



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**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 first quarter ended 31 March 2019.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Revenue	10	1,168,804	1,271,982	1,168,804	1,271,982
Operating Expenses					
- Staff costs	11	(109,145)	(109,576)	(109,145)	(109,576)
- Aircraft fuel expenses		(411,569)	(470,476)	(411,569)	(470,476)
- Maintenance and overhaul		(178,207)	(145,930)	(178,207)	(145,930)
- User charges		(131,486)	(152,349)	(131,486)	(152,349)
- Aircraft operating lease expenses		-	(217,217)	-	(217,217)
- Other operating expenses		(76,698)	(90,186)	(76,698)	(90,186)
Other income	12	2,830	1,624	2,830	1,624
Share of results of an associate	17	-	15,968	-	15,968
Share of results of a joint venture	18	-	-	-	-
<b>EBITDA *</b>		<b>264,529</b>	<b>103,840</b>	<b>264,529</b>	<b>103,840</b>
Depreciation		(214,915)	(27,327)	(214,915)	(27,327)
Finance income	13	8,811	5,026	8,811	5,026
Finance costs	13	(87,938)	(7,257)	(87,938)	(7,257)
Foreign exchange gains/(losses)	13	89,030	(11,297)	89,030	(11,297)
Other losses		-	(7,645)	-	(7,645)
<b>Profit before taxation</b>		<b>59,517</b>	<b>55,340</b>	<b>59,517</b>	<b>55,340</b>
Taxation					
Current taxation	14	(617)	(1,206)	(617)	(1,206)
Deferred taxation	14	(15,567)	(12,636)	(15,567)	(12,636)
		(16,184)	(13,842)	(16,184)	(13,842)
<b>Profit for the financial period</b>		<b>43,333</b>	<b>41,498</b>	<b>43,333</b>	<b>41,498</b>
Attributable to:					
Equity holders of the Company		43,333	41,498	43,333	41,498
Non-controlling Interests		-	-	-	-
		<b>43,333</b>	<b>41,498</b>	<b>43,333</b>	<b>41,498</b>
Profit per share (sen)					
Basic	25	1.0	1.0	1.0	1.0
Diluted	25	1.0	1.0	1.0	1.0

This unaudited condensed consolidated income statement should be read in conjunction with explanatory Note 1 and the audited consolidated financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached in the interim financial statements.

\* Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”)



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2019 RM'000	Quarter ended 31/03/2018 RM'000	Period Ended 31/03/2019 RM'000	Period Ended 31/03/2018 RM'000
<b>Profit for the financial period</b>	43,333	41,498	43,333	41,498
Other comprehensive income/(loss)				
Cash flow hedges	154,592	-	154,592	-
Foreign currency translation differences	117	(167)	117	(167)
<b>Total comprehensive income for the financial period</b>	<b>198,042</b>	<b>41,331</b>	<b>198,042</b>	<b>41,331</b>
Total comprehensive income attributable				
To equity holder of the company	198,042	41,331	198,042	41,331
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>198,042</b>	<b>41,331</b>	<b>198,042</b>	<b>41,331</b>

This unaudited condensed consolidated income statement should be read in conjunction with explanatory Note 1 and the audited consolidated financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached in the interim financial statements.



**AIRASIA X BERHAD**  
 (Company No. 734161-K)  
 (Incorporated in Malaysia with limited liability under the Companies Act, 1965)  
 FIRST QUARTER REPORT ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
 FINANCIAL POSITION**

	Note	Unaudited As At	Audited As At
		31/03/2019 RM'000	31/12/2018 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	15	615,043	624,964
Right of use assets		5,269,084	-
Investment in an associate	17	-	-
Investment in a joint venture	18	-	-
Deferred Tax Assets		321,402	385,753
Other deposits and prepayments	16	1,794,902	1,714,195
Amount due from an associate		62,271	67,287
Derivative financial assets	21	31,936	-
		8,094,638	2,792,199
<b>CURRENT ASSETS</b>			
Inventories		13,254	13,257
Trade and other receivables	19	187,358	189,837
Amount due from an associate		16,501	-
Amounts due from related parties		81,100	48,851
Derivative financial assets	21	40,988	-
Tax recoverable		1,545	806
Deposits, cash and bank balances	20	289,689	297,609
		630,435	550,360
Non-current assets held for sale	22	999,012	999,012
		1,629,447	1,549,372
<b>CURRENT LIABILITIES</b>			
Sales in advance		601,044	676,245
Derivative financial liabilities	21	-	96,811
Trade and other payables	23	1,239,542	1,102,512
Amount due to an associate		-	7,777
Amount due to related parties		133,735	97,381
Borrowings	24	882,919	192,324
		2,857,240	2,173,050
<b>Net Current Liabilities</b>		(1,227,793)	(623,678)
<b>NON-CURRENT LIABILITIES</b>			
Derivative financial liabilities	21	-	33,675
Trade and other payables	23	52,127	52,767
Borrowings	24	4,968,308	494,728
Provision for aircraft maintenance		1,074,706	1,013,689
		6,095,141	1,594,859
		771,704	573,662
<b>CAPITAL AND RESERVES</b>			
Share capital		1,534,043	1,534,043
Warrant reserve		62,222	62,222
Other reserves		55,423	(99,169)
Currency translation reserve		146	29
Accumulated losses		(880,130)	(923,463)
<b>Shareholders' equity</b>		771,704	573,662

This unaudited condensed consolidated income statement should be read in conjunction with explanatory Note 1 and the audited consolidated financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached in the interim financial statements.



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Note	
	Period Ended 31/03/2019 RM'000	Period Ended 31/03/2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	59,517	55,340
Adjustments:		
Property, plant and equipment		
- Depreciation	214,915	27,327
- Write-off	10	-
- Loss on disposal	-	428
Reversal of provision for doubtful debts no longer required	-	(479)
Finance cost	87,938	7,257
Finance income	(8,811)	(5,026)
Discounting of interest on deposits	(6,595)	-
Fair value loss on derivative financial instruments	(48,818)	7,645
Share of results of an associate	-	(15,968)
Net unrealised foreign exchange (gains)/losses	(86,023)	7,625
	212,133	84,149
Changes in working capital:		
Inventories	3	1,272
Trade and other receivables	(94,390)	(6,403)
Related parties balances	(6,227)	62,739
Trade and other payables	261,842	7,614
Sales in advance	(75,201)	(55,559)
<b>Cash from operations</b>	<b>298,160</b>	<b>93,812</b>
Finance costs paid	(211)	(690)
Interest received	654	1,776
Tax paid	(520)	(760)
<b>Net cash generated from operating activities</b>	<b>298,083</b>	<b>94,138</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- Additions	(3,329)	(974)
- Proceeds from disposal of property, plant and equipment	-	100
<b>Net cash used in investing activities</b>	<b>(3,329)</b>	<b>(874)</b>



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
(CONT'D.)**

	Period Ended 31/03/2019 RM'000	Period Ended 31/03/2018 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(291,162)	(45,602)
Interest paid	(8,279)	(7,140)
Deposits pledged as securities	10,629	(833)
<b>Net cash used in financing activities</b>	<b>(288,812)</b>	<b>(53,575)</b>
<b>NET INCREASE FOR THE FINANCIAL PERIOD</b>	<b>5,942</b>	<b>39,689</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>(3,233)</b>	<b>(4,994)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>252,604</b>	<b>391,446</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>255,313</b>	<b>426,141</b>

Note

20

This unaudited condensed consolidated income statement should be read in conjunction with explanatory Note 1 and the audited consolidated financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached in the interim financial statements.



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Issued and fully paid  
ordinary shares  
of RM0.15 each

	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Warrant Reserve RM'000	Cash Flow Hedge Reserve RM'000	Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<b>At 1 January 2019</b>	4,148,148	1,534,043	-	62,222	(99,169)	29	(923,463)	573,662
Net profit for the financial period	-	-	-	-	-	-	43,333	43,333
Other comprehensive income	-	-	-	-	154,592	117	-	154,709
Total comprehensive income	-	-	-	-	154,592	117	43,333	198,042
<b>At 31 March 2019</b>	4,148,148	1,534,043	-	62,222	55,423	146	(880,130)	771,704
<b>At 1 January 2018</b>	4,148,148	1,534,043	-	62,222	(795)	178	(621,981)	973,667
Net profit for the financial period	-	-	-	-	-	-	41,498	41,498
Other comprehensive loss	-	-	-	-	-	(167)	-	(167)
Total comprehensive income	-	-	-	-	-	(167)	41,498	41,331
<b>At 31 March 2018</b>	4,148,148	1,534,043	-	62,222	(795)	11	(580,483)	1,014,998

This unaudited condensed consolidated income statement should be read in conjunction with explanatory Note 1 and the audited consolidated financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached in the interim financial statements.



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### KEY OPERATING STATISTICS - 31 MARCH 2019

Performance indicator for current quarter against the same quarter last year

Quarter Ended : 31 March	Jan - Mar 2019	Jan - Mar 2018	Changes Y-O-Y
Seat capacity	1,815,723	1,896,687	-4%
Passengers carried	1,512,546	1,588,644	-5%
Load factor	83%	84%	-1%
RPK (millions)	7,205	7,657	-6%
ASK (millions)	8,707	9,122	-5%
Average passenger fare (RM)	513	527	-3%
Ancillary revenue per passenger (RM)	172	173	-1%
Revenue per ASK (sen)	13.43	13.96	-4%
Revenue per ASK (US¢)	3.29	3.56	-8%
Cost per ASK (sen)	12.89	13.30	-3%
Cost per ASK (US¢)	3.16	3.39	-7%
Cost per ASK (sen) - excluding fuel	8.16	8.14	0%
Cost per ASK (US¢) - excluding fuel	2.00	2.08	-4%
Aircraft (end of period)	36	30	20%
Average sector length (km)	4,791	4,809	0%
Sectors flown	4,829	5,031	-4%
Fuel consumed (Barrels)	1,280,007	1,370,544	-7%
Average fuel price (USD/ Barrel)	79	88	-10%
Exchange Rate	4.0810	3.9223	-4%

#### 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



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 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 for the financial year ended 31 December 2018.

For comparison purposes, the consolidated income statement for the quarter ended 31 March 2019 based on presentation in the audited financial statements, which is in line with the requirements of MFRS 134: Interim Financial Reporting, will be as follows:

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		31/03/2019	31/03/2018	31/03/2019	31/03/2018
		RM'000	RM'000	RM'000	RM'000
Revenue	10	1,168,804	1,271,982	1,168,804	1,271,982
Operating Expenses					
- Staff costs	11	(109,145)	(109,576)	(109,145)	(109,576)
- Depreciation		(214,915)	(27,327)	(214,915)	(27,327)
- Aircraft fuel expenses		(411,569)	(470,476)	(411,569)	(470,476)
- Maintenance and overhaul		(178,207)	(145,930)	(178,207)	(145,930)
- User charges		(131,486)	(152,349)	(131,486)	(152,349)
- Aircraft operating lease expenses		-	(217,217)	-	(217,217)
- Other operating expenses		(76,698)	(90,186)	(76,698)	(90,186)
Other income	12	2,830	1,624	2,830	1,624
<b>Operating profit</b>		<b>49,614</b>	<b>60,545</b>	<b>49,614</b>	<b>60,545</b>
Finance income	13	8,811	5,026	8,811	5,026
Finance costs	13	(87,938)	(7,257)	(87,938)	(7,257)
<b>Net operating (loss)/profit</b>		<b>(29,513)</b>	<b>58,314</b>	<b>(29,513)</b>	<b>58,314</b>
Foreign exchange gains/(losses)	13	89,030	(11,297)	89,030	(11,297)
Share of results of an associate	17	-	15,968	-	15,968
Share of results of a joint venture	18	-	-	-	-
Other losses		-	(7,645)	-	(7,645)
<b>Profit before taxation</b>		<b>59,517</b>	<b>55,340</b>	<b>59,517</b>	<b>55,340</b>
Taxation					
Current taxation	14	(617)	(1,206)	(617)	(1,206)
Deferred taxation	14	(15,567)	(12,636)	(15,567)	(12,636)
		(16,184)	(13,842)	(16,184)	(13,842)
<b>Profit for the financial period</b>		<b>43,333</b>	<b>41,498</b>	<b>43,333</b>	<b>41,498</b>





## **AIRASIA X BERHAD**

**(Company No. 734161-K)**

**(Incorporated in Malaysia with limited liability under the Companies Act, 1965)**

**FIRST QUARTER REPORT ENDED 31 MARCH 2019**

### **NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

#### **2. Summary of significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of MFRS 16 Lease which is effective as of 1 January 2019. The Group did not early adopt any new standards, interpretation or amendment that has been issued but is not yet effective.

At the beginning of the current financial year, the Group and the Company have adopted MFRS 16: Leases. MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

MFRS 16 has been adopted by the Group as at 1 January 2019 using the modified retrospective method of adoption which measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

Correspondingly, the right-of-use ("ROU") assets will be the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The ROU asset will be depreciated on a straight-line basis over the shorter of the lease term and useful life of the leased asset.



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying MFRS 117 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). As the modified retrospective method of adoption is applied, comparative figures are not restated.

The adoption of MFRS 16 have the following impact on the unaudited consolidated financial statements for the period ended 31 March 2019.

	<b>Unaudited 31/03/2019 Normalised RM'000</b>	<b>Impact of MFRS 16 adoption RM'000</b>	<b>Unaudited 31/03/2019 with adoption of MFRS 16 RM'000</b>
Right of use assets	-	5,269,084	5,269,084
Lease liabilities	-	5,221,753	5,221,753
Depreciation	(13,240)	(201,675)	(214,915)
Aircraft operating lease	(242,939)	242,939	-
Other operating expenses	(77,538)	840	(76,698)
Finance costs	(21,221)	(66,717)	(87,938)
Foreign exchange gains	17,086	71,944	89,030



## **AIRASIA X BERHAD**

**(Company No. 734161-K)**

**(Incorporated in Malaysia with limited liability under the Companies Act, 1965)**

**FIRST QUARTER REPORT ENDED 31 MARCH 2019**

### **NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

#### **3. Auditors' report on preceding annual financial statements**

The auditors have expressed an unqualified opinion on the audited Group's statutory financial statements for the financial year ended 31 December 2018 in their report dated 28 March 2019.

#### **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. Passengers carried recorded in the 1Q 2019 declined by 5% year-on-year ("YoY") at 1,512,546 passengers while Passenger Load Factor ("PLF") stood at 83%. This was primarily due to company optimised its route network by terminating non-core routes and redeployed capacity and frequency.

#### **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**

There was no issuance of shares during the current quarter. Total issued and paid up share capital as at 31 March 2019 is 1,534,043,217 (31 March 2018: RM1,534,043,045).

#### **8. Dividend paid**

No dividends were declared, approved or paid for the quarter ended 31 March 2019.



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 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"). 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 and joint venture 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
<b>Quarter/Period ended 31 March 2019</b>					
<b><u>Segment results</u></b>					
Revenue	1,168,804	510,072	11,425	(91,587)	1,598,714
Operating expenses					
- Staff costs	(109,145)	(41,799)	(5,360)	-	(156,304)
- Depreciation	(214,915)	(1,483)	(463)	55,903	(160,958)
- Aircraft fuel expenses	(411,569)	(171,726)	(3,316)	-	(586,611)
- Maintenance and overhaul	(178,207)	(65,277)	1,186	35,684	(206,614)
- User charges and other related expenses	(131,486)	(83,217)	(5,672)	-	(220,375)
- Aircraft operating lease expenses	-	(80,664)	-	-	(80,664)
- Other operating expenses	(76,698)	(25,289)	(1,322)	-	(103,309)
Other income	2,830	9,973	178	-	12,981
<b>Operating profit/(loss)</b>	<b>49,614</b>	<b>50,590</b>	<b>(3,344)</b>	<b>-</b>	<b>96,860</b>
Finance income	8,811	-	46	-	8,857
Finance costs	(87,938)	(919)	-	-	(88,857)
<b>Net operating profit/(loss)</b>	<b>(29,513)</b>	<b>49,671</b>	<b>(3,298)</b>	<b>-</b>	<b>16,860</b>
Foreign exchange gains/(losses)	89,030	(343)	(3,470)	-	85,217
Share of results of an associate	-	-	-	-	-
Other losses	-	-	-	-	-
<b>Profit/(loss) before taxation</b>	<b>59,517</b>	<b>49,328</b>	<b>(6,768)</b>	<b>-</b>	<b>102,077</b>



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination Adjustments RM'000	Total RM'000
<b>Quarter/Period ended 31 March 2018</b>					
<b><u>Segment results</u></b>					
Revenue	1,271,982	400,165	168,524	(110,655)	1,730,016
Operating expenses					
- Staff costs	(109,576)	(34,642)	(8,450)	-	(152,668)
Depreciation	(27,327)	(1,241)	(477)	-	(29,045)
- Aircraft fuel expenses	(470,476)	(111,496)	(79,837)	-	(661,809)
- Maintenance and overhaul	(145,930)	(39,017)	(22,241)	40,805	(166,383)
- User charges and other related expenses	(152,349)	(42,065)	(40,059)	-	(234,473)
- Aircraft operating lease expenses	(217,217)	(59,456)	(34,903)	75,126	(236,450)
- Other operating expenses	(90,186)	(28,005)	(4,882)	(5,276)	(128,349)
Other income	1,624	5,021	115	-	6,760
<b>Operating profit/(loss)</b>	<b>60,545</b>	<b>89,264</b>	<b>(22,210)</b>	<b>-</b>	<b>127,599</b>
Finance income	5,026	164	22	-	5,212
Finance costs	(7,257)	(696)	(167)	-	(8,120)
<b>Net operating profit/(loss)</b>	<b>58,314</b>	<b>88,732</b>	<b>(22,355)</b>	<b>-</b>	<b>124,691</b>
Foreign exchange gains/(losses)	(11,297)	(2,521)	11,746	-	(2,072)
Share of results of an associate	15,968	-	-	(15,968)	-
Other losses	(7,645)	-	-	-	(7,645)
<b>Profit/(loss) before taxation</b>	<b>55,340</b>	<b>86,211</b>	<b>(10,609)</b>	<b>(15,968)</b>	<b>114,974</b>



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

a) Reconciliation of segment revenue to reported revenue:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Segment revenue	1,598,714	1,730,016	1,598,714	1,730,016
Add: Inter-segment revenue	91,587	110,655	91,587	110,655
Less: Revenue from affiliates which were not consolidated	(521,497)	(568,689)	(521,497)	(568,689)
	<u>1,168,804</u>	<u>1,271,982</u>	<u>1,168,804</u>	<u>1,271,982</u>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Segment profit before taxation	102,077	114,974	102,077	114,974
Add: Segment profit from affiliates which were not consolidated	(42,560)	(59,634)	-	-
	<u>59,517</u>	<u>55,340</u>	<u>59,517</u>	<u>55,340</u>

### 10. Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Scheduled flights *	775,837	836,515	775,837	836,515
Charter flights	42,040	50,050	42,040	50,050
Freight services	39,698	43,091	39,698	43,091
Ancillary revenue **	219,089	230,656	219,089	230,656
Aircraft operating lease income	91,587	110,655	91,587	110,655
Management fees	553	1,015	553	1,015
	<u>1,168,804</u>	<u>1,271,982</u>	<u>1,168,804</u>	<u>1,271,982</u>

\* Scheduled flights for the current quarter has netted-off the commission of RM2.3 million for the quarter under review (period ended 31 March 2018: RM885k) on loyalty program in compliance with MFRS 15.

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



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 11. Staff cost

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Wages, salaries, bonuses and allowances	98,040	100,385	98,040	100,385
Defined contribution retirement plan	11,105	9,191	11,105	9,191
	<u>109,145</u>	<u>109,576</u>	<u>109,145</u>	<u>109,576</u>

#### 12. Other income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Commission income from insurance	625	1,235	625	1,235
Others	2,205	389	2,205	389
	<u>2,830</u>	<u>1,624</u>	<u>2,830</u>	<u>1,624</u>

#### 13. Finance income/(costs) and foreign exchange gains/(losses)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
<b>Finance income:</b>				
Interest income on deposits with licensed banks	654	1,716	654	1,716
Other interest income	2,021	3,310	2,021	3,310
	<u>2,675</u>	<u>5,026</u>	<u>2,675</u>	<u>5,026</u>
Discounting and accretion of interest on deposits	6,136	-	6,136	-
	<u>8,811</u>	<u>5,026</u>	<u>8,811</u>	<u>5,026</u>
<b>Finance costs:</b>				
Interest expense on bank borrowings	(8,279)	(7,140)	(8,279)	(7,140)
Bank facilities and other charges	(211)	(117)	(211)	(117)
Interest on lease liabilities	(66,717)	-	(66,717)	-
	<u>(75,207)</u>	<u>(7,257)</u>	<u>(75,207)</u>	<u>(7,257)</u>
Discounting and accretion of interest on deposits	(12,731)	-	(12,731)	-
	<u>(87,938)</u>	<u>(7,257)</u>	<u>(87,938)</u>	<u>(7,257)</u>
<b>Foreign exchange gains/(losses)</b>				
Realized	3,007	(7,625)	3,007	(7,625)
Unrealized	86,023	(3,672)	86,023	(3,672)
	<u>89,030</u>	<u>(11,297)</u>	<u>89,030</u>	<u>(11,297)</u>



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

**14. Taxation**

**Current taxation**

The current taxation charge comprises tax payable on interest income.

**Deferred taxation**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Profit before tax	59,517	55,340	59,517	55,340
Tax calculated at Malaysian statutory tax rate of 24% (2018: 24%)	14,284	13,282	14,284	13,282
Tax effects:				
- deferred tax movement	6,507	-	6,507	-
- overprovision of prior year tax	(3,024)	-	(3,024)	-
- expenses not deductible for tax purposes	-	560	-	560
- income not subject to tax	(1,583)	-	(1,583)	-
<b>Taxation</b>	<b>16,184</b>	<b>13,842</b>	<b>16,184</b>	<b>13,842</b>

**15. Property, plant and equipment**

(a) Acquisition and disposal

During the quarter ended 31 March 2019, the Group acquired property, plant and equipment amounting to RM3.3 million (quarter ended 31 March 2018: RM974k).

During the quarter ended 31 March 2019, there was no disposal of property, plant and equipment (quarter ended 31 March 2018: RM100k).

(b) Revaluation

There was no revaluation of property, plant and equipment for the quarter ended 31 March 2019 (quarter ended 31 March 2018: RM Nil).

(c) Write-off

During the quarter ended 31 March 2019, there was write-off property, plant and equipment amounting to RM9.6k (quarter ended 31 March 2018: RM NIL).





## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 16. Other deposits and prepayments

Other deposits and prepayments include deposits paid to lessors for leased aircraft, funds placed with lessors in respect of maintenance of the leased aircraft, and prepayments for lease of aircraft and maintenance of aircraft and engines. These deposits and prepayments are denominated in USD.

#### 17. Investment in an associate

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Unquoted investments, at cost	20,018	20,018
Group's share of post-acquisition profit	(20,018)	(20,018)
	<u>-</u>	<u>-</u>

The details of the associate is as follows:-

Name	Country of Incorporation	Group effective equity interest		Principal activity
		31/03/2019 %	31/12/2018 %	
Thai AirAsia X Co. Ltd ("TAAX")	Thailand	49%	49%	Commercial air transport services

TAAX recorded a net profit of RM49.5 million in the current quarter (quarter ended 31 March 2018: RM86.2 million) As at 31 March 2019, the unrecognised amount of the Group's share of loss of TAAX which have not been equity accounted for amounted to RM18.9 million (31 March 2018: RM21.6 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.



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

**18. Investment in a joint venture**

	As at 31/03/2019	As at 31/12/2018
	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
		As at %	As at %	
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 quarter, which have not been equity accounted for, amounted to loss of RM9.0 million (31 March 2018: Loss of RM8.0 million). As at 31 December 2018, the unrecognised amount of the Group's share of loss of IAAX which have not been equity accounted for amounted to RM135.7 million (31 March 2018: RM82.8 million).

**19. Receivables and prepayments**

	As at 31/03/2019	As at 31/12/2018
	RM'000	RM'000
Trade receivables	83,450	66,228
Less : Allowance for impairment of receivables	(58,691)	(59,324)
	<u>24,759</u>	<u>6,904</u>
Other receivables	203,836	225,797
Less : Allowance for impairment of receivables *	(159,456)	(165,157)
	<u>44,380</u>	<u>60,640</u>
Deposits	23,675	26,047
Prepayments	94,544	96,246
	<u>187,358</u>	<u>189,837</u>

\*Included in the total impairment of receivables is RM159.4 million relating to lease rental and maintenance reserve due from a joint venture through a third party leasing intermediary.



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 20. Deposits, cash and bank balances

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

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Cash and bank balances	234,459	241,017
Deposits with licensed banks	55,230	56,592
	<u>289,689</u>	<u>297,609</u>
Bank balances and deposits pledged as securities	(34,376)	(45,005)
Cash and cash equivalents	<u>255,313</u>	<u>252,604</u>

#### 21. Derivative Financial assets and liabilities

The fair value of derivative financial instruments is determined in accordance with MFRS9 "Financial Instruments: Recognition and Measurement".

#### Fuel hedging

As at 31 March 2019, outstanding number of barrels of Brent and fuel derivative contracts was 4,372,448 barrels (2018: 4,857,328 barrels).

#### 22. Non-current assets held for sale

On 27 March 2019, the Group had entered into sale and purchase arrangements ("SPA") in respect of three (3) aircrafts owned by the Group with Jerdons Baza Leasing 1048 DAC pertaining to aircraft with Manufacturing Serial Number ("MSN") 1048, Jerdons Baza Leasing 1066 DAC pertaining to aircraft with MSN 1066 and Jerdons Baza Leasing 1075 DAC pertaining to aircraft with MSN 1075 for an aggregate consideration of USD164.3 million (approximately RM680.0 million).

On the same date, AAX Leasing Eleven Ltd ("AAXLEL"), an indirect subsidiary of the Company through AAX Aviation Capital Ltd, had entered into lease agreements with Jerdons Baza Leasing 1048 DAC pertaining to aircraft with MSN 1048, Jerdons Baza Leasing 1066 DAC pertaining to aircraft with MSN 1066 and Jerdons Baza Leasing 1075 DAC pertaining to aircraft with MSN 1075.

The Company had also on the same date simultaneously entered into a sub-lease with AAXLEL as sub-lessor and the Company as sub-lessee to continue operating the abovementioned aircrafts in its fleet.



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

**23. Trade and other payables**

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Current:		
Trade payables	393,165	300,728
Other payables and accruals	844,387	799,794
Deferred lease income	1,990	1,990
	<u>1,239,542</u>	<u>1,102,512</u>
Non-current:		
Deferred lease income	9,698	9,698
Other deposits	42,429	43,069
	<u>52,127</u>	<u>52,767</u>

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

**24. Borrowings**

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Current		
Secured:		
- Term loans	189,453	192,313
- Hire purchase	13	11
- Lease liabilities	693,453	-
	<u>882,919</u>	<u>192,324</u>
Non-current		
Secured:		
- Term loans	439,976	494,694
- Hire purchase	32	34
- Lease liabilities	4,528,300	-
	<u>4,968,308</u>	<u>494,728</u>
Total borrowings	<u>5,851,227</u>	<u>687,052</u>



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

The currency profile of borrowings is as follows:

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Ringgit Malaysia	45	45
US Dollar	5,851,182	687,007
	5,851,227	687,052

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

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Not later than 1 year	882,919	192,324
Later than 1 year and not later than 5 years	2,610,712	416,323
Later than 5 years	2,357,596	78,405
	5,851,227	687,052

**25. 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	
	Quarter ended 31/03/2019	Quarter ended 31/03/2018	Period ended 31/03/2019	Period ended 31/03/2018
Net profit (RM'000)	43,333	41,498	43,333	41,498
Weighted average number of ordinary shares in issue ('000)	4,148,148	4,148,148	4,148,148	4,148,148
Profit per share (sen)	1.0	1.0	1.0	1.0



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

**26. Post balance sheet events**

As at the date of this report, there were no material events after the year end that have not been reflected in the financial statements for the period ended 31 March 2019.

**27. Contingent assets**

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

**28. Contingent liabilities**

There were no major changes in contingent liabilities since the latest audited consolidated financial statements for the period ended 31 March 2019.

**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 31/03/2019 RM'000	As at 31/12/2018 RM'000
Aircraft purchase	114,004,393	115,725,215

(b) Non-cancellable operating leases

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

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Future minimum lease payments	6,322,316	6,664,520
Future minimum sublease receipts	1,657,858	1,755,706



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

#### 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
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. ("AAZ")	Common Directors and shareholders
AirAsia SEA Sdn Bhd (formerly known as AirAsia Global Shared Services Sdn Bhd ("AASEA"))	Common Directors and shareholders
Rokki 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
AirAsia (India) Pvt Ltd ("AAI")	Common Directors and shareholders
RedCargo Logistics Sdn Bhd ("RCL")	Common Directors and shareholders
BIGLIFE Sdn Bhd (formerly known as Big Loyalty Sdn Bhd and Think Big Digital Sdn Bhd ("BIG"))	Common Directors and shareholders
AirAsia (Guangzhou) Aviation Service Limited ("AirAsia (Guangzhou)")	Common Directors and shareholders



## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

These following items have been included in the income statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
<b>TAAX</b>				
- Aircraft operating lease income for leased aircraft	91,587	83,945	91,587	83,945
- Net operational services charged	3,250	7,065	3,250	7,065
<b>IAAX</b>				
- Aircraft operating lease income for leased aircraft	-	26,710	-	26,710
- Net operational services charged	802	2,095	802	2,095
<b>AAB</b>				
- Brand license fee	(5,390)	(5,699)	(5,390)	(5,699)
- Lounge services	417	441	417	441
- Net operational services charged	(10,245)	(9,328)	(10,245)	(9,328)
<b>TAA</b>				
- Net operational services charged	224	104	224	104
<b>IAA</b>				
- Net operational services charged	5	(222)	5	(222)
<b>AAJ</b>				
- Net operational services charged	(478)	(1,208)	(478)	(1,208)
<b>AAZ</b>				
- Net operational services charged	1,052	2,121	1,052	2,121
<b>AASEA</b>				
- Provision of shared services	(771)	(568)	(771)	(568)
- Net operational services charged	(621)	(498)	(621)	(498)
<b>Rokki</b>				
- In-flight entertainment system and software expenses	(947)	(915)	(947)	(915)





## AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2019 RM'000	Quarter ended 31/03/2018 RM'000	Period ended 31/03/2019 RM'000	Period ended 31/03/2018 RM'000
<b>TIMB</b>				
- Commission received/receivable on travel insurance	676	798	676	798
- Premium collected on behalf of TIMB on travel insurance	(2,704)	(3,193)	(2,704)	(3,193)
<b>Yummy Kitchen</b>				
- Provision of food catering services	(375)	(473)	(375)	(473)
<b>GTR</b>				
- Ground handling services	(10,582)	(5,502)	(10,582)	(5,502)
- Net operational services charged	160	(1,388)	160	(1,388)
<b>AAI</b>				
- Net operational services charged	(531)	(247)	(531)	(247)
<b>RCL</b>				
- Purchase of cargo transportation capacity	42,700	-	42,700	-
<b>BIG</b>				
- Sale of ticket and other ancillary revenue	5,746	338	5,746	338
- Purchase of loyalty point	(2,238)	(885)	(2,238)	(885)
<b>AirAsia (Guangzhou)</b>				
- Net operational services charged	(6,146)	-	(6,146)	-

### 31. Review of Group's performance

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

The net operating loss for the group in 1Q19 was RM29.5 million (1Q18 net operating profit: RM58.3 million), reduction is mainly due to lower revenue as a result of lower average base fare from RM527 in 1Q18 to RM513 in 1Q19.

Decrease in cost per ASK is mainly due to reduction in fuel price from USD88/bbl in 1Q18 to USD79/bbl in 1Q19.



## **AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

### **NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

#### **32. Variance of results against preceding quarter**

The Group recorded a profit before taxation of RM59.7 million for the quarter under review as compared to RM15.9 million in 4Q18 in the immediate preceding quarter ended 31 December 2018. This was mainly due to the unrealized foreign exchange gain as a result of the strengthening of Malaysian Ringgit against US Dollar at end of the current quarter.

#### **33. Other profit and loss items**

In the current quarter and financial period, there has been no interest income, other income including investment income, interest expense, depreciation and amortisation, provision for and write off of receivables and inventories, gain or loss on disposal of quoted and unquoted investments or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and/or exceptional items except as disclosed either in the consolidated income statements and/or notes to the unaudited financial statements.

#### **34. Commentary on prospects**

The Group views current forward booking trend are performing within expectation. Demand is expected to pick up in June from the festive season and in conjunction with midterm school holidays in the Region.

Improving overall cost performance remains one of the Company's main priorities in 2019. A lot of initiatives are being put in place via digitalisation to reduce costs. In order to better serve the growing demand in the region, AirAsia X Thailand will be adding up to five aircraft through operating leases in 2019. On the other hand, AirAsia X Malaysia is expected to remain with 24 aircraft as it focuses on maximising aircraft utilisation of its current fleet and leverage on the Group's strategy in new route launches as well as increasing frequencies of core routes.

For the remaining quarters of 2019, the Company remains cautious on the challenging global backdrop and pressure on Malaysia Ringgit but optimistic to observe healthier demand across most sectors in addition to a favourable fuel hedging strategy.

#### **35. Profit forecast**

The disclosure requirement is not applicable as the Group did not publish any profit forecast.

#### **36. Corporate proposal**

There was no corporate proposal which is announced but not completed as at 9th May 2019, being the latest practicable date of this report.



**AIRASIA X BERHAD**

(Company No. 734161-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

FIRST QUARTER REPORT ENDED 31 MARCH 2019

**NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2019**

**37. Material litigation**

As at 9th May 2019, 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 March 2019.

**39. Reclassification of comparative figures**

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

**By Order of the Board**

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)

COMPANY SECRETARY

16 May 2019