

AIRASIA X BERHAD (“AAX” OR THE “COMPANY”)

FIRST ANNOUNCEMENT PURSUANT TO THE PRACTICE NOTE 17 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. INTRODUCTION

The Board of Directors of AAX hereby announces that AAX has triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 (“**PN17**”) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”). Hence, on even date, the Company is considered as a PN17 issuer (“**First Announcement**”)

The PN17 prescribed criteria is triggered as AAX’s external auditors, Messrs Ernst & Young PLT, have expressed a disclaimer of opinion in the Company’s audited financial statements for the 18-month financial period ended 30 June 2021 announced on 29 October 2021.

2. OBLIGATIONS OF AAX AS A PN17 ISSUER

Pursuant to PN17 of the Listing Requirements, AAX as a PN17 issuer is required to comply with the following:-

- (i) regularise its condition in the following manner:-
 - (a) within 12 months from the date of this First Announcement;
 - (1) submit a regularisation plan to the Securities Commission Malaysia (“**SC**”) if the plan will result in a significant change in the business direction or policy of the Company; or
 - (2) submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of the Company, and obtain Bursa Securities’ approval to implement the plan;
 - (b) implement the plan within the time frame stipulated by the SC or Bursa Securities, as the case may be;
- (ii) announce within 3 months from this First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;
- (iii) announce the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in Paragraphs 5.1 and 5.2 of PN17 of the Listing Requirements, as may be applicable, on a monthly basis until further notice from Bursa Securities;
- (iv) announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17 of the Listing Requirements, on an immediate basis;
- (v) announce the details of the regularisation plan and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 5.4 of PN17 of the Listing Requirements after implementation of the regularisation plan, which the announcement must include a timeline for the complete implementation of the regularisation plan and to be announced by the Company’s Principal Adviser; and

- (vi) where the Company fails to regularise its condition, to announce the dates of suspension and de-listing of its listed securities immediately upon notification of suspension and de-listing by Bursa Securities.

3. CONSEQUENCE OF NON-COMPLIANCE

If the Company fails to comply with any part of its obligations to regularise its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall:-

- (i) suspend the trading of the Company's listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and
- (ii) de-list the Company, subject to the Company's right to appeal against the de-listing within 5 market days from the date of notification of de-listing by Bursa Securities.

4. STATUS OF THE PLAN TO REGULARISE THE COMPANY'S CONDITION

The Company is taking the necessary steps to address its PN17 status. For your information, the Company is currently undertaking the Proposed Debt Restructuring, Proposed Corporate Restructuring and Proposed Fundraising. The details of these proposals are set out in circular to shareholders of the Company dated 10 May 2021 and announcements made on Bursa Securities.

As at to date, the court convened meetings for the scheme creditors in respect of the Proposed Debt Restructuring are to be held on 12 November 2021, prior to implementation of the Proposed Corporate Restructuring and Proposed Fundraising.

This announcement is dated 29 October 2021.