



AIRASIA X BERHAD

(Company No. 200601014410)

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

FOURTH QUARTER REPORT ENDED 31 DECEMBER 2023

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 2023.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
		RM'000	RM'000	RM'000	RM'000
Revenue	10	818,225	339,296	2,528,336	659,594
Operating Expenses					
- Staff costs	11	(63,929)	(27,361)	(203,593)	(81,187)
- Aircraft fuel expenses		(473,152)	(145,540)	(1,305,760)	(267,423)
- Maintenance and overhaul		(61,612)	(10,516)	(342,765)	(99,636)
- User charges		(86,520)	(22,654)	(242,009)	(38,499)
- Aircraft lease expenses		(28,251)	(11,547)	(76,940)	(30,309)
- Other operating expenses		(47,064)	47,977	291,818	32,977,460
Other income		3,338	637	4,940	3,267
EBITDA *		61,035	170,292	654,027	33,123,267
Depreciation		(50,791)	(16,134)	(169,722)	(16,134)
Finance income	12	-	2,144	4,068	53,302
Finance cost	12	(29,139)	(6,730)	(100,301)	(18,000)
Net Operating (loss)/profit		(18,895)	149,572	388,072	33,142,435
Net foreign exchange gain/(loss)	12	50,598	3,913	(17,028)	56
Profit before taxation		31,703	153,485	371,044	33,142,491
Taxation	13	(1,697)	(3)	(1,936)	(55)
Deferred taxation	13	-	-	-	1,276
		(1,697)	(3)	(1,936)	1,221
Profit for the financial period		30,006	153,482	369,108	33,143,712
Attributable to:					
Equity holders of the Company		30,006	153,482	369,108	33,143,712
Non-controlling Interests		-	-	-	-
		30,006	153,482	369,108	33,143,712
Earnings per share (sen)					
Basic	22	6.7	37.0	82.6	7,990.0
Diluted	22	6.7	37.0	82.6	7,990.0

* Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")

This unaudited condensed consolidated income statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 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
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	30,006	153,482	369,108	33,143,712
Other comprehensive income				
Foreign currency translation differences	(188)	(1,348)	(1,128)	(419)
Total comprehensive profit for the financial period	29,818	152,134	367,980	33,143,293
Total comprehensive profit attributable				
To equity holder of the company	29,818	152,134	367,980	33,143,293
Non-controlling interest	-	-	-	-
Total comprehensive profit for the financial period	29,818	152,134	367,980	33,143,293

This unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		Unaudited	Audited
	Note	31/12/2023	31/12/2022
		RM'000	RM'000
NON-CURRENT ASSETS			
Property, plant & equipment	14	46,566	41,848
Right of use assets		1,254,028	1,013,394
Deferred tax assets		612,035	612,240
Investment in an associate	15	-	-
Investment in a joint venture	16	-	-
Trade and other receivables	17	578,781	234,248
		2,491,410	1,901,730
CURRENT ASSETS			
Inventories		6,968	9,190
Trade and other receivables	17	102,334	230,634
Amount due from an associate		31	29
Amounts due from related parties		457,244	131,848
Tax recoverable		198	1,735
Deposits, cash and bank balances	18	61,476	176,710
		628,251	550,146
CURRENT LIABILITIES			
Sales in advance		174,341	391,373
Trade and other payables	19	491,552	411,047
Amount due to an associate		-	3,380
Amount due to related parties		51,534	8,469
Lease liabilities	20	152,392	57,033
Provision for aircraft maintenance		28,169	28,169
		897,988	899,471
Net Current Liabilities		(269,737)	(349,325)
NON-CURRENT LIABILITIES			
Sales in advance		480,661	352,139
Lease liabilities	20	1,359,633	1,005,449
Provision for aircraft maintenance		249,107	256,775
Provision for additional loss in the investment in IAAX	21	-	223,245
		2,089,401	1,837,608
		132,272	(285,203)
CAPITAL AND RESERVES			
Share capital		51,029	1,534
Currency translation reserve		(1,114)	14
Accumulated profit/(loss)		82,357	(286,751)
Shareholders' equity		132,272	(285,203)

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 2022 and the accompanying explanatory notes attached in the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Issued and fully paid ordinary shares</u>		Currency Translation Reserve RM'000	Accumulated Profit/Loss RM'000	Total Equity RM'000
	Number of shares '000	Nominal Value RM'000			
At 1 January 2023	414,815	1,534	14	(286,751)	(285,203)
Net profit for the financial period	-	-	-	369,108	369,108
Share capital addition	32,258	49,495	-	-	49,495
Other comprehensive loss	-	-	(1,128)	-	(1,128)
Total comprehensive profit	32,258	49,495	(1,128)	369,108	417,475
At 31 December 2023	447,073	51,029	(1,114)	82,357	132,272
At 1 July 2021, restated	4,148,149	1,534,044	727	(35,101,872)	(33,567,101)
Net profit for the financial period	-	-	-	33,282,611	33,282,611
Share consolidation	(3,733,334)	-	-	-	-
Share capital reduction	-	(1,532,510)	-	1,532,510	-
Other comprehensive loss	-	-	(713)	-	(713)
Total comprehensive loss	414,815	1,534	14	(286,751)	(285,203)
At 31 December 2022	414,815	1,534	14	(286,751)	(285,203)

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 2022 and the accompanying explanatory notes attached in the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	371,044	33,142,491
Adjustments:		
Depreciation	169,722	-
Finance income	(4,068)	(301)
Finance costs	100,301	(1,381)
Reversal of provision additional loss of investment in IAAX	(223,245)	-
Reversal of provision for doubtful debts	-	-
Discounting of interest	-	(38,206)
Net unrealised foreign exchange losses	60,378	16,683
Operating profit before working capital changes	474,132	33,119,286
Changes in working capital:		
Inventories	2,222	-
Trade and other receivables	44,819	185,773
Related parties balances	(301,720)	(198,933)
Trade and other payables	(213,578)	(33,066,956)
Sales in advance	(88,510)	119,480
Cash flows (used in)/generated from operations	(82,635)	158,650
Finance costs paid	(5,730)	1,381
Interest received	2,583	301
Net cash (used in)/generated from operating activities	(85,782)	160,332
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment - addition	(8,691)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits pledged as securities	-	3,210
Repayment of lease liabilities	(77,618)	-
Receipts from issuance of shares	49,495	-
Net cash used in financing activities	(28,123)	3,210
NET (DECREASE)/INCREASE FOR THE FINANCIAL PERIOD	(122,596)	163,542
CURRENCY TRANSLATION DIFFERENCES	7,362	16,766
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	176,710	52,714
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	61,476	233,022

Note

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This unaudited condensed consolidated cash flow statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in the interim financial statements.



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KEY OPERATING STATISTICS

Performance indicator for the current quarter

The Company commenced operations during the quarter ended 30 June 2022 after 2 years of suspension of scheduled flight and majority of the aircraft fleet remain grounded during the quarter ended 31 December 2022. As such, performance indicators comparison quarter for quarter is not meaningful. The tabular presentation of revenue and cost metrics in the quarter therefore will be presented without comparison to the last quarter as there is no like-to-like comparison to the same quarter as 31 December 2023.

Quarter Ended: 31 December	Oct - Dec 2023
Seat capacity	1,088,844
Passengers carried	890,289
Load factor	82%
RPK (millions)	3,852
ASK (millions)	4,769
Average passenger fare (RM)	619
Ancillary revenue per passenger (RM)	216
Revenue per ASK (sen)	17.16
Revenue per ASK (USc)	3.65
Cost per ASK (sen)	15.88
Cost per ASK (USc)	3.38
Cost exc fuel per ASK (sen)	5.96
Cost exc fuel per ASK (USc)	1.27
Aircraft (end of period)	18
Sectors flown	3,038
Fuel consumed (Barrels)	767,296
Average fuel price (USD/Barrel)	131
Exchange rate	4.70

Definitions and calculation methodology

RPK (Revenue Passenger Kilometers)

Number of passengers carried multiplied by distance flown

ASK (Available Seat Kilometers)

Total available seats multiplied by distance flown

Average passenger fare

Total schedule flight revenue, divided by number of passengers



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

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 Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

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 Financial Statements for the financial year ended 31 December 2022. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2022 or later are provided in the notes to the financial statements in the Audited Financial Statements of the Group for the financial year ended 31 December 2022. 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 Group and the Company's audited financial statements for the financial year ended 31 December 2022 in their report dated 28 April 2023.

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.

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.

6. Changes in estimates

There were no changes in estimates that have had material effect on the results of current quarter.

7. Capital and reserves

On 15 June 2023, AirAsia X Berhad ("AAX") completed the private placement of 32,258,066 new ordinary shares, representing approximately 7.78% of the total number of issued shares of AAX. The issued number of shares and nominal value after the private placement is 447,072,803 units and RM51,029,078.11, respectively.



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

8. Dividends

No dividends were declared, approved or paid during the quarter ended 31 December 2023.

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 and Thailand. Indonesia has been dormant and hence not included in the segment reporting.

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.

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

	Malaysia	Thailand	Elimination	Total
	RM'000	RM'000	Adjustments	RM'000
			RM'000	
Quarter ended 31 December 2023				
Revenue	818,225	469,474	-	1,287,699
Operating expenses				
- Staff costs	(63,929)	(34,562)	-	(98,491)
- Depreciation	(50,791)	11,181	-	(39,610)
- Aircraft fuel expenses	(473,152)	(187,551)	-	(660,703)
- Maintenance and overhaul	(61,612)	(74,274)	-	(135,886)
- User charges	(86,520)	(74,428)	-	(160,948)
- Aircraft lease expenses	(28,251)	-	-	(28,251)
- Other operating expenses	(47,064)	375,534	-	328,470
Other income	3,338	56,939	-	60,277
Operating (loss)/profit	10,244	542,313	-	552,557
Finance income	-	2,110	-	2,110
Finance costs	(29,139)	1,804	-	(27,335)
Net operating (loss)/profit	(18,895)	546,227	-	527,332
Foreign exchange gains	50,598	196,451	-	247,049
Other gains	-	597,866	-	597,866
Profit before taxation	31,703	1,340,544	-	1,372,247



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

9. Segment Reporting (contd')

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

	Malaysia RM'000	Thailand RM'000	Elimination Adjustments RM'000	Total RM'000
Period ended 31 December 2023				
Revenue	2,528,336	1,473,951	-	4,002,287
Operating expenses				
- Staff costs	(203,593)	(115,339)	-	(318,932)
- Depreciation	(169,722)	(70,857)	-	(240,579)
- Aircraft fuel expenses	(1,305,760)	(576,766)	-	(1,882,526)
- Maintenance and overhaul	(342,765)	(212,245)	-	(555,010)
- User charges	(242,009)	(264,572)	-	(506,581)
- Aircraft lease expenses	(76,940)	-	-	(76,940)
- Other operating expenses	291,818	326,875	-	618,693
Other income	4,940	62,307	-	67,247
Operating profit	484,305	623,354	-	1,107,659
Finance income	4,068	8,201	-	12,269
Finance costs	(100,301)	(27,915)	-	(128,216)
Net operating profit	388,072	603,640	-	991,712
Foreign exchange loss	(17,028)	14,819	-	(2,209)
Other gains	-	1,492,657	-	1,492,657
Profit before taxation	371,044	2,111,117	-	2,482,161

a) Reconciliation of segment revenue to reported revenue:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Segment revenue	1,287,699	600,808	4,002,287	1,840,591
Add: Inter-segment revenue	-	-	-	25,722
Less: Revenue from affiliates which were not consolidated	(469,474)	(261,512)	(1,473,951)	(988,140)
	818,225	339,296	2,528,336	878,173



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

9. Segment Reporting (contd')

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
Segment profit/(loss) before taxation	1,372,247	492,107	2,482,161	33,520,779
Add: Segment (loss)/profit from affiliates which were not consolidated	(1,340,544)	(338,622)	(2,111,117)	(539,426)
	<u>31,703</u>	<u>153,485</u>	<u>371,044</u>	<u>32,981,353</u>

10. Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
Scheduled flights	542,466	227,524	1,675,165	272,386
Charter flights	8,850	9,553	18,796	105,625
Freight services	47,108	35,866	152,097	394,743
Ancillary revenue **	219,709	66,166	681,835	79,241
Aircraft operating lease income	-	90	-	25,596
Management fees	92	97	443	582
	<u>818,225</u>	<u>339,296</u>	<u>2,528,336</u>	<u>878,173</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 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
Wages, salaries, bonuses and allowances	58,990	25,022	187,020	97,362
Defined contribution retirement plan	4,939	2,339	16,573	9,753
	<u>63,929</u>	<u>27,361</u>	<u>203,593</u>	<u>107,115</u>



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

12. Finance income/(cost) and foreign exchange gain/(loss)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
Finance income:				
Interest income on deposits with licensed banks	229	1,143	2,583	1,547
Other interest income	-	-	1,485	1,366
	229	1,143	4,068	2,913
Impact of discounting effect on financial instruments	-	1,001	-	55,611
	229	2,144	4,068	58,524
Finance cost:				
Interest expense on lease liabilities	(31,606)	(3,800)	(94,571)	(59,186)
Bank facilities and other charges	(964)	(125)	(5,730)	(940)
	(32,570)	(3,925)	(100,301)	(60,126)
Impact of discounting effect on financial instruments	8,981	(2,805)	-	(17,765)
	(23,589)	(6,730)	(100,301)	(77,891)
Net foreign exchange gain/ (loss):				
Realised	(16,722)	(11,345)	43,350	(8,507)
Unrealised	67,320	15,258	(60,378)	(4,403)
	50,598	3,913	(17,028)	(12,910)

13. Taxation

Current taxation

The current taxation charge comprises tax payable on interest income.

14. Property, plant and equipment

(a) Acquisition and disposal

During the period ended 31 December 2023, the Group acquired RM8.7 million of property, plant and equipment.

(b) Written-off

During the period ended 31 December 2023, there was no write off of property, plant and equipment.

(c) Reversal of impairment

During the period ended 31 December 2023, there was no reversal of impairment.



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

15. Investment in an associate

	As at 31/12/2023	As at 31/12/2022
	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
		31/12/2023	31/12/2022	
Thai AirAsia X Co. Ltd ("TAAX")	Thailand	49%	49%	Commercial air transport services

TAAX recorded a net profit of RM1,340.54 million in the current quarter. As at 31 December 2023, the unrecognised amount of the Group's share of losses of TAAX which have not been equity accounted for amounted to RM516.59 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.

16. Investment in a joint venture

	As at 31/12/2023	As at 31/12/2022
	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
		31/12/2023	31/12/2022	
PT. Indonesia AirAsia Extra ("IAAX")	Indonesia	49%	49%	Commercial air transport services

IAAX has been dormant since FY2020. The Group has discontinued the recognition of its share of losses incurred by IAAX as the Group's interests had been reduced to zero. As at 31 December 2023, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM304.7 million.



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NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

17. Trade and other receivables

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000 (Restated)
Non-current		
Deposits	423,842	221,318
Prepayments	154,939	12,930
	578,781	234,248
Current		
Trade receivables	38,794	58,032
Less : Allowance for impairment of receivables	-	(8,883)
	38,794	49,149
Other receivables	410,990	452,550
Less : Allowance for impairment of receivables *	(397,726)	(380,511)
	13,264	72,039
Deposits	15,450	64,783
Less : Allowance for impairment of receivables	-	(2,151)
	15,450	62,632
Prepayments	34,826	46,814
	102,334	230,634

*Included in the total impairment of receivables is RM335.3 million (31 December 2022: RM353.6 million) relating to lease rental and maintenance reserve due from a joint venture through a third party leasing intermediary.

18. Deposits, cash and bank balances

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

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Cash and bank balances	61,476	18,632
Deposits with licensed banks	-	158,078
Cash and cash equivalents	61,476	176,710



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

FOURTH QUARTER REPORT ENDED 31 DECEMBER 2023

NOTES TO THE UNAUDITED ACCOUNTS - 31 DECEMBER 2023

19. Trade and other payables

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Current		
Trade payables	208,870	74,242
Other payables and accruals	282,682	336,805
	491,552	411,047

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

20. Lease liabilities

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Current		
- Lease liabilities	152,392	57,033
Non Current		
- Lease liabilities	1,359,633	1,005,449

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
The currency profile of borrowings is as follows:		
US Dollar	1,512,025	1,062,482

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Not later than 1 year	152,392	57,033
Later than 1 year and not later than 5 years	773,787	285,165
Later than 5 years	585,846	720,284
	1,512,025	1,062,482



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21. Provision for additional loss in the investment in IAAX

Based on the prevailing tax regulation in Indonesia, tax collection actions shall be carried out against “tax bearers” of corporate taxpayers in the event of non-payment by the corporate taxpayers. Tax bearers are defined under the tax regulations to include shareholders of corporate taxpayers.

However, the Company is unaware of any precedent cases where ITO extend its tax collection effort to foreign shareholders. In practice the ITO will typically prioritize the tax collection procedure to the current and previous management of the taxpayer and local shareholder instead of the foreign shareholder. The tax collection to the foreign shareholders require assistance from the government of the shareholders’ country, which make it less convenient.

As such, the provision for additional losses in respect of investment in IAAX is therefore deemed to be a contingent liability as the estimates of the outcome and the financial effects of this tax dispute involve significant judgement and are highly subjective

22. 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	Quarter ended	Period ended	Period ended
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net profit (RM'000)	30,006	153,482	369,108	33,143,712
Weighted average number of ordinary shares in issue ('000)	447,073	414,815	447,073	414,815
Earnings per share (sen)	6.7	37.0	82.6	7,990.0



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23. Contingent assets

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

24. Contingent liabilities

The Company’s joint venture, IAAX received a Tax Underpayment Assessment Letter from the Indonesia Tax Office (“ITO”) requesting IAAX to pay RM200.7 million relating to underpayment of tax in respect of the fiscal year 2017. The ITO is currently performing tax audits on IAAX in respect of the fiscal years 2018 and 2019. Whilst the tax audits for fiscal years 2018 and 2019 have not been finalised, it is possible that the ITO would use the same approach as the tax audit for the fiscal year 2017 which may result in additional tax to be paid by IAAX.

IAAX is disputing the Tax Underpayment Assessment Letter in respect of the fiscal year 2017. In the event the dispute is ruled in favour of the ITO, it is unlikely that IAAX will be able to pay the additional tax.

Based on the prevailing tax regulation in Indonesia, tax collection actions shall be carried out against “tax bearers” of corporate taxpayers in the event of non-payment by the corporate taxpayers. Tax bearers are defined under the tax regulations to include shareholders of corporate taxpayers. Accordingly, the Company as a shareholder of IAAX may be responsible for the settlement of IAAX’s tax payable.

However, the Company is unaware of any precedent cases where ITO extend its tax collection effort to foreign shareholders. In practice the ITO will typically prioritize the tax collection procedure to the current and previous management of the taxpayer and local shareholder instead of the foreign shareholder. The tax collection to the foreign shareholders require assistance from the government of the shareholders’ country, which make it less convenient. As such, the provision for additional losses in respect of investment in IAAX is therefore deemed to be a contingent liability

There were no other major changes in contingent liabilities since the latest audited consolidated financial statements for the period ended 31 December 2023.

25. 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 31/12/2023 RM'000	As at 31/12/2022 RM'000
Aircraft purchase	4,062,499	3,804,128



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26. Significant related party 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 Capital A 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 ("TELEPORT")	Common Directors and shareholders
AirAsia (Guangzhou) Aviation Service Limited ("AirAsia (Guangzhou)")	Common Directors and shareholders
Santan Food Sdn Bhd ("Santan Food")	Common Directors and shareholders
Santan Restaurant Sdn Bhd ("Santan Restaurant")	Common Directors and shareholders
Ikhlas Com Travel Sdn Bhd ("Ikhlas")	Common Directors and shareholders
Redbeat Academy Sdn Bhd ("RedBeat")	Common Directors and shareholders
AirAsia Digital Sdn Bhd ("AirAsia Digital")	Common Directors and shareholders
AirAsia Com Travel Sdn Bhd ("AACOM")	Common Directors and shareholders
AirAsia Ride Sdn Bhd ("AirAsia Ride")	Common Directors and shareholders
Asia Digital Engineering Sdn Bhd ("ADE")	Common Directors and shareholders
Capital A Berhad ("Capital A")	Common Directors and shareholders

26. Significant related party transactions (contd')

Details of the relationships and transactions between AirAsia X and its significant related parties are as described below (contd'):

<u>Associates of Capital A Berhad</u>	
Thai AirAsia Co Ltd ("TAA")	Common Directors and shareholders
PT Indonesia AirAsia ("IAA")	Common Directors and shareholders
Philippines AirAsia Inc. ("AAZ")	Common Directors and shareholders
<u>Other related entities</u>	
Ormond Lifestyle Services Sdn Bhd ("Ormond")	Common Directors and shareholders
Tune Insurance Malaysia Berhad ("TIMB")	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
31/12/2023	31/12/2022	31/12/2023	31/12/2022



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	RM'000	RM'000	RM'000	RM'000
TAAX				
- Aircraft operating lease income for leased aircraft	-	90	-	143,701
- Net operational services charged	(520)	307	749	4,951
AAB				
- Wet lease	-	6,488	-	18,413
- Net operational services charged	(2,171)	-	(7,985)	(4,275)
AASEA				
- Provision of shared services	(1,517)	(3,639)	(6,546)	(4,819)
- Net operational services charged	(282)	(200)	(864)	1,001
Ormond				
- Net operational services charged	498	-	2,064	-



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26. Significant related party transactions (contd')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
GTR				
- Ground handling services	(3,876)	(1,559)	(17,675)	(5,794)
- Net operational services charged	(2,168)	32	154	15,979
TELEPORT				
- Sales/(purchase) of cargo transportation capa	47,041	35,230	151,673	338,837
AirAsia (Guangzhou)				
- Turnaround charges charged by	(644)	-	(1,624)	(105)
- Net operational services charged	(6)	1,413	(14)	1,068
Santan Restaurant				
- Inflight goods and services	(5,117)	-	(15,986)	(1)
Ikhlas				
- Revenue for seats sold in Saudi Arabia routes	(923)	(1,043)	(3,727)	(1,043)
- Net operational services charged	20	30	107	30
AACOM				
- Commission for preferred agent	(18,928)	(6,864)	(57,824)	(6,864)
- Net operational services charged	(9,863)	253	2,615	253
ADE				
- Line maintenance services	(7,277)	(5,583)	(25,261)	(5,583)
- Net operational services charged	86	51	(82)	51
TIMB				
- Commission for preferred agent	(587)	-	(510)	-



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27. Review of Group's Performance

During the period, the Group reported a revenue of RM2,528.3 million, over four times the revenue reported in the same period of 2022. The multifold surge is attributable to the recovery of international travel and the Group's available seat capacity over the past 12-month period. For the most part of 2022, the Group's revenue was primarily generated from charter and freight services, whilst in 2023, the Group's number of operational aircraft had grown to 18 aircraft by December 2023, subsequently allowing the Group to meet the demand for international travel. This is in line with more fleets of aircraft this quarter to 18 operational aircraft.

28. Variance results against preceding quarter

The Group recorded EBITDA of RM86.1 million for the quarter under review, against the EBITDA of RM132.4 million in the preceding quarter ended 31 September 2023. In the prior quarter, the higher EBITDA are contributed mainly from the reversal of non-cash provisions.

Revenue remained strong at RM818.2 million with an increase of 26% from RM648.4 million. This is attributable to a healthy passenger load factor of 82% along with higher average passenger fare of 20%.

Operating costs for this quarter continue to be impacted by the weakening of the Malaysian Ringgit against the US Dollar as well as higher fuel price (Q4'23: USD131/barrel; preceding quarter Q3'23: USD113/barrel). That being said, the Group's continued prudence in cost management has mitigated the otherwise heavier impacts.

29. Profit forecast

No profit forecast has been issued.

30. Commentary on prospects

For the financial period ended 31 December 2023, the Group maintains a fleet of 18 aircraft, with 16 operational. For the upcoming quarter, the Group shall maintain its focus on the activation of its full fleet, expected to be complete by 2Q24 and ultimately bringing all 18 aircraft to full operations. This is key to the Group's strategy of relaunching its key profitable markets, particularly now with recovery in China gaining momentum well into 2024.

By March 2024, the Group would have launched its inaugural flight to Almaty, its maiden destination in Kazakhstan. This is expected to open up more opportunities for the Group to expand its reach into further regions of the world, effectively contributing to the FlyThru connectivity and synergy of the Group's network. The Group continues to see encouraging trends from demand for flight services and ancillary products, and is optimistic of such trajectory to sustain, with continued viability for its earnings.



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31. Material litigation

No material litigation taken or threatened against the Company and its subsidiaries.

32. Proposed Dividend

The Directors did not recommend any dividend for the quarter ended 31 December 2023.

By Order of the Board

29 February 2024