



AIRASIA X BERHAD
(Company No. 734161-K)
(Incorporated in Malaysia under the Companies Act, 1965)
FOURTH QUARTER REPORT ENDED 31 December 2017

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 fourth quarter ended 31 December 2017.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|------|--------------------|----------------|----------------|--------------------|
| | | Quarter ended | Quarter ended | Period Ended | Period Ended |
| | | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | | RM'000 | RM'000 | RM'000 | Restated RM'000 |
| Revenue | 10 | 1,220,466 | 1,170,295 | 4,562,005 | 3,900,782 |
| Operating Expenses | | | | | |
| - Staff costs | 11 | (112,725) | (123,584) | (421,259) | (369,594) |
| - Depreciation of property, plant and equipment | | (27,376) | (27,558) | (109,338) | (113,531) |
| - Aircraft fuel expenses | | (383,527) | (355,293) | (1,466,681) | (1,116,110) |
| - Maintenance and overhaul | | (75,278) | (137,583) | (652,922) | (619,331) |
| - User charges | | (133,066) | (132,836) | (508,507) | (479,799) |
| - Aircraft operating lease expenses | | (229,577) | (205,043) | (944,599) | (846,004) |
| - Other operating expenses | | (149,726) | (109,321) | (339,565) | (305,270) |
| Other income | 12 | 1,466 | 21,031 | 23,853 | 56,000 |
| Operating profit | | 110,657 | 100,108 | 142,987 | 107,143 |
| Finance income | 13 | 46,163 | 21,138 | 56,626 | 24,775 |
| Finance costs | 13 | (56,691) | (20,563) | (84,646) | (49,874) |
| Net operating profit | | 100,129 | 100,683 | 114,967 | 82,044 |
| Foreign exchange gains/(losses) | 13 | 29,506 | (93,178) | 76,102 | (35,489) |
| Share of results of a joint venture | 20 | - | - | - | - |
| Other gains/(losses) | | 5,941 | 22,379 | (4,265) | 35,738 |
| Profit before taxation | | 135,576 | 29,884 | 186,804 | 82,293 |
| Taxation | | | | | |
| Current taxation | 14 | (2,712) | 517 | (6,405) | 188 |
| Deferred taxation | 14 | (48,450) | 8,605 | (81,513) | (37,644) |
| | | (51,162) | 9,122 | (87,918) | (37,456) |
| Profit for the financial period | | 84,414 | 39,006 | 98,886 | 44,837 |
| Attributable to: | | | | | |
| Equity holders of the Company | | 84,414 | 39,006 | 98,886 | 44,837 |
| Non-controlling Interests | | - | - | - | - |
| | | 84,414 | 39,006 | 98,886 | 44,837 |
| Profit per share (sen) | | | | | |
| Basic | 26 | 2.0 | 0.9 | 2.4 | 1.1 |
| Diluted | 26 | 2.0 | 0.9 | 2.4 | 1.1 |

This unaudited condensed consolidated income statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2016 of the Company and the accompanying explanatory notes attached in this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|--------------------|---------------|--------------|------------------------|
| | Quarter ended | Quarter ended | Period Ended | Period Ended |
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 Restated |
| Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the financial period | 84,414 | 39,006 | 98,886 | 44,837 |
| Other comprehensive (loss)/income | | | | |
| Cash flow hedges | (28,671) | 78,806 | (107,377) | 214,212 |
| Foreign currency translation differences | (72) | 38 | (17) | 68 |
| Total comprehensive income/(loss) for the financial period | 55,671 | 117,850 | (8,508) | 259,117 |
| Total comprehensive income/(loss) attributable | | | | |
| To equity holder of the company | 55,671 | 117,850 | (8,508) | 259,117 |
| Non-controlling interest | - | - | - | - |
| Total comprehensive income/(loss) for the financial period | 55,671 | 117,850 | (8,508) | 259,117 |

This unaudited condensed consolidated income statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2016 of the Company and the accompanying explanatory notes attached in this interim financial statements.



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 FOURTH QUARTER REPORT ENDED 31 December 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | Unaudited As At | Restated As At |
|----------------------------------|------|----------------------|----------------------|
| | Note | 31/12/2017 RM'000 | 31/12/2016 RM'000 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 16 | 1,480,625 | 1,568,493 |
| Deferred tax assets | 14 | 423,993 | 505,177 |
| Deposits on aircraft purchases | 17 | 139,943 | 136,791 |
| Other deposits and prepayments | 18 | 1,445,638 | 1,124,700 |
| Amount due from a joint venture | | 44,010 | - |
| Amount due from an associate | | 81,305 | - |
| Investment in an associate | 19 | - | - |
| Investment in a joint venture | 20 | - | - |
| | | 3,615,514 | 3,335,161 |
| CURRENT ASSETS | | | |
| Inventories | | 8,518 | 14,151 |
| Receivables and prepayments | 21 | 230,569 | 286,746 |
| Amount due from related parties | | 75,305 | 51,561 |
| Amount due from a joint venture | | 136,930 | 112,816 |
| Amount due from an associate | | 28,969 | 69,590 |
| Derivative financial instruments | 23 | 23,094 | 134,735 |
| Tax recoverable | | - | 1,613 |
| Deposits, cash and bank balances | 22 | 432,675 | 422,021 |
| | | 936,061 | 1,093,233 |
| Non-current assets held for sale | | - | 92,781 |
| | | 936,061 | 1,186,014 |
| CURRENT LIABILITIES | | | |
| Sales in advance | | 714,586 | 725,766 |
| Trade and other payables | 24 | 1,118,347 | 958,584 |
| Provision for taxation | | 782 | - |
| Amounts due to related parties | | 28,963 | 25,256 |
| Borrowings | 25 | 188,528 | 208,238 |
| | | 2,051,206 | 1,917,844 |
| Net Current Liabilities | | (1,115,145) | (731,830) |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 25 | 673,442 | 952,088 |
| Other payables and accruals | 24 | 838,321 | 654,370 |
| | | 1,511,762 | 1,606,458 |
| | | 988,606 | 996,873 |
| CAPITAL AND RESERVES | | | |
| Share capital | | 1,534,043 | 622,222 |
| Share premium | | - | 911,821 |
| Warrant reserve | | 62,222 | 62,222 |
| Currency translation reserve | | 178 | 195 |
| Accumulated losses | | (609,841) | (708,727) |
| Other reserves | | 2,004 | 109,140 |
| Shareholders' equity | | 988,606 | 996,873 |

This unaudited condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2016 of the Company and the accompanying explanatory notes attached in this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Period Ended 31/12/2017 RM'000 | Period Ended 31/12/2016 Restated RM'000 |
|---|--------------------------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 186,804 | 82,293 |
| Adjustments: | | |
| Property, plant and equipment | | |
| - Depreciation | 109,338 | 113,531 |
| - Loss on disposal | 93 | - |
| - Write-off | 431 | 15,189 |
| Non-current assets held for sale | | |
| - Write-off | - | 12,335 |
| Impairment of receivables | 61,980 | 11,585 |
| Bad debts written off | 19 | - |
| Finance cost | 38,581 | 40,260 |
| Discounting effect of deposits | 46,065 | 9,614 |
| Interest income | (20,344) | (5,193) |
| Discounting/accretion of interest on deposits | (36,282) | (19,582) |
| Fair value loss/(gain) on derivative financial instruments | 4,265 | (35,738) |
| Fair value gain on shareholders' benefits scheme | - | (2,944) |
| Share option expense | 241 | 484 |
| Net unrealised foreign exchange (gains)/losses | (73,005) | 16,435 |
| | 318,186 | 238,269 |
| Changes in working capital: | | |
| Inventories | 5,633 | (10,166) |
| Receivables, prepayments and other deposits | (402,856) | (19,060) |
| Related parties balances | (7,883) | (129,333) |
| Trade and other payables | 400,346 | 140,277 |
| Sales in advance | (11,181) | 164,083 |
| Cash from operations | 302,245 | 384,070 |
| Interest paid | (39,426) | (47,815) |
| Interest received | 4,527 | 5,193 |
| Tax paid | (4,079) | (712) |
| Net cash generated from operating activities | 263,267 | 340,736 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment | | |
| - Additions | (29,733) | (30,420) |
| - Proceeds from disposal of aircraft and engine pursuant to sales and leaseback arrangement | - | 10,408 |
| - Proceeds from disposal of property, plant and equipment | 4,635 | 412 |
| Placement of deposits on aircraft purchases | (5,190) | 508 |
| Net cash used in investing activities | (30,288) | (19,092) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of borrowings | (199,868) | (212,553) |
| Deposits pledged as securities | (1,613) | 18,827 |
| Net cash used in financing activities | (201,481) | (193,726) |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Period Ended | Period Ended |
|---|---------------------|---------------------|
| | 31/12/2017 | 31/12/2016 |
| | | Restated |
| | RM'000 | RM'000 |
| NET INCREASE FOR THE FINANCIAL PERIOD | 31,498 | 127,918 |
| CURRENCY TRANSLATION DIFFERENCES | (22,457) | 2,141 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 382,406 | 252,347 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | 391,447 | 382,406 |

Note

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This unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2016 of the Company and the accompanying explanatory notes attached in this interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <u>Issued and fully paid ordinary shares of RM0.15 each</u> | | | | | | | | | | |
|--|---|----------------------------|----------------------------|------------------------------|---|------------------|--|---------------------------------|-----------------|---|---------------------------|
| | Number of shares '000 | Nominal Value RM'000 | Share Premium RM'000 | Warrant Reserve RM'000 | Cash Flow Hedge Reserve RM'000 | Other Reserve | Currency Translation Reserve RM'000 | Accumulated Losses RM'000 | Total RM'000 | Non- controlling interest RM'000 | Total Equity RM'000 |
| At 1 January 2017 (as previously stated) | 4,148,148 | 622,222 | 911,821 | 62,222 | 106,582 | 2,558 | 195 | (648,715) | 1,056,885 | - | 1,056,885 |
| Prior year adjustments (Note 31) | - | - | - | - | - | - | - | (60,012) | (60,012) | - | (60,012) |
| At 1 January 2017 (restated) | 4,148,148 | 622,222 | 911,821 | 62,222 | 106,582 | 2,558 | 195 | (708,727) | 996,873 | - | 996,873 |
| Transfer to no-par value regime | - | 911,821 | (911,821) | - | - | - | - | - | - | - | - |
| Net profit for the financial period | - | - | - | - | - | - | - | 98,886 | 98,886 | - | 98,886 |
| Other comprehensive loss | - | - | - | - | (107,377) | - | (17) | - | (107,394) | - | (107,394) |
| Total comprehensive (loss)/income | - | - | - | - | (107,377) | - | (17) | 98,886 | (8,508) | - | (8,508) |
| Employee Share Option Scheme ('ESOS') | - | - | - | - | - | 241 | - | - | 241 | - | 241 |
| At 31 December 2017 | 4,148,148 | 622,222 | 911,821 | 62,222 | (795) | 2,799 | 178 | (609,841) | 988,606 | - | 988,606 |
| At 1 January 2016 (as previously stated) | 4,148,148 | 622,222 | 911,821 | 62,222 | (107,630) | 2,074 | 127 | (859,029) | 631,807 | - | 631,807 |
| Prior year adjustments (Note 31) | - | - | - | - | - | - | - | 105,465 | 105,465 | - | 105,465 |
| At 1 January 2016 (restated) | 4,148,148 | 622,222 | 911,821 | 62,222 | (107,630) | 2,074 | 127 | (753,564) | 737,272 | - | 737,272 |
| Net profit for the financial period (restated) | - | - | - | - | - | - | - | 44,837 | 44,837 | - | 44,837 |
| Other comprehensive income | - | - | - | - | 214,212 | - | 68 | - | 214,280 | - | 214,280 |
| Total comprehensive income | - | - | - | - | 214,212 | - | 68 | 44,837 | 259,117 | - | 259,117 |
| Employee Share Option Scheme ('ESOS') | - | - | - | - | - | 484 | - | - | 484 | - | 484 |
| At 31 December 2016 (as restated) | 4,148,148 | 622,222 | 911,821 | 62,222 | 106,582 | 2,558 | 195 | (708,727) | 996,873 | - | 996,873 |

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 31 December 2016 of the Company and the accompanying explanatory notes attached in this interim financial statements.



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KEY OPERATING STATISTICS - 31 December 2017

Performance indicator for current quarter against the same quarter last year

| Quarter Ended : 31 December | Oct - Dec 2017 | Oct - Dec 2016 | Changes Y-O-Y |
|--------------------------------------|----------------|----------------|---------------|
| Seat capacity | 1,878,968 | 1,705,925 | 10% |
| Passengers carried | 1,549,048 | 1,383,761 | 12% |
| Load factor | 83% | 81% | 2% |
| RPK (millions) | 7,553 | 6,858 | 10% |
| ASK (millions) | 9,146 | 8,474 | 8% |
| Average passenger fare (RM) | 519 | 565 | -8% |
| Ancillary revenue per passenger (RM) | 142 | 137 | 4% |
| Revenue per ASK (sen) | 13.36 | 13.83 | -3% |
| Revenue per ASK (USc) | 3.21 | 3.20 | 0% |
| Cost per ASK (sen) | 12.15 | 12.88 | -6% |
| Cost per ASK (USc) | 2.92 | 2.98 | -2% |
| Cost per ASK (sen) - excluding fuel | 7.96 | 8.68 | -8% |
| Cost per ASK (USc) - excluding fuel | 1.91 | 2.01 | -5% |
| Aircraft (end of period) | 30 | 30 | 0% |
| Average sector length (km) | 4,868 | 4,968 | -2% |
| Sectors flown | 4,984 | 4,525 | 10% |
| Fuel consumed (Barrels) | 1,330,999 | 1,288,036 | 3% |
| Average fuel price (USD/ Barrel) | 69 | 64 | 9% |

Exchange Rate : RM/USD - 4.1584 for 4Q17 and 4.3209 for 4Q16

Definitions and calculation methodology

| | |
|------------------------------------|--|
| RPK (Revenue Passenger Kilometres) | Number of passengers carried multiplied by distance flown |
| ASK (Available Seat Kilometres) | Total available seats multiplied by the distance flown |
| Revenue per ASK | Total revenue divided by ASK |
| Cost per ASK | Total expenses before interest and tax divided by ASK |
| Cost per ASK - excluding fuel | Costs, as defined above, less fuel expenses, divided by ASK |
| Average passenger fare | Total schedule flight revenue, divided by number of passengers carried |



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NOTES TO THE UNAUDITED ACCOUNTS - 31 December 2017

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.

The interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2016.

2. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2016.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2017 or later are provided in part B general information and summary of significant accounting policies in the audited financial statements of the Group for the financial year ended 31 December 2016. The adoption of the standards applicable to the Group that came into effect on 1 January 2017 did not have any significant impact on the Group upon initial application. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the audited consolidated financial statements of the Company for the financial year ended 31 December 2016.

4. Seasonality of operations

AirAsia X is primarily involved in the provision of air transportation services and is therefore subject to seasonal demand for air travel. As a significant portion of its passengers travel for leisure, the Company generally records higher revenue during holiday months, particularly from November to February. Accordingly, the revenues are generally higher from November to February, and generally lower from March to June due to decreased travel during these months.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period.

6. Changes in estimates

There were no changes in estimates that have had material effects on the current quarter and financial period results.

7. Capital and reserves

There was no issuance of shares during the quarter/financial period ended 31 December 2017. Total issued and paid up share capital as at 31 December 2017 is RM1,534,043,000.

8. Dividend paid

No dividends were declared or approved in the quarter ended 31 December 2017.



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NOTES TO THE UNAUDITED ACCOUNTS - 31 December 2017

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 Group's Chief Executive Officer ("GCEO") effective 1 January 2017. The GCEO 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 GCEO 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 companies.

The segment information provided to the GCEO for the reportable segments are as follows:

| | Malaysia RM'000 | Thailand RM'000 | Indonesia RM'000 | Elimination Adjustments RM'000 | Total RM'000 |
|---|----------------------------|----------------------------|-----------------------------|---|-------------------------|
| Quarter ended 31 December 2017 | | | | | |
| <u>Segment results</u> | | | | | |
| Revenue | 1,220,466 | 333,831 | 190,901 | (92,803) | 1,652,395 |
| Operating expenses | | | | | - |
| - Staff costs | (112,725) | (32,131) | (8,739) | - | (153,595) |
| - Depreciation of property, plant and equipment | (27,376) | (1,242) | (517) | - | (29,135) |
| - Aircraft fuel expenses | (383,527) | (84,861) | (75,326) | - | (543,714) |
| - Maintenance and overhaul | (75,278) | (48,204) | (26,476) | 19,080 | (130,878) |
| - User charges and other related expenses | (133,066) | (40,876) | (16,305) | - | (190,247) |
| - Aircraft operating lease expenses | (229,577) | (62,834) | (34,079) | 79,447 | (247,043) |
| - Other operating expenses | (149,726) | (37,024) | (37,695) | (5,724) | (230,169) |
| Other income | 1,466 | 5,666 | (1,485) | - | 5,647 |
| Operating (loss)/profit | 110,657 | 32,325 | (9,721) | - | 133,261 |
| Finance income | 46,163 | 279 | 19 | - | 46,461 |
| Finance costs | (56,691) | (1,448) | - | - | (58,139) |
| Net operating profit/(loss) | 100,129 | 31,156 | (9,702) | - | 121,583 |
| Foreign exchange gains/(losses) | 29,506 | (1,315) | 5,882 | - | 34,073 |
| Other gains | 5,941 | - | - | - | 5,941 |
| Profit/(loss) before taxation | 135,576 | 29,841 | (3,820) | - | 161,597 |



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NOTES TO THE UNAUDITED ACCOUNTS - 31 December 2017

9. Segment reporting (continued)

| | Malaysia RM'000 | Thailand RM'000 | Indonesia RM'000 | Elimination Adjustments RM'000 | Total RM'000 |
|---|--------------------|--------------------|---------------------|--------------------------------------|-----------------|
| Period ended 31 December 2017 | | | | | |
| <u>Segment results</u> | | | | | |
| Revenue | 4,562,005 | 1,154,029 | 726,473 | (452,727) | 5,989,780 |
| Operating expenses | | | | | |
| - Staff costs | (421,259) | (123,142) | (33,923) | | (578,324) |
| - Depreciation of property, plant and equipment | (109,338) | (4,741) | (2,119) | | (116,198) |
| - Aircraft fuel expenses | (1,466,681) | (318,714) | (244,217) | | (2,029,612) |
| - Maintenance and overhaul | (652,922) | (168,297) | (97,169) | 148,219 | (770,169) |
| - User charges and other related expenses | (508,507) | (156,344) | (62,749) | | (727,600) |
| - Aircraft operating lease expenses | (944,599) | (260,498) | (140,964) | 316,587 | (1,029,474) |
| - Other operating expenses | (339,565) | (101,829) | (200,332) | (12,079) | (653,805) |
| Other income | 23,853 | 20,588 | 484 | | 44,925 |
| Operating profit/(loss) | 142,987 | 41,052 | (54,516) | - | 129,523 |
| Finance income | 56,626 | 613 | 129 | | 57,368 |
| Finance costs | (84,646) | (4,328) | (45) | | (89,019) |
| Net operating profit/(loss) | 114,967 | 37,337 | (54,432) | - | 97,872 |
| Foreign exchange gains/(losses) | 76,102 | (2,091) | 8,325 | | 82,336 |
| Other losses | (4,265) | - | - | | (4,265) |
| Profit/(Loss) before taxation | 186,804 | 35,246 | (46,107) | - | 175,943 |

Following the change in operating segments during the financial period, comparatives have been re-presented to align with the current period's presentation.

| | Malaysia RM'000 | Thailand RM'000 | Indonesia RM'000 | Elimination Adjustments RM'000 | Total RM'000 |
|---|--------------------|--------------------|---------------------|--------------------------------------|-----------------|
| Quarter ended 31 December 2016 | | | | | |
| <u>Segment results</u> | | | | | |
| Revenue | 1,170,295 | 237,403 | 131,452 | (116,310) | 1,422,840 |
| Operating expenses | | | | | |
| - Staff costs | (123,584) | (34,460) | (8,151) | - | (166,195) |
| - Depreciation of property, plant and equipment | (27,558) | (972) | (524) | - | (29,054) |
| - Aircraft fuel expenses | (355,293) | (73,692) | (34,386) | - | (463,371) |
| - Maintenance and overhaul | (137,583) | (24,397) | (21,713) | 43,432 | (140,261) |
| - User charges and other related expenses | (132,836) | (35,611) | (7,530) | - | (175,977) |
| - Aircraft operating lease expenses | (205,043) | (58,546) | (35,410) | 75,808 | (223,191) |
| - Other operating expenses | (109,321) | (18,849) | (30,792) | (2,930) | (161,892) |
| Other income | 21,031 | 6,544 | 1,664 | - | 29,239 |
| Operating profit/(loss) | 100,108 | (2,580) | (5,390) | - | 92,138 |
| Finance income | 21,138 | 164 | 37 | - | 21,339 |
| Finance costs | (20,563) | (2,126) | - | - | (22,689) |
| Net operating profit/(loss) | 100,683 | (4,542) | (5,353) | - | 90,788 |
| Foreign exchange (losses)/gains | (93,178) | (3,558) | 4,146 | - | (92,590) |
| Other gains | 22,379 | - | - | - | 22,379 |
| Profit/(Loss) before taxation | 29,884 | (8,100) | (1,207) | - | 20,577 |



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9. Segment reporting (continued)

| | Malaysia RM'000 | Thailand RM'000 | Indonesia RM'000 | Elimination Adjustments RM'000 | Total RM'000 |
|---|--------------------|--------------------|---------------------|--------------------------------------|-----------------|
| Period ended 31 December 2016 (Restated) | | | | | |
| <u>Segment results</u> | | | | | |
| Revenue | 3,900,782 | 901,969 | 620,341 | (440,134) | 4,982,958 |
| Operating expenses | | | | | |
| - Staff costs | (369,594) | (105,559) | (38,772) | | (513,925) |
| - Depreciation of property, plant and equipment | (113,531) | (3,279) | (1,801) | | (118,611) |
| - Aircraft fuel expenses | (1,116,110) | (253,188) | (186,499) | | (1,555,797) |
| - Maintenance and overhaul | (619,331) | (140,536) | (86,894) | 160,324 | (686,437) |
| - User charges and other related expenses | (479,799) | (128,888) | (70,438) | | (679,125) |
| - Aircraft operating lease expenses | (846,004) | (219,179) | (135,597) | 278,892 | (921,888) |
| - Other operating expenses | (305,270) | (71,607) | (167,978) | 918 | (543,937) |
| Other income | 56,000 | 27,604 | 2,754 | | 86,358 |
| Operating profit/(loss) | 107,143 | 7,337 | (64,884) | - | 49,596 |
| Finance income | 24,775 | 353 | 254 | | 25,382 |
| Finance costs | (49,874) | (4,861) | (124) | | (54,859) |
| Net operating profit/(loss) | 82,044 | 2,829 | (64,754) | - | 20,119 |
| Foreign exchange (losses)/gains | (35,489) | (3,151) | 1,211 | | (37,429) |
| Other gains | 35,738 | - | - | | 35,738 |
| Profit/(Loss) before taxation | 82,293 | (322) | (63,543) | - | 18,428 |

a) Reconciliation of segment revenue to reported revenue:

| | Quarter ended 31/12/2017 RM'000 | Quarter ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 RM'000 |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Segment revenue | 1,652,395 | 1,422,840 | 5,989,780 | 4,982,958 |
| Add: Inter-segment revenue | 92,803 | 116,310 | 452,727 | 440,134 |
| Less: Revenue from associated companies which were not consolidated | (524,732) | (368,855) | (1,880,502) | (1,522,310) |
| | <u>1,220,466</u> | <u>1,170,295</u> | <u>4,562,005</u> | <u>3,900,782</u> |

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

| | Quarter ended 31/12/2017 RM'000 | Quarter ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 RM'000 |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Segment profit before taxation | 161,597 | 20,577 | 175,943 | 18,428 |
| Add: (Revenue)/Expenses from affiliates which were not consolidated | (26,021) | 9,307 | 10,861 | 63,865 |
| | <u>135,576</u> | <u>29,884</u> | <u>186,804</u> | <u>82,293</u> |



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10. Revenue

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---------------------------------|-----------------------------|-----------------------------|----------------------------|--|
| | Quarter ended 31/12/2017 | Quarter ended 31/12/2016 | Period ended 31/12/2017 | Period ended 31/12/2016 Restated |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Scheduled flights | 803,827 | 782,510 | 2,940,354 | 2,430,034 |
| Charter flights | 51,391 | 42,640 | 165,306 | 254,720 |
| Freight services | 53,018 | 40,896 | 171,008 | 134,913 |
| Ancillary revenue | 218,831 | 188,077 | 830,494 | 639,472 |
| Aircraft operating lease income | 92,803 | 116,310 | 452,727 | 440,134 |
| Management fees | 596 | (138) | 2,116 | 1,509 |
| | 1,220,466 | 1,170,295 | 4,562,005 | 3,900,782 |

Ancillary revenue includes assigned seat, cancellation, documentation and other fees, and the on-board sale of meals and merchandise.

11. Staff cost

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|-----------------------------|-----------------------------|----------------------------|----------------------------|
| | Quarter ended 31/12/2017 | Quarter ended 31/12/2016 | Period ended 31/12/2017 | Period ended 31/12/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Wages, salaries, bonuses and allowances | 102,640 | 115,772 | 376,554 | 341,776 |
| Defined contribution retirement plan | 9,486 | 7,192 | 43,880 | 27,334 |
| Share option expense | 599 | 620 | 825 | 484 |
| | 112,725 | 123,584 | 421,259 | 369,594 |

12. Other income

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|----------------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
| | Quarter ended 31/12/2017 | Quarter ended 31/12/2016 | Period ended 31/12/2017 | Period ended 31/12/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Commission income from insurance | 1,006 | 1,852 | 3,801 | 6,665 |
| Others | 460 | 19,179 | 20,052 | 49,335 |
| | 1,466 | 21,031 | 23,853 | 56,000 |



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13. Finance income/(costs)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| | Quarter ended 31/12/2017 RM'000 | Quarter ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 RM'000 |
| Finance income: | | | | |
| Interest income on deposits with licensed banks | 2,590 | 1,556 | 5,523 | 5,193 |
| Discounting and accretion of interest on deposits | 36,282 | 19,582 | 36,282 | 19,582 |
| Other interest income | 7,291 | - | 14,821 | - |
| | <u>46,163</u> | <u>21,138</u> | <u>56,626</u> | <u>24,775</u> |
| Finance costs: | | | | |
| Interest expense on bank borrowings | (10,425) | (9,152) | (36,476) | (37,716) |
| Discounting effect of deposits | (46,065) | (9,614) | (46,065) | (9,614) |
| Bank facilities and other charges | (201) | (1,797) | (2,105) | (2,544) |
| | <u>(56,691)</u> | <u>(20,563)</u> | <u>(84,646)</u> | <u>(49,874)</u> |
| Foreign exchange gains/(losses) | | | | |
| Unrealised foreign exchange gains/(losses) on: | | | | |
| - Borrowings | 36,458 | (94,800) | 98,542 | (37,562) |
| - Deposits and bank balances | (6,952) | 1,622 | (22,440) | 2,073 |
| Net foreign exchange gains/(losses) | <u>29,506</u> | <u>(93,178)</u> | <u>76,102</u> | <u>(35,489)</u> |

14. Taxation

The explanation of the relationship between taxation and profit before taxation is as follows:

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--|
| | Quarter ended 31/12/2017 RM'000 | Quarter ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 Restated RM'000 |
| Profit before tax | 135,576 | 29,884 | 186,804 | 82,293 |
| Tax calculated at Malaysian statutory tax rate of 24% (2016: 24%) | 32,538 | 7,172 | 44,833 | 19,750 |
| Tax effects: | | | | |
| - Under/(over) accrual of prior year tax | 54 | (169) | 1,236 | (169) |
| - expenses not deductible for tax purposes | 27,278 | (14,877) | 50,557 | 31,945 |
| - income not subject to tax | (8,708) | (1,248) | (8,708) | (14,070) |
| Taxation | <u>51,162</u> | <u>(9,122)</u> | <u>87,918</u> | <u>37,456</u> |



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15. Disclosure of realised and unrealised accumulated gains/(losses)

The cumulative losses of the Group and its subsidiaries comprise realised and unrealised gains/(losses) are as follows:

| | As at 31/12/2017 | As at 31/12/2016 Restated |
|---|---------------------|---------------------------------|
| | RM'000 | RM'000 |
| Total accumulated gains/(losses) of AirAsia X Berhad and its subsidiaries | | |
| - Realised | (798,332) | (793,080) |
| - Unrealised | 262,397 | 158,259 |
| | <u>(535,935)</u> | <u>(634,821)</u> |
| Total share of accumulated losses from associated company | | |
| - Realised | (20,018) | (20,018) |
| Total share of accumulated losses from joint venture | | |
| - Realised | (53,888) | (53,888) |
| Total accumulated losses | <u>(609,841)</u> | <u>(708,727)</u> |

16. Property, plant and equipment

(a) Acquisition and disposal

During the quarter ended 31 December 2017, the Group acquired property, plant and equipment amounting to RM5.4 million (quarter ended 31 December 2016: RM18.5 million).

During the quarter ended 31 December 2017, proceeds from disposal of property, plant and equipment amounted to RM4.6 million (quarter ended 31 December 2016: RM Nil).

(b) Write-off

During the quarter ended 31 December 2017, the Group wrote off property, plant and equipment amounting to RM207k (quarter ended 31 December 2016: RM27.5 million).

17. Deposits on aircraft purchase

The deposits on aircraft purchase are denominated in US Dollars ("USD") and are in respect of pre-delivery payments on aircraft purchase, which will be delivered between 2018 to 2027. Pre-delivery payments constitute instalments made in respect of the price of the aircraft and are deducted from the final price upon delivery.

18. Other deposits and prepayments

Other deposits and prepayments include prepayments for maintenance of aircraft and deposits paid to lessors for leased aircraft. These prepayments and deposits are denominated in USD.



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19. Investment in an associate

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|--|-------------------------------|-------------------------------|
| Unquoted investments, at cost | 20,018 | 20,018 |
| Group's share of post-acquisition losses | (20,018) | (20,018) |
| | - | - |

The details of the associate is as follows:-

| Name | Country of Incorporation | Group effective equity interest | | Principal activity |
|----------------------------|-----------------------------|---------------------------------|-----------------|---|
| | | 31/12/2017 % | 31/12/2016 % | |
| Thai AAX Co., Ltd ("TAAX") | Thailand | 49% | 49% | Commercial air transport services |

The Group has discontinued the recognition of its share of losses incurred by TAAX as the Group's interests had been reduced to zero. The Group's share of profit of TAAX for the current financial quarter, which have not been equity accounted for, amounted to RM30.6 million (31 December 2016: loss of RM4.2 million). As at 31 December 2017, the unrecognised amount of the Group's share of loss of TAAX which have not been equity accounted for amounted to RM21.5 million (31 December 2016: RM45.8 million).

20. Investment in a joint venture

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|--|-------------------------------|-------------------------------|
| Unquoted investments, at cost | 53,888 | 53,888 |
| Group's share of post-acquisition losses | (53,888) | (53,888) |
| | - | - |

The details of the joint venture is as follows:-

| Name | Country of Incorporation | Group effective equity interest | | Principal activity |
|--------------------------------------|-----------------------------|---------------------------------|-----------------|---|
| | | 31/12/2017 % | 31/12/2016 % | |
| 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. The Group's share of loss of IAAX for the current financial quarter, which have not been equity accounted for, amounted to RM3.8 million (31 December 2016: loss of RM591k). As at 31 December 2017, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM50.0 million (31 December 2016: RM51.4 million).



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21. Receivables and prepayments

| | As at 31/12/2017 | As at 31/12/2016 Restated |
|--|---------------------|---------------------------------|
| | RM'000 | RM'000 |
| Trade receivables | 133,792 | 126,448 |
| Less : Allowance for impairment of receivables | (57,089) | (746) |
| | <u>76,703</u> | <u>125,702</u> |
| Other receivables | 71,581 | 73,791 |
| Less : Allowance for impairment of receivables | (17,495) | (13,789) |
| | <u>54,086</u> | <u>60,002</u> |
| Deposits | 26,804 | 28,008 |
| Prepayments | 72,976 | 73,034 |
| | <u>230,569</u> | <u>286,746</u> |

22. Deposits, cash and bank balances

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

| | As at 31/12/2017 | As at 31/12/2016 |
|-------------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Cash and bank balances | 391,447 | 382,406 |
| Deposits with licensed banks | 41,228 | 39,615 |
| | <u>432,675</u> | <u>422,021</u> |
| Deposit pledged as securities | (41,228) | (39,615) |
| Cash and cash equivalents | <u>391,447</u> | <u>382,406</u> |

23. Derivative Financial Instruments

The fair value of derivative financial instruments is determined in accordance with MFRS139 "Financial Instruments: Recognition and Measurement", and are measured by level 2 of the fair value measurement hierarchy. As at 31 December 2017, outstanding number of barrels of Brent and fuel derivative contracts was 364,862 barrels (2016: 4,012,809 barrels).

24. Trade and other payables

| | As at 31/12/2017 | As at 31/12/2016 Restated |
|--------------------------------|---------------------|---------------------------------|
| | RM'000 | RM'000 |
| <u>Non-current:</u> | | |
| Aircraft maintenance provision | 761,457 | 591,574 |
| Other deposits | 76,864 | 62,796 |
| | <u>838,321</u> | <u>654,370</u> |
| <u>Current:</u> | | |
| Trade payables | 205,870 | 251,253 |
| Other payables and accruals | 912,477 | 707,331 |
| | <u>1,118,347</u> | <u>958,584</u> |

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



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25. Borrowings

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|-------------------------|-------------------------------|-------------------------------|
| <u>Current</u> | | |
| Secured: | | |
| - Term loans | 188,501 | 208,222 |
| - Hire purchase | 27 | 16 |
| | 188,528 | 208,238 |
| <u>Non-current</u> | | |
| Secured: | | |
| - Term loans | 673,392 | 952,072 |
| - Hire purchase | 50 | 16 |
| | 673,442 | 952,088 |
| Total borrowings | 861,970 | 1,160,326 |

The currency profile of borrowings is as follows:

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|------------------|-------------------------------|-------------------------------|
| Ringgit Malaysia | 77 | 32 |
| US Dollar | 861,893 | 1,160,294 |
| | 861,970 | 1,160,326 |

The Group's and Company's borrowings are repayable as follows:

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|--|-------------------------------|-------------------------------|
| Not later than 1 year | 188,528 | 208,238 |
| Later than 1 year and not later than 5 years | 526,744 | 832,912 |
| Later than 5 years | 146,698 | 119,176 |
| | 861,970 | 1,160,326 |

26. Profit per share

Basic profit per share

Basic profit per share is calculated by dividing the net profit for the quarter/financial period by the weighted average number of ordinary shares in issue during the quarter/financial period.

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|-----------------------------|-----------------------------|----------------------------|--|
| | Quarter ended 31/12/2017 | Quarter Ended 31/12/2016 | Period ended 31/12/2017 | Period ended 31/12/2016 Restated |
| Net profit for the individual quarter/financial period (RM'000) | 84,414 | 39,006 | 98,886 | 44,837 |
| Weighted average number of ordinary shares in issue ('000) | 4,148,148 | 4,148,148 | 4,148,148 | 4,148,148.00 |
| Profit per share (sen) | 2.0 | 0.9 | 2.4 | 1.1 |



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27. Post balance sheet events

There is no material subsequent event noted during the financial period ended 31 December 2017.

28. Contingent assets and contingent liabilities

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

29. Capital commitments outstanding not provided for in the interim financial report

(a) Capital commitments not provided for in the financial statements are as follows:-

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|-------------------|-------------------------------|-------------------------------|
| Aircraft purchase | 107,873,854 | 119,092,201 |

(b) Non-cancellable operating leases

The future minimum lease payments and sublease receipts under non-cancellable operating leases are as follows:-

| | As at 31/12/2017 RM'000 | As at 31/12/2016 RM'000 |
|----------------------------------|-------------------------------|-------------------------------|
| Future minimum lease payments | 7,591,532 | 9,013,136 |
| Future minimum sublease receipts | 2,006,436 | 2,531,740 |



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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 |
| Caterhamjet Global Ltd ("CJG") | Common Directors and shareholders |
| 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. (formerly known as "Zest Airway Inc.") ("AAZ") | Common Directors and shareholders |
| Asian Aviation Centre of Excellence Sdn Bhd ("AACOE") | Common Directors and shareholders |
| AirAsia Global Shared Services Sdn Bhd ("AGSS") | Common Directors and shareholders |
| Rokki Sdn Bhd (formerly known as Tune Box Sdn Bhd) ("Rokki") | Common Directors and shareholders |
| Tune Insurance Malaysia Berhad ("TIMB") | Common Directors and shareholders |
| Yummy Kitchen Sdn Bhd ("Yummy Kitchen") | Common Directors and shareholders |
| Ground Team Red Sdn Bhd ("GTR") | Common Directors and shareholders |

These following items have been included in the income statement:

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| | Quarter ended 31/12/2017 RM'000 | Quarter Ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 RM'000 |
| TAAX | | | | |
| - Aircraft operating lease income for leased aircraft | 67,292 | 88,203 | 338,853 | 329,402 |
| IAAX | | | | |
| - Aircraft operating lease income for leased aircraft | 25,511 | 28,107 | 113,874 | 110,732 |
| AAB | | | | |
| - Operational service charges | (4,138) | (26,237) | (15,802) | (65,640) |
| - Brand license fee | - | - | (8,530) | (8,530) |
| - Charter air travel services | - | (12,589) | (279) | 42,867 |
| - Lounge services | 816 | - | 1,888 | - |
| CJG | | | | |
| - Charter air travel services | - | (3,631) | (2,780) | (6,606) |
| TAA | | | | |
| - Operational services charged to/(from) TAA | 122 | (1,126) | 519 | 979 |
| IAA | | | | |
| - Operational services charged to/(from) IAA | 1 | (2) | 19 | 1,271 |
| AAJ | | | | |
| - Operational services charged to AAJ | 169 | - | 265 | - |
| AAZ | | | | |
| - Operational services charged to AAZ | 375 | 627 | 1,249 | 3,784 |



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30. Significant related parties transactions (continued)

| | INDIVIDUAL QUARTER | | CUMULATIVE | |
|---|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| | Quarter ended 31/12/2017 RM'000 | Quarter Ended 31/12/2016 RM'000 | Period ended 31/12/2017 RM'000 | Period ended 31/12/2016 RM'000 |
| AACOE | | | | |
| - Training services | (2,714) | (4,225) | (12,851) | (11,032) |
| AGSS | | | | |
| - Provision of shared services | (767) | (1,331) | (3,345) | (5,126) |
| Rokki | | | | |
| - In-flight entertainment system and software expenses | (966) | (1,836) | (3,906) | (3,827) |
| TIMB | | | | |
| - Commission received/ receivable on travel insurance | 612 | 214 | 2,266 | 3,920 |
| - Premium collected on behalf of TIMB on travel insurance | (2,448) | (859) | (9,064) | (15,681) |
| Yummy Kitchen | | | | |
| - Provision of food catering services | (89) | - | (1,047) | - |
| GTR | | | | |
| - Sale of ramp equipment | 4,630 | - | 4,630 | - |
| - Ground handling services | (5,917) | - | (5,917) | - |

31. | Prior year adjustments

During the financial period, the Group instituted additional controls resulting in identification of accounting errors, for which prior year adjustments were made in the following areas:

- (a) charter business and lease rental;
- (b) inter-company revenue, cancellation fees and related foreign exchange;
- (c) passenger service charges in China; and
- (d) deferred tax assets.



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31. | Prior year adjustments (continued)

Period ended 31 December 2016

Consolidated statement of comprehensive income

| | Revenue RM'000 | Operating expenses - User charges RM'000 | Operating expenses - Other operating expenses RM'000 | Deferred taxation RM'000 |
|--|-------------------|---|---|--------------------------------|
| As previously stated for the period ended 31/12/2016 | 4,006,534 | (461,685) | (251,336) | (49,967) |
| Note (a) | (15,356) | | | |
| Note (b) | (90,396) | | (53,934) | |
| Note (c) | | (18,114) | | |
| Note (d) | | | | 12,323 |
| Restated for the period ended 31/12/2016 | <u>3,900,782</u> | <u>(479,799)</u> | <u>(305,270)</u> | <u>(37,644)</u> |

At 31 December 2016

Consolidated Statement of Financial Position

| | Other deposits and prepayments RM'000 | Deferred tax assets RM'000 | Receivables and prepayments RM'000 | Sales in advance RM'000 | Trade and other payables RM'000 | Accumulated losses RM'000 |
|---------------------------------------|---|----------------------------------|--|----------------------------|---------------------------------------|---------------------------------|
| As previously stated as at 31/12/2016 | 1,107,800 | 492,854 | 285,084 | 715,207 | 878,246 | (648,715) |
| Note (a) | | | 25,606 | | 62,224 | (19,718) |
| Note (b) | 16,900 | | (23,944) | 10,559 | | (34,503) |
| Note (c) | | | | | 18,114 | (18,114) |
| Note (d) | | 12,323 | | | | 12,323 |
| Restated as at 31/12/2016 | <u>1,124,700</u> | <u>505,177</u> | <u>286,746</u> | <u>725,766</u> | <u>958,584</u> | <u>(708,727)</u> |

At 1 January 2016

Consolidated Statement of Financial Position

| | Other deposits and prepayments RM'000 | Sales in advance RM'000 | Trade and other payables RM'000 | Accumulated losses RM'000 |
|-------------------------------------|--|----------------------------|---------------------------------------|---------------------------------|
| As previously stated as at 1/1/2016 | 903,374 | 671,510 | 849,075 | (859,029) |
| Note (a) | | | 21,262 | (21,262) |
| Note (b) | 16,900 | (109,827) | | 126,727 |
| Restated as at 1/1/2016 | <u>920,274</u> | <u>561,683</u> | <u>870,337</u> | <u>(753,564)</u> |



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32. Review of performance

Performance of current quarter against the same quarter last year for Malaysia

The Group recorded revenue of RM1,220.5 million for the quarter ended 31 December 2017 ("4Q17"), 4% higher than revenue of RM1,170.3 million for the quarter ended 31 December 2016 ("4Q16"). The revenue was supported by a 12% growth in passenger volume. Ancillary revenue per passenger increased by 4% to RM142 year-on-year. The seat load factor was at 83% which was 2 percentage point higher than the same period last year. Average fare was down by 8% at RM519 as compared to RM565 achieved in 4Q16.

Included in other operating expenses in 4Q17 was provision for doubtful debts of RM11.8 million.

The profit before tax for the period was RM135.6 million compared to a profit before tax of RM29.9 million in the same quarter of 2016; while the net profit for the period was RM84.4 million compared to a net profit of RM39.0 million in the same quarter of 2016.

33. Variance of results against preceding quarter

The Group recorded a net profit of RM84.4 million in 4Q17, compared to the net loss of RM43.3 million in 3Q17.

34. Commentary on prospects

Based on the current forward booking trend, forward loads and average fares are trending better than the previous year.

Barring any unforeseen circumstances, including but not limited to terrorist attacks, natural disasters, epidemics, economic downturn, fuel price hike and fluctuation in foreign currencies against the Malaysian Ringgit, the Company expects its prospects to remain positive.

35. Profit forecast

The disclosure requirements for explanatory notes for the variance of actual profit attributable to equity holders of the Company as compared to profit forecasts are not applicable.

36. Corporate proposal

There is no corporate proposal which is announced but not completed as at 14 February 2018, being the latest practicable date of this report.

37. Material litigation

As at 14 February 2018, 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 December 2017.

39. Reclassification of comparative figures

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