

Media Statement

FOR IMMEDIATE RELEASE



AirAsia X proposes to reduce issued capital by 99.9pct and announces plans for fresh equity of RM500 million for a reset of the airline post-COVID-19

SEPANG, 14 December 2020 - Pursuant to representations made by certain creditors, AirAsia X Berhad (AirAsia X) intends to revise the proposed reduction of 90% of the issued share capital of AirAsia X to 99.9% of the issued share capital. This comprises a reduction of the issued share capital of approximately RM1,532.51 million to RM1.53 million. The credit arising from the proposed share capital reduction will be used to offset part of the accumulated losses. The proposed share consolidation which shall be undertaken following the proposed share capital reduction shall remain unchanged, i.e. a consolidation of every 10 existing AirAsia X shares into 1 AirAsia X share.

Shareholders funds after the capital reduction remains negative but the consolidation of shares post-capital reduction will provide a platform to seek fresh funding from existing shareholders.

For its fundraising, AirAsia X proposes to raise up to RM500 million comprising both a rights issue of up to RM300 million from existing shareholders and a share subscription of shares of up to RM200 million from new investors. This equity fundraising exercise is a critical component of the comprehensive restructuring and recapitalisation plan announced earlier and will support the implementation of the Group's revised business plan. The operating environment is evolving and dynamic. There are several scenarios envisaged within our business plan and the funds to be raised are adequate for each of these scenarios.

Prior to the fundraising however, AirAsia X must first secure the approval of its creditors for the debt restructuring scheme. Several lessors have intervened in the restructuring proceedings to register their objections to the scheme. AirAsia X wishes to reiterate that the debt restructuring scheme is a prerequisite for the recapitalisation of the Company by both existing and new investors and a comprehensive reset of the airline is required to provide a platform to rebuild and a vehicle attractive enough for investors to invest in.

In the next few weeks, AirAsia X will continue to engage with creditors and hopes to further allay their concerns. The alternative to the scheme is a liquidation of the airline without any returns to creditors. Post-COVID-19, a reset with fresh equity and a repositioning of the airline as a regional medium-haul low-cost carrier will provide the best economic returns to creditors in a continued business relationship.

The Company has received some indications of interest for investment in a restructured AirAsia X and will similarly continue to engage with these potential investors.

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