

AIRASIA X BERHAD

SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN AIRASIA X BERHAD (“AIRASIA X” OR “COMPANY”) AND AIRBUS S.A.S. (“AIRBUS”)

1. INTRODUCTION

The Board of Directors of AirAsia X wishes to announce that the Company had on 15 July 2014 entered into a Memorandum of Understanding (“MOU”) with Airbus for the purpose of recording its intention to purchase fifty (50) A330-900neo aircraft that will be delivered from 2018 to 2024 (“A330neo Aircraft”).

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

2. DETAILS OF THE MOU

2.1. Objective of MOU

The MOU stipulates the Parties’ general intentions and mutual understanding in relation to delivery of the A330neo Aircraft which will be formalised in the definitive agreements to be entered into between the Parties (“Definitive Agreements”). The MOU is not intended to create legal relations between the Parties and shall not constitute a contractually binding arrangement between the Parties.

2.2. Salient terms of MOU

It is agreed in principle that the Company will purchase fifty (50) A330neo Aircraft, each equipped with 2 Rolls-Royce Trent engines.

2.3. Duration of MOU

The MOU shall commence and become effective on 16 July 2014 (“Commencement Date”) until all the transactions and matters contemplated by the MOU have been incorporated into the definitive agreements between Parties by 30 September 2014 or any later date as may be agreed by both Parties unless it is otherwise lawfully terminated.

3. BACKGROUND INFORMATION ON AIRBUS

Airbus is an aircraft manufacturing division of Airbus Group (formerly European Aeronautic Defence and Space Company). Based in Blagnac, France, a suburb of Toulouse, with production and manufacturing facilities mainly in France, Germany, Spain and the United Kingdom, the company produced 626 airliners in 2013.

4. RATIONALE OF THE MOU

These aircraft are being planned as part of the Company’s future fleet and hub expansion, as well as replacement aircraft from the existing fleet and orders, as the Company’s existing aircraft will start reaching the 12-year age from 2020.

The A330neo Aircraft reduces fuel consumption by about 14% per seat and increases flight range up to 400 nautical miles. The range capability enables possible direct flights from Kuala Lumpur to Europe.

5. EFFECTS OF THE MOU ON AIRASIA X

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

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the directors and/or major shareholders of the Company and persons connected to them, insofar as the existing directors and/or major shareholders are able to ascertain and are aware, has any interest, direct or indirect, in the MOU.

7. BOARD OF DIRECTORS' APPROVAL

Having regard to the rationale and the relevant factors, the Board is of the opinion that the MOU is in the best interest of the Company and will review the detailed Purchase Agreement at a later stage for approval.

8. APPROVAL REQUIRED

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

9. DOCUMENT FOR INSPECTION

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

This announcement is dated 16 July 2014.