

Press Release

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AirAsia X accommodates Malaysia Airports but will not be intimidated

SEPANG, 4 November 2020 – AirAsia X Berhad (AirAsia X) has submitted a revised restructuring scheme to seek the convening of a court sanctioned meeting for all creditors to vote on the terms of the restructuring.

Pursuant to AirAsia X's announcement of the scheme of 6 October 2020, Malaysia Airports (Sepang) Sdn Bhd (MASSB), objected to its classification as an unsecured creditor. After consultation, AirAsia X has accommodated MASSB and made certain clarifications and revised the scheme under two separate classes "A" and "B". Class A shall consist of creditors who are considered critical or essential and who may have secured and/or other rights. Class B shall consist of creditors who do not fall within Class A.

MASSB is now a Class A creditor.

MASSB has further issued a writ demanding an immediate payment of RM78 million (RM78 Mil Claim) comprising largely of passenger service charges (PSC) that was never collected from passengers.

AirAsia X wishes to reiterate that it will not meet this demand for, amongst others, the following reasons:

1. The issue of the legality of the PSC scheme is the subject matter of pending litigation and a further court hearing is scheduled for 24 March 2021. This duplicity of legal actions is an abuse of the court process. This is and has always been a contentious matter between the parties but now, the timing of the RM78 Mil Claim appears opportunistic.
2. By seeking immediate payment of the RM78 million, MASSB is impeding the restructuring process and AirAsia X is concerned that this appears to be an attempt to gain preferential treatment and an unfair and unlawful advantage over all other creditors, including the thousands of passengers that are affected.
3. Notwithstanding the above and in the interest of time, the disputed RM78 million has been included in full in Class A. The scheme will be in line with all other creditors and avoid any preferential treatment for MASSB.
4. MASSB, through its lawyers, have also threatened to take civil and criminal breach of trust (CBT) actions against the directors of AirAsia X in their personal capacity for the non-collection of the PSC. The Board of AirAsia X denies that there is any element of CBT concerning the PSC whatsoever especially when the outstanding and contentious portion of the PSC was never collected from the passengers. In addition to being frivolous and vexatious, this move is intimidatory in nature and at odds with MASSB's stated intentions of finding an amicable solution moving forward.

AirAsia X also wishes to report that major creditors have all demonstrated great maturity, professionalism, constructive engagement and commercial realism in dealing with the debt restructuring exercise. Though the process is on-going and a common consensus remains to be reached, AirAsia X looks forward to being able to present the revised scheme for all creditors to vote on early in the first quarter of 2021.

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AirAsia X urges MASSB, being possibly one of the largest beneficiaries of a revitalised AirAsia X, to allow for the convening of a timely voting by all creditors to complete this restructuring process so that AirAsia X can take to the skies again and continue to provide an essential public service to all Malaysians.

ENDS