at cost	53,888	53,888
Group's share of post-acquisition losses	(53,888)	(53,888)
	<u>-</u>	<u>-</u>

The details of the joint venture is as follows:-

Name	Country of Incorporation	Group effective equity interest		Principal activity
		30/09/2021 %	30/06/2021 %	
PT. Indonesia AirAsia Extra ("IAAX")	Indonesia	49%	49%	Commercial air transport services

The Group has discontinued the recognition of its share of losses incurred by IAAX as the Group's interests had been reduced to zero. IAAX recorded a net profit in the current quarter of RM12.3 million. As at 30 September 2021, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM276.8 million.





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**20. Trade and other receivables**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
<b>Non-current</b>		
Deposits	1,128,540	1,051,314
Prepayments	1,095,492	1,044,152
Deferred lease expenses	23,316	23,316
	<u>2,247,348</u>	<u>2,118,782</u>
<b>Current</b>		
Trade receivables	10,953	9,062
Less : Allowance for impairment of receivables	(7,456)	(7,397)
	<u>3,497</u>	<u>1,665</u>
Other receivables	337,558	303,411
Less : Allowance for impairment of receivables *	(329,985)	(297,601)
	<u>7,573</u>	<u>5,810</u>
Deposits	85,213	84,450
Less : Allowance for impairment of receivables *	(7,195)	(7,143)
	<u>78,018</u>	<u>77,307</u>
Prepayments	29,729	27,973
Deferred lease expenses	6,849	6,849
	<u>125,666</u>	<u>119,604</u>

\*Included in the total impairment of receivables is RM330.0 million (30 June 2021: RM297.6 million) relating to lease rental and maintenance reserve due from a joint venture through a third party leasing intermediary.

**21. Inventories**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Consumables and in-flight merchandise	9,245	9,245
Less: Allowance for impairment of inventories	(9,245)	(9,245)
	<u>-</u>	<u>-</u>



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**22. Deposits, cash and bank balances**

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Cash and bank balances	13,162	14,090
Deposits with licensed banks	54,688	60,020
	<u>67,850</u>	<u>74,110</u>
Bank balances and deposits pledged as securities	(5,644)	(5,644)
Cash and cash equivalents	<u>62,206</u>	<u>68,466</u>

Cash and cash equivalents of RM62,206,000 excludes an unauthorised overdraft of RM10,450,000 which is classified under trade and other payables.

**23. Trade and other payables**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
<b>Current:</b>		
Trade payables	1,421,120	1,329,095
Other payables and accruals	427,320	410,213
Deferred lease income	2,112	2,112
	<u>1,850,552</u>	<u>1,741,420</u>
<b>Non-current:</b>		
Deferred lease income	589	589
	<u>589</u>	<u>589</u>

Included in other payables and accruals are operational expenses, passenger service charges payable to airport authorities and deferred lease income.

**24. Provision for termination**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Provision for termination	25,163,344	25,163,344

The Group has made an estimated provision for termination of RM25.16 billion as of 30 June 2021 where the Group is in default under the terms of the relevant contracts, though the aforementioned provision will be waived upon a successful completion of the proposed debt restructuring exercise. In conjunction with the proposed debt restructuring exercise, the scheme creditors submitted a proof of debt (including termination claims) amounted to RM65.14 billion. The scheme creditors are creditors of the Group whose debts are to be dealt with under the proposed debt restructuring exercise.



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**24. Provision for termination (cont'd.)**

Based on the relevant provisions in the applicable law of the relevant contracts, creditors are required to take action to mitigate their losses and to reduce their termination claims. Accordingly, management had engaged an expert to assist in determining the provisional scheme amounts and applied significant judgement in assessing and estimating the provisional scheme amounts totalling to RM33.65 billion, which includes the provision for termination claims of RM25.16 billion.

**25. Borrowings**

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Current		
Secured:		
- Term loans	295,244	292,916
- Hire purchase	12	13
- Lease liabilities	6,557,261	6,473,678
	<u>6,852,517</u>	<u>6,766,607</u>
Non-current		
Secured:		
- Hire purchase	-	2
	<u>-</u>	<u>2</u>
Total borrowings	<u>6,852,517</u>	<u>6,766,609</u>

The currency profile of borrowings is as follows:

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Ringgit Malaysia	12	15
US Dollar	6,852,505	6,766,594
	<u>6,852,517</u>	<u>6,766,609</u>

The Group borrowings are repayable as follows:

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Not later than 1 year	6,852,517	6,766,607
Later than 1 year and not later than 5 years	-	2
	<u>6,852,517</u>	<u>6,766,609</u>



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**26. Loss per share**

Basic loss per share

Basic loss per share is calculated by dividing the net loss for the quarter/financial year ended by the weighted average number of ordinary shares in issue during the quarter/financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2021	Quarter ended 30/09/2020	Period ended 30/09/2021	Period ended 30/09/2020
Net loss (RM'000)	(149,138)	-	(149,138)	-
Weighted average number of ordinary shares in issue ('000)	4,148,149	-	4,148,149	-
Loss per share (sen)	(3.6)	-	(3.6)	-

**27. Post balance sheet events**

On 12 November 2021 the Company convened a meeting of its Creditors ('CCM') to consider the Proposed Debt Restructuring as presented in the Explanatory Statement dated 18 October 2021. At the meeting of creditors the Proposed Debt Restructuring was approved by 100% of the Class A creditors, 97.56% of the Class B Creditors and 100% of the Class C creditors present and voting either in person or by proxy at the said CCM.

**28. Contingent assets**

As at the date of this report, the Group does not have any contingent assets.

**29. Contingent liabilities**

There were no major changes in contingent liabilities since the latest audited consolidated financial statements for the period ended 30 September 2021.

**30. Capital commitments outstanding not provided for in the interim financial report**

Capital commitments not provided for in the financial statements are as follows:-

	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000
Aircraft purchase	137,896,832	136,809,733



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**31. Significant related parties transactions**

Details of the relationships and transactions between AirAsia X and its significant related parties are as described below:

<u>Name of companies</u>	<u>Relationship</u>
Thai AirAsia X Co Ltd ("TAAX")	Associate
PT Indonesia AirAsia Extra ("IAAX")	Joint Venture
AirAsia Berhad ("AAB")	Shareholder of the Company for which there is no control, significant influence or joint control, and common Directors and shareholders
 <u>Subsidiaries of AirAsia Group Berhad</u>	
AirAsia SEA Sdn Bhd ("AASEA")	Common Directors and shareholders
Rokki Sdn Bhd ("Rokki")	Common Directors and shareholders
BIGLIFE Sdn Bhd ("BIG")	Common Directors and shareholders
Ground Team Red Sdn Bhd ("GTR")	Common Directors and shareholders
Teleport Everywhere Pte Ltd	Common Directors and shareholders
AirAsia (Guangzhou) Aviation Service Limited ("AirAsia (Guangzhou)")	Common Directors and shareholders
 <u>Associates of AirAsia Group Berhad</u>	
Thai AirAsia Co Ltd ("TAA")	Common Directors and shareholders
PT Indonesia AirAsia ("IAA")	Common Directors and shareholders
AirAsia Japan Co., Ltd ("AAJ")	Common Directors and shareholders
Philippines AirAsia Inc. ("AAZ")	Common Directors and shareholders
 <u>Other related entities</u>	
Ormond Lifestyle Services Sdn Bhd (formerly known as Yummy Kitchen Sdn Bhd)	Common Directors and shareholders
Tune Insurance Malaysia Berhad ("TIMB")	Common Directors and shareholders
AirAsia (India) Limited ("AAI")	Common Directors and shareholders

These following items have been included in the income statement and balance sheet:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter ended</b>	<b>Quarter ended</b>	<b>Period ended</b>	<b>Period ended</b>
	<b>30/09/2021</b>	<b>30/09/2020</b>	<b>30/09/2021</b>	<b>30/09/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
TAA X				
- Aircraft operating lease income for leased aircraft	57,494	-	57,494	-
- Net operational services charged	1,581	-	1,581	-
IAAX				
- Net operational services charged	536	-	536	-
AAB				
- Net operational services charged	(873)	-	(873)	-



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**31. Significant related parties transactions (cont'd.)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
AAZ				
- Net operational services charged	10	-	10	-
AASEA				
- Provision of shared services	(342)	-	(342)	-
- Net operational services charged	(6)	-	(6)	-
GTR				
- Ground handling services	(769)	-	(769)	-
- Net operational services charged	21	-	21	-
AAI				
- Net operational services charged	(43)	-	(43)	-
TELEPORT				
- Purchase of cargo transportation capacity	68,534	-	68,534	-
AirAsia (Guangzhou)				
- Net operational services charged	(22)	-	(22)	-

**32. Review of Group's performance**

**Performance of current quarter against the same quarter last year for Malaysia**

As announced on 2 December 2020, the financial year end of the Group has been changed from 31 December 2020 to 30 June 2021. As such, there will be no comparative financial information available for the same quarter last year.

**33. Variance of results against preceding quarter**

The Group recorded a loss before taxation of RM149 million for the quarter under review as compared to loss before taxation of RM24,625 million in 6Q20.

**34. Other profit and loss items**

In the current quarter and period ended, there has been no interest income, other income including investment income, interest expense, depreciation and amortisation, provision for and write off of receivables and inventories, gain or loss on disposal of quoted and unquoted investments or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and/or exceptional items except as disclosed either in the consolidated income statements and/or notes to the unaudited financial statements.



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#### **35. Commentary on prospects**

As disclosed in Note 27, on 12 November 2021 the Company convened a meeting of its Creditors ('CCM') to consider the Proposed Debt Restructuring as presented in the Explanatory Statement dated 18 October 2021. At the meeting of creditors the Proposed Debt Restructuring was approved by 100% of the Class A creditors, 97.56% of the Class B Creditors and 100% of the Class C creditors present and voting either in person or by proxy at the said CCM.

As the requisite majority of 75% of each Class A Creditors, Class B Creditors and Class C Creditors has been obtained at their respective CCMs, the Proposed Debt Restructuring has accordingly been approved by the Scheme Creditors, and now remains subject to sanction by the High Court of Malaya.

Subject to the sanction of the Proposed Debt Restructuring by the High Court of Malaya the proposed capital reduction and fund raising exercise, approved by the Company's shareholders at the EGM held on 1 June 2021, will commence. The fund raising exercise intends to raise sufficient capital to restart operations when international borders reopen, and provide sufficient liquidity to allow the Company to meet its financial obligations.

Further developments on the above matters will be announced to Bursa Malaysia Securities Berhad as and when they occur.

#### **36. Profit forecast**

The disclosure requirement is not applicable as the Group did not publish any profit forecast.

#### **37. Corporate proposal**

As previously disclosed, on 6 October 2020, the Company announced to Bursa Malaysia a Proposed Debt Restructuring scheme pursuant to Section 366 of the Malaysian Companies Act, 2016. A further announcement was made to Bursa Malaysia on 14 December 2020 proposing to revise the reduction of share capital to 99.9% and to raise up to an additional RM500m of equity funding. Additional announcements have been made to Bursa Malaysia on 7 October 2020, 9 October 2020, 4 November 2020, 5 November 2020, 19 November 2020, 5 January 2021, 29 January 2021, 22 February 2021, 8 March 2021, 17 March 2021, 23 April 2021, 26 April 2021, 17 June 2021, 15 September 2021, 18 October 2021, and 12 November 2021 in relation to the Proposals and Proposed Debt Restructuring.

#### **38. Material litigation**

Save as announced, as at 16 November 2021, there was no material litigation taken or threatened against the Company and its subsidiaries.

#### **39. Proposed dividend**

The Directors did not recommend any dividend for the quarter ended 30 September 2021.

#### **40. Reclassification of comparative figures**

Certain accounts were being reclassified to conform with current year's presentation.

#### **By Order of the Board**

23 NOVEMBER 2021