

AIRASIA X BERHAD

SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN AIRASIA X BERHAD (“AIRASIA X” OR “THE COMPANY”) AND GENERAL ELECTRIC COMPANY, ACTING THROUGH ITS GE ENGINE SERVICES DISTRIBUTION LLC AND GE ENGINE SERVICES LLC (COLLECTIVELY “GE”)

1. INTRODUCTION

The Board of Directors of AirAsia X wishes to announce that the Company had on 28 April 2014 entered into a Memorandum of Understanding (“MOU”) with GE for the purpose of recording its intention for GE to provide the Company with CF6-80E1 engines and onpoint rate per flight hour maintenance offer for twenty six (26) A330-300 aircraft (“Aircraft”) that will be delivered from 2015 to 2019 (“GE Engines”).

AirAsia X and GE are collectively referred to as the “Parties”.

2. DETAILS OF THE MOU

2.1. Objective of MOU

The MOU stipulates the Parties’ general intentions and mutual understanding in relation to delivery of the GE Engines to the Company for the Aircraft which will be formalised in the definitive agreements to be entered into between the Parties (“Definitive Agreements”). The MOU is not intended to create legal relations between the Parties and shall not constitute a contractually binding arrangement between the Parties.

2.2. Salient terms of MOU

It is agreed in principle that the Company will select the CF6-80E1 engines as the qualified engine model to power the Aircraft.

It is also agreed in principle that GE will provide the Company with CF6-80E1 engines and onpoint rate per flight hour maintenance offer for the Aircraft.

2.3. Duration of MOU

The MOU shall commence and become effective on 28 April 2014 (“Commencement Date”) until all the transactions and matters contemplated by the MOU are incorporated into the Definitive Agreements between Parties on or before 30 June 2014 or any later date as may be agreed by both Parties unless it is otherwise lawfully terminated.

3. BACKGROUND INFORMATION ON GE

GE was incorporated on 15 April 1892 under the laws of the United States. It is a diversified technology and financial services company. The products and services of the Company range from aircraft engines, power generation, water processing, and household appliances to medical imaging, business and consumer financing and industrial products.

4. RATIONALE OF THE MOU

The Company is in the process of purchasing and taking delivery of twenty six (26) Aircraft from 2015-2019. The Company has selected the GE Engines which is produced by GE as the qualified engine model to power the Aircraft.

5. EFFECTS OF THE MOU ON AIRASIA X

The MOU is not expected to have material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company for the financial year ending 31 December 2014.

6. DIRECTOR'S AND MAJOR SHAREHOLDER'S INTEREST

None of the directors and/or major shareholders of the Company or any persons connected to them have any interest, direct or indirect, in the MOU.

7. BOARD OF DIRECTORS' APPROVAL

Having regard to the rationale and the relevant factors, the Board has approved the MOU and is of the opinion that the MOU is in the best interest of the Company.

8. APPROVAL REQUIRED

The MOU is not subject to the approval of the shareholders of the Company or any government authorities.

9. DOCUMENT FOR INSPECTION

The MOU is available for inspection at the registered office of AirAsia X at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 28 April 2014.