



AIRASIA X BERHAD

(Company No. 734161-K)

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

THIRD QUARTER REPORT ENDED 31 MARCH 2022

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 third quarter ended 31 March 2022.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		RM'000	RM'000	RM'000	RM'000
Revenue	10	113,015	-	331,594	-
Operating Expenses					
- Staff costs	11	(14,226)	-	(40,154)	-
- Aircraft fuel expenses		(54,800)	-	(140,359)	-
- Maintenance and overhaul		(27,099)	-	(166,129)	-
- User charges		(13,299)	-	(45,415)	-
- Aircraft lease expenses		(9,800)	-	(19,425)	-
- Other operating expenses		33,625,172	-	33,603,960	-
Other income		128	-	1,516	-
Share of results of an associate	16	-	-	-	-
Share of results of a joint venture	17	-	-	-	-
EBITDA *		33,619,091	-	33,525,588	-
Finance income	12	22	-	5,244	-
Finance costs	12	(54)	-	(59,945)	-
Net Operating profit		33,619,059	-	33,470,887	-
Net foreign exchange gain/(losses)	12	(1,399)	-	(14,365)	-
Profit before taxation		33,617,660	-	33,456,522	-
Taxation					
Current taxation	13	(2)	-	54	-
Profit for the financial period		33,617,658	-	33,456,576	-
Attributable to:					
Equity holders of the Company		33,617,658	-	33,456,576	-
Non-controlling Interests		-	-	-	-
		33,617,658	-	33,456,576	-
Earnings per share (sen)					
Basic	25	8,104.3	-	8,065.4	-
Diluted	25	8,104.3	-	8,065.4	-

* 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period Ended	Period Ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	33,617,658	-	33,456,576	-
Other comprehensive (loss)/income				
Foreign currency translation differences	(89)	-	(527)	-
Total comprehensive profit for the financial period	33,617,569	-	33,456,049	-
Total comprehensive profit attributable				
To equity holder of the company	33,617,569	-	33,456,049	-
Total comprehensive profit for the financial period	33,617,569	-	33,456,049	-

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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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		Unaudited As At 31/03/2022 RM'000	Audited As At 30/06/2021 RM'000
	Note		
NON-CURRENT ASSETS			
Property, plant & equipment	14	133,720	-
Right of use assets	15	-	-
Finance lease receivable	16	-	-
Investment in an associate	17	-	-
Investment in a joint venture	18	-	-
Trade and other receivables	19	134,322	2,118,782
Amount due from an associate		-	23,434
		268,042	2,142,216
CURRENT ASSETS			
Inventories	20	-	-
Trade and other receivables	19	26,270	119,604
Amount due from an associate		-	150,540
Amounts due from related parties		13,553	4,068
Finance lease receivable	16	-	-
Tax recoverable		1,780	1,694
Deposits, cash and bank balances	21	46,900	74,110
		88,503	350,016
CURRENT LIABILITIES			
Sales in advance		8,596	504,841
Trade and other payables	22	204,173	1,741,420
Provision for termination	23	-	25,163,344
Amount due to an associate		-	3,625
Amount due to related parties		2,890	353,906
Borrowings	24	5	6,766,607
Provision for aircraft maintenance		-	29,469
		215,664	34,563,212
Net Current Liabilities		(127,161)	(34,213,196)
NON-CURRENT LIABILITIES			
Trade and other payables	22	-	589
Amount due to an associate		-	170,284
Borrowings	24	-	2
Provision for aircraft maintenance		266,496	1,339,809
		266,496	1,510,684
		(125,615)	(33,581,664)
CAPITAL AND RESERVES			
Share capital		1,534	1,534,044
Currency translation reserve		200	727
Accumulated losses		(127,349)	(35,116,435)
Shareholders' equity		(125,615)	(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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Issued and fully paid
ordinary shares

	Number of shares '000	Nominal Value RM'000	Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 July 2021	4,148,149	1,534,044	727	(35,116,435)	(33,581,664)
Net profit for the financial period	-	-	-	33,456,576	33,456,576
Share consolidation	(3,733,334)	-	-	-	-
Share capital reduction	-	(1,532,510)	-	1,532,510	-
Other comprehensive loss	-	-	(527)	-	(527)
Total comprehensive loss	(3,733,334)	(1,532,510)	(527)	34,989,086	33,456,049
At 31 March 2022	414,815	1,534	200	(127,349)	(125,615)
At 1 January 2020	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-
At 30 June 2021	-	-	-	-	-

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
		31/03/2022	31/03/2021
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		33,456,522	-
Adjustments:			
Finance income		(1,491)	-
Finance costs		57,636	-
Impact of discounting effect on financial instruments (net)		(1,444)	-
Net unrealised foreign exchange losses		4,940	-
Operating profit before working capital changes		33,516,163	-
Changes in working capital:			
Trade and other receivables		241,232	-
Related parties balances		(190,922)	-
Trade and other payables		(33,095,050)	-
Sales in advance		(496,245)	-
Cash flows generated from operations		(24,822)	-
Finance costs paid		(2,250)	-
Interest received		125	-
Net cash used in operating activities		(26,947)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase		(3)	-
Deposits pledged as securities		2,434	-
Net cash used in financing activities		2,431	-
NET DECREASE FOR THE FINANCIAL PERIOD		(24,516)	-
CURRENCY TRANSLATION DIFFERENCES		(260)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		68,466	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	21	43,690	-

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 - 31 MARCH 2022

Performance indicator for current quarter against the same quarter last year

During the quarter ended 31 March 2022 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 31 March 2021.



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NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2022

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
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		RM'000	RM'000	RM'000	RM'000
Revenue	10	113,015	-	331,594	-
Operating Expenses					
- Staff costs	11	(14,226)	-	(40,154)	-
- Aircraft fuel expenses		(54,800)	-	(140,359)	-
- Maintenance and overhaul		(27,099)	-	(166,129)	-
- User charges		(13,299)	-	(45,415)	-
- Aircraft operating lease expenses		(9,800)	-	(19,425)	-
- Other operating expenses		33,625,172	-	33,603,960	-
Other income		128	-	1,516	-
Operating profit		33,619,091	-	33,525,588	-
Finance income	12	22	-	5,244	-
Finance costs	12	(54)	-	(59,945)	-
Net operating profit		33,619,059	-	33,470,887	-
Foreign exchange gains/(losses)	12	(1,399)	-	(14,365)	-
Share of results of an associate	15	-	-	-	-
Share of results of a joint venture	16	-	-	-	-
Other losses		-	-	-	-
Profit before taxation		33,617,660	-	33,456,522	-
Taxation					
Current taxation	13	(2)	-	54	-
Deferred taxation	13	-	-	-	-
		(2)	-	54	-
Profit for the financial period		33,617,658	-	33,456,576	-



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NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2022

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 - 31 MARCH 2022

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 and the Company to return to profitability is dependent on the successful negotiation and continue support from all relevant vendors. The Group and the Company are currently in negotiation with the relevant vendors and have yet to finalise any arrangement as of the date of this report. Therefore, there is material uncertainty on the outcome of the negotiation with the relevant vendors.



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(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.

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 584 during the quarter.

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

As detailed in note 34, the debt restructuring of the Company was completed on 16 March 2022 which has resulted in a write back of provisions and forgiveness of liabilities in the period, amounting to RM33.6bn.

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

Following the announcement of the share consolidation on 26 January 2022, total issued and paid up share capital as at 31 March 2022 is RM1,534,044 (30 June 2021: RM1,534,043,625).

8. Dividend paid

No dividends were declared, approved or paid during the quarter ended 31 March 2022.

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 Chief Executive Officer ("CEO"). The CEO 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 CEO 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 - 31 MARCH 2022

9. Segment reporting (cont'd.)

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination Adjustments RM'000	Total RM'000
Quarter ended 31 March 2022					
Revenue	113,015	242,921	-	-	355,936
Operating expenses					
- Staff costs	(14,226)	(14,213)	(347)	-	(28,786)
- Depreciation	-	(34,582)	(402)	-	(34,984)
- Aircraft fuel expenses	(54,800)	(84,033)	-	-	(138,833)
- Maintenance and overhaul	(27,099)	(73,073)	6	-	(100,166)
- User charges	(13,299)	(51,075)	19	-	(64,355)
- Aircraft lease expenses	(9,800)	-	-	-	(9,800)
- Other operating expenses	33,625,172	(36,612)	(405)	-	33,588,155
Other income	128	39	228	-	395
Operating profit/(loss)	33,619,091	(50,628)	(901)	-	33,567,562
Finance income	22	1,889	-	-	1,911
Finance costs	(54)	(13,907)	(1)	-	(13,962)
Net operating profit/(loss)	33,619,059	(62,646)	(902)	-	33,555,511
Foreign exchange (losses)/gains	(1,399)	100,579	(14,031)	-	85,149
Other losses	-	-	-	-	-
Profit/(Loss) before taxation	33,617,660	37,933	(14,933)	-	33,640,660



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9. Segment reporting (cont'd.)

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination Adjustments RM'000	Total RM'000
Period ended 31 March 2022					
<u>Segment results</u>					
Revenue	331,594	624,146	-	(25,722)	930,018
Operating expenses					
- Staff costs	(40,154)	(39,486)	(687)	-	(80,327)
- Depreciation	-	(5,282)	(1,167)	-	(6,449)
- Aircraft fuel expenses	(140,359)	(197,909)	-	-	(338,268)
- Maintenance and overhaul	(166,129)	(201,749)	5,087	25,722	(337,069)
- User charges	(45,415)	(131,588)	86	-	(176,917)
- Aircraft lease expenses	(19,425)	-	-	-	(19,425)
- Other operating expenses	33,603,960	653,498	251	-	34,257,709
Other income	1,516	389	225	-	2,130
Operating profit/(loss)	33,525,588	702,019	3,795	-	34,231,402
Finance income	5,244	5,780	2	-	11,026
Finance costs	(59,945)	(26,266)	(3)	-	(86,214)
Net operating profit/(loss)	33,470,887	681,533	3,794	-	34,156,214
Foreign exchange (losses)/gains	(14,365)	(27,441)	(6,308)	-	(48,114)
Other losses	-	-	-	-	-
Profit/(Loss) before taxation	33,456,522	654,092	(2,514)	-	34,108,100

a) Reconciliation of segment revenue to reported revenue:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2022 RM'000	Quarter ended 31/03/2021 RM'000	Period ended 31/03/2022 RM'000	Period ended 31/03/2021 RM'000
Segment revenue	355,936	-	930,018	-
Add: Inter-segment revenue	-	-	25,722	-
Less: Revenue from affiliates which were not consolidated	(242,921)	-	(624,146)	-
	113,015	-	331,594	-



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9. Segment reporting (cont'd.)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Segment profit before taxation	33,640,660	-	34,108,100	-
Add: Segment profit/(loss) from affiliates which were not consolidated	(23,000)	-	(651,578)	-
	<u>33,617,660</u>	<u>-</u>	<u>33,456,522</u>	<u>-</u>

10. Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Scheduled flights	198	-	2,508	-
Charter flights	31,240	-	69,499	-
Freight services	81,534	-	233,658	-
Ancillary revenue **	45	-	303	-
Aircraft operating lease income	-	-	25,507	-
Management fees	(2)	-	119	-
	<u>113,015</u>	<u>-</u>	<u>331,594</u>	<u>-</u>

** 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
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Wages, salaries, bonuses and allowances	12,769	-	36,263	-
Defined contribution retirement plan	1,457	-	3,891	-
	<u>14,226</u>	<u>-</u>	<u>40,154</u>	<u>-</u>



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2022 RM'000	Quarter ended 31/03/2021 RM'000	Period ended 31/03/2022 RM'000	Period ended 31/03/2021 RM'000
Finance income:				
Interest income on deposits with licensed banks	22	-	125	-
Other interest income	-	-	1,366	-
	22	-	1,491	-
Impact of discounting effect on financial instruments	-	-	3,753	-
	22	-	5,244	-
Finance costs:				
Interest expense on lease liabilities	-	-	(55,386)	-
Bank facilities and other charges	(54)	-	(2,250)	-
	(54)	-	(57,636)	-
Impact of discounting effect on financial instruments	-	-	(2,309)	-
	(54)	-	(59,945)	-
Net foreign exchange (losses)/gains:				
Realised	563	-	(9,425)	-
Unrealised	(1,962)	-	(4,940)	-
	(1,399)	-	(14,365)	-

13. 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 31/03/2022 RM'000	Quarter ended 31/03/2021 RM'000	Period ended 31/03/2022 RM'000	Period ended 31/03/2021 RM'000
Profit before tax	33,617,660	-	33,456,522	-
Tax calculated at Malaysian statutory tax rate of 24% (2019: 24%)	8,068,238	-	8,029,565	-
Tax effects:				
- deferred tax movement	(8,068,235)	-	(8,068,237)	-
- expenses not deductible for tax purposes	(1)	-	38,618	-
Taxation	2	-	(54)	-



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14. Property, plant and equipment

	As at 31/03/2022	As at 30/06/2021
	RM'000	RM'000
Property, plant and equipment	582,122	582,122
Less: Impairment loss	(448,402)	(582,122)
	<u>133,720</u>	<u>-</u>

(a) Acquisition and disposal

During the period ended 31 March 2022, the Group has not acquired property, plant and equipment (period ended 30 June 2021: RM4.3 million).

During the period ended 31 March 2022, 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 31 March 2022 (period ended 30 June 2021: RM Nil).

(c) Write-off

During the period ended 31 March 2022, there was no write-off property, plant and equipment (period ended 30 June 2021: RM Nil).

15. Right of use assets

	As at 31/03/2022	As at 30/06/2021
	RM'000	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>

16. Finance lease receivable

	As at 31/03/2022	As at 30/06/2021
	RM'000	RM'000
Finance lease receivable	794,250	794,250
Less: Impairment loss	(794,250)	(794,250)
	<u>-</u>	<u>-</u>



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17. Investment in an associate

	As at 31/03/2022	As at 30/06/2021
	RM'000	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
		31/03/2022	30/06/2021	
		%	%	
Thai AirAsia X Co. Ltd ("TAAX")	Thailand	49%	49%	Commercial air transport services

TAAX recorded a net profit of RM37.9 million in the current quarter. As at 31 March 2022, the unrecognised amount of the Group's share of loss of TAAX which have not been equity accounted for amounted to RM498.0 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.

18. Investment in a joint venture

	As at 31/03/2022	As at 30/06/2021
	RM'000	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
		31/03/2022	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 loss in the current quarter of RM14.9 million. As at 31 March 2022, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM284.1 million.



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19. Trade and other receivables

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Non-current		
Deposits	134,322	1,051,314
Prepayments	-	1,044,152
Deferred lease expenses	-	23,316
	<u>134,322</u>	<u>2,118,782</u>
Current		
Trade receivables	8,952	9,062
Less : Allowance for impairment of receivables	(7,491)	(7,397)
	<u>1,461</u>	<u>1,665</u>
Other receivables	368,643	303,411
Less : Allowance for impairment of receivables *	(364,059)	(297,601)
	<u>4,584</u>	<u>5,810</u>
Deposits	7,421	84,450
Less : Allowance for impairment of receivables *	(2,091)	(7,143)
	<u>5,330</u>	<u>77,307</u>
Prepayments	14,895	27,973
Deferred lease expenses	-	6,849
	<u>26,270</u>	<u>119,604</u>

*Included in the total impairment of receivables is RM332.2 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.

20. Inventories

	As at 31/03/2022 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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21. Deposits, cash and bank balances

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

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Cash and bank balances	12,717	14,090
Deposits with licensed banks	34,183	60,020
	<u>46,900</u>	<u>74,110</u>
Bank balances and deposits pledged as securities	(3,210)	(5,644)
Cash and cash equivalents	<u>43,690</u>	<u>68,466</u>

Cash and cash equivalents of RM52,714,000 excludes an unauthorised overdraft of RM7,962,000 which is classified under trade and other payables.

22. Trade and other payables

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Current:		
Trade payables	18,044	1,329,095
Other payables and accruals	186,129	410,213
Deferred lease income	-	2,112
	<u>204,173</u>	<u>1,741,420</u>
Non-current:		
Deferred lease income	-	589
	<u>-</u>	<u>589</u>

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

23. Provision for termination

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Provision for termination	-	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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23. 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.

24. Borrowings

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Current		
Secured:		
- Term loans	-	292,916
- Hire purchase	5	13
- Lease liabilities	-	6,473,678
	<u>5</u>	<u>6,766,607</u>
Non-current		
Secured:		
- Hire purchase	-	2
	<u>-</u>	<u>2</u>
Total borrowings	<u>5</u>	<u>6,766,609</u>

The currency profile of borrowings is as follows:

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Ringgit Malaysia	5	15
US Dollar	-	6,766,594
	<u>5</u>	<u>6,766,609</u>

The Group borrowings are repayable as follows:

	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000
Not later than 1 year	5	6,766,607
Later than 1 year and not later than 5 years	-	2
	<u>5</u>	<u>6,766,609</u>



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25. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit 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 31/03/2022	Quarter ended 31/03/2021	Period ended 31/03/2022	Period ended 31/03/2021
Net profit (RM'000)	33,617,658	-	33,456,576	-
Weighted average number of ordinary shares in issue ('000)	414,815	-	414,815	-
Earnings per share (sen)	8,104	-	8,065	-

26. Post balance sheet events

Events relating to the ongoing restructuring of the Company which have occurred since the balance sheet date are disclosed in note 34, Commentary on Prospects.

27. Contingent assets

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

28. Contingent liabilities

There were no major changes in contingent liabilities since the latest audited consolidated financial statements for the period ended 31 March 2022.

29. 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 31/03/2022 RM'000	As at 30/06/2021 RM'000
Aircraft purchase	37,898,133	136,809,733



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30. 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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
TAA X				
- Aircraft operating lease income for leased aircraft	44,396	-	159,269	-
- Net operational services charged	1,432	-	4,480	-
IAAX				
- Net operational services charged	-	-	536	-
AAB				
- Net operational services charged	(846)	-	(2,583)	-



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30. Significant related parties transactions (cont'd.)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
AAZ				
- Net operational services charged	34	-	74	-
AASEA				
- Provision of shared services	(165)	-	(849)	-
- Net operational services charged	1,310	-	1,238	-
GTR				
- Ground handling services	(1,081)	-	(3,256)	-
- Net operational services charged	11	-	33	-
AAI				
- Net operational services charged	(51)	-	(175)	-
TELEPORT				
- Purchase of cargo transportation capacity	91,711	-	242,045	-
AirAsia (Guangzhou)				
- Net operational services charged	34	-	114	-

31. 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.

32. Variance of results against preceding quarter

The Group recorded a profit before taxation of RM33,618 million for the quarter under review as compared to loss before taxation of RM12 million in 1Q22.

33. 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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34. Commentary on prospects

Subsequent to previous announcements made to Bursa Malaysia on the debt restructuring the Company announced, on 16 March 2022, that the Sanction Order has been duly lodged with the Registrar of Companies of Malaysia, in accordance with Section 366(5) of the Companies Act, and the proposed debt restructuring would take effect on that date.

The lodgement of the Sanction Order marks the completion of the debt restructuring process, a fact which is reflected in the financial statements for the quarter where RM33.6bn of provisions made for default under contracts, and liabilities which have been forgiven have been reversed.

From an operational perspective the Company has continued to operate cargo and charter flights during the quarter under review and generated RM113.0m of revenue, a slight reduction of RM3.4m or 3% over the previous quarter. Cargo operations have been adversely impacted by the recent lockdowns imposed in China, and a decline in cargo yields as more capacity comes back online, but the Company continues to seek to diversify its cargo customer base to support cargo revenues in the future.

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

35. Profit forecast

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

36. Corporate proposal

The status of corporate proposals is as follows:

(a) Share Capital Reduction

Following the lodgement of an office copy of the sealed Order of the High Court of Malaya confirming the special resolution for the proposed share capital reduction (“**Share Capital Reduction**”) pursuant to Section 116 of the Companies Act, 2016 with the Registrar of Companies on 26 January 2022, the Share Capital Reduction has taken effect and be deemed completed on 26 January 2022.

(b) Share Consolidation

The share consolidation exercise has been completed following the listing and quotation of 414,814,737 consolidated shares on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m., 14 February 2022.



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(c) Debt Restructuring

As the requisite majority of 75% of each Class A Creditors, Class B Creditors and Class C Creditor (“**Scheme Creditors**”) has been obtained at their respective Court Convened Meetings held on 12 November 2021, the debt restructuring exercise (“**Debt Restructuring**”) has accordingly been approved by the Scheme Creditors. Subsequently, the Company’s application for approval and/ or sanction of the Debt Restructuring was granted by the High Court of Malaya at the hearing held on 16 December 2021 (“**Sanction Order**”). The Debt Restructuring has taken effect upon lodgement of the Sanction Order with the Registrar of Companies of Malaysia on 16 March 2022.

(d) Fundraising

Bursa Malaysia Securities Berhad has, vide its letter dated 24 March 2022, resolved to grant the Company an extension of time until 26 October 2022 to complete the implementation of the remaining corporate exercises. The fundraising exercise is progressing and any material development will be announced to Bursa Malaysia Securities Berhad accordingly.

37. Material litigation

Save as announced, as at 23 May 2022, there was no material litigation taken or threatened against the Company and its subsidiaries.

38. Proposed dividend

The Directors did not recommend any dividend for the quarter ended 31 March 2022.

39. Reclassification of comparative figures

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

By Order of the Board

30 MAY 2022