



CONFIDENT

JOURNEYS AHEAD

ANNUAL REPORT 2024

WHAT'S INSIDE



This year's cover captures the dynamic heartbeat of AirAsia X's operational ecosystem. Set against the vibrant backdrop of KLIA Terminal 2, it illustrates the seamless orchestration of ground operations—from Santan's in-flight catering to GTR's ground handling services and the efficient cargo logistics by Teleport using AKE/Unilode containers. The coordinated movement of vehicles, crew, and aircraft in preparation for departure speaks to the confidence we carry into every departure and the strength of the integrated support that powers our network. This cover highlights the coordinated efforts behind the scenes that ensure every journey with AirAsia X has a seamless travel experience, from first preparations to final arrival.

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CORPORATE PROFILE

AirAsia X Berhad (“AirAsia X” or the “Company”) is a medium-haul low-cost airline operating primarily in the Asia-Pacific region. Established in 2006 as Fly Asian Express, we started out by servicing the rural areas of East Malaysia with turboprop aircraft before undertaking a comprehensive rebranding in September 2007, followed by the very first AirAsia X flight to the Gold Coast, Australia in November 2007.

AirAsia X embarked on a period of hibernation of its scheduled flight operations at the onset of the COVID-19 pandemic, which lasted between 2020 until 2022. During this period, the Company spared no time for slowdowns; instead, AirAsia X streamlined its operational structure and cleaned up its balance sheet, ensuring that as and when restarting of the airline is possible, the Company would be ready for takeoff.

Since 2022, AirAsia X as a Group has been on a steady course of recovery as it returned to the skies, now servicing scheduled flight operations to Australia (Sydney, Melbourne and Perth), China (Beijing, Hangzhou, Shanghai, Changsha, Chengdu, Chongqing, and Xi’an), India (New Delhi), South Korea (Seoul), Japan (Tokyo, Osaka and Sapporo), Taiwan (Taipei), Indonesia (Bali), Saudi Arabia (Jeddah and Medina), Kazakhstan (Almaty) and Kenya (Nairobi) from two hubs: Kuala Lumpur and Bangkok as of March 2025.

Based on a revitalised business model as we return stronger than before, our unit cost base is healthy, with cost per available seat kilometre

(“CASK”) of 13.88 sen and CASK (excluding fuel) of 6.46 sen for the year ended 31 December 2024. This enables us to continue offering fares and other services that are targeted, on average, to be 30% - 50% lower than full-service carriers.

Over the past years, we continued to witness the rapid recovery of the international travel segment within the industry, and we are intent on delivering increased value in the coming years. With this in mind, in April 2024, the Company announced its proposal to acquire 100% stake in both AirAsia Aviation Group Limited (which in turn holds stakes in AirAsia Thailand, AirAsia Indonesia, AirAsia Philippines and AirAsia Cambodia) and AirAsia Berhad (also known as AirAsia Malaysia), in its bid to advance and fortify its growth and expansion ambitions. In October 2024, the Company secured its shareholders’ approval of the proposed acquisitions and is now progressing on fulfilling the requisite condition precedents for completion of the exercise.

As of 31 December 2024, we maintain a core fleet of 18 A330-300 aircraft, while our associate Thai AirAsia X Co., Ltd. (“AirAsia X Thailand” or “TAAX”) maintains a fleet size of ten A330-300 aircraft.



For more information, please go to website link <https://www.airasiax.com/ar.html> to view AirAsia X Annual Report 2024.

OUR VISION

To be the largest low-cost airline in Asia and serve the people who are currently underserved with poor connectivity and high fares.

OUR MISSION

- To be the best company to work for whereby employees are treated as part of a big family
- Create a globally recognised ASEAN brand
- To attain the lowest cost so that everyone can fly with AirAsia
- Maintain the highest quality product, embracing technology to reduce cost and enhance service levels

VALUES

- All for One, One for All
- Dare to Dream
- Make a Difference
- Celebrate All Individuals
- Keep it Simple
- Be Transparent
- Have Empathy & Respect
- Safety is #1

OUR NETWORK



Connecting to over **150 DESTINATIONS** along with the wider AirAsia Group



● AIRASIA X MALAYSIA (D7)

Hub: **Kuala Lumpur (KUL)**
Number of Destinations: **23**



● AIRASIA X THAILAND (XJ)

Hub: **Bangkok (DMK)**
Number of Destinations: **7**

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' FAM LEE EE

Non-Independent

Non-Executive Chairman

DATUK KAMARUDIN BIN MERANUN

Non-Independent

Executive Director

TAN SRI ASMAT BIN KAMALUDIN

Independent

Non-Executive Director

MS CHIN MIN MING

Independent

Non-Executive Director

DATO' ABDUL MUTALIB BIN ALIAS

Independent

Non-Executive Director

DATO' SRI MOHAMMED SHAZALLI BIN RAMLY

Independent

Non-Executive Director

AUDIT COMMITTEE

- Dato' Abdul Mutalib bin Alias
- Ms Chin Min Ming
- Dato' Sri Mohammed Shazalli bin Ramly

NOMINATION AND REMUNERATION COMMITTEE

- Tan Sri Asmat bin Kamaludin
- Ms Chin Min Ming
- Dato' Abdul Mutalib bin Alias

RISK MANAGEMENT COMMITTEE

- Ms Chin Min Ming
- Dato' Abdul Mutalib bin Alias
- Dato' Sri Mohammed Shazalli bin Ramly

SAFETY REVIEW BOARD

- Dato' Sri Mohammed Shazalli bin Ramly
- Dato' Fam Lee Ee
- Benyamin Ismail

COMPANY SECRETARY

Cynthia Gloria Louis
(SSM PC No. 201908003061)
(MAICSA 7008306)

AUDITORS

Ernst & Young PLT [202006000003
(LLP0022760-LCA) & AF 0039]
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 7495 8000
Fax : +603 2095 5332

REGISTERED OFFICE

RedQ
Jalan Pekeliling 5
Lapangan Terbang Antarabangsa
Kuala Lumpur
64000 KLIA
Selangor Darul Ehsan
Tel : +603 8660 4600
Fax : +603 8660 7722
Email : aax_ir@airasia.com
Website: www.airasiax.com

HEAD OFFICE

RedQ
Jalan Pekeliling 5
Lapangan Terbang Antarabangsa
Kuala Lumpur
64000 KLIA
Selangor Darul Ehsan
Tel : +603 8660 4600
Fax : +603 8660 7722
Email : aax_ir@airasia.com
Website: www.airasiax.com

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd. (197101000970)
(11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 2783 9299
Fax : +603 2783 9222
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Listing Date : 10 July 2013
Stock Name : AAX
Stock Code : 5238

CORPORATE STRUCTURE

AS OF 15 APRIL 2025



DIRECTORS' PROFILES

Dato' Fam (Male), Malaysian, aged 63, was appointed as a Non-Independent Non-Executive Director of the Company on 24 March 2008, and on 8 September 2023, redesignated as the Non-Independent Non-Executive Deputy Chairman. On 18 December 2023, Dato' Fam was redesignated as the Non-Independent Non-Executive Chairman of the Company. He is also a member of the Safety Review Board of the Company.

He received his Bachelor of Arts (Honours) from the University of Malaya in 1986 and Bachelor of Laws (Honours) from the University of Liverpool, England in 1989. Upon obtaining his Certificate of Legal Practice in 1990, he has been practising law since 1991 and is currently a Senior Partner at Messrs Gan & Zul.

Dato' Fam sat on the Board of Trustees of Yayasan PEJATI from 1996 to 2007. Since 2001, he has served as a legal advisor to the Chinese Guilds and Association and charitable organisations such as Yayasan SSL Haemodialysis Centre in Petaling Jaya, Selangor. He was the Honorary Advisor of the Perlis Chinese Chamber of Commerce and Industry and Council Member of International Commercial Dispute Prevention & Settlement Organisation ("ICDPASO").

He also serves as a Senior Independent Non-Executive Director of Capital A Berhad and Director of Thai AirAsia X Co., Ltd. and Malaysia-China Business Council.

DATO' FAM LEE EE

Non-Independent
Non-Executive Chairman

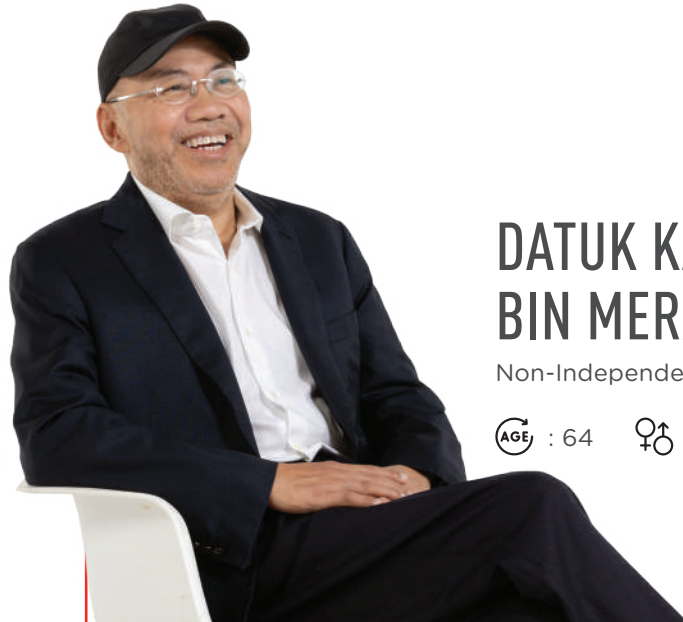
 : 63

 : Male

 : Malaysian



DIRECTORS' PROFILES



DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Director

 : 64  : Male  : Malaysian

Datuk Kamarudin (Male), Malaysian, aged 64, is the co-founder of the Company. Datuk Kamarudin was appointed as a Non-Independent Non-Executive Director of the Company on 6 June 2006. He was appointed as the Chairman of the Board on 3 February 2010 till 3 March 2011. Datuk Kamarudin was redesignated as the Non-Independent Executive Director and Group Chief Executive Officer on 30 January 2015. On 1 November 2018, he was redesignated as a Non-Independent Non-Executive Director. Datuk Kamarudin was redesignated as a Non-Independent Executive Director of the Company on 2 May 2024.

In December 2001, Datuk Kamarudin, together with Tan Sri Tony Fernandes, Allahyarham Dato' Pahamin Ab Rajab and Dato' Abdul Aziz bin Abu Bakar acquired struggling domestic airline AirAsia and, with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier.

Prior to setting up the Company, Datuk Kamarudin worked at Arab-Malaysian Merchant Bank from 1988 to 1993 as a Portfolio Manager, managing both institutional and high net-worth individual clients' investment funds. In 1994, he was appointed Executive Director of Innosabah Capital Management Sdn Bhd, a subsidiary of Innosabah Securities Sdn Bhd. He subsequently acquired the shares of the joint venture partner of Innosabah Capital Management Sdn Bhd, which was later renamed Intrinsic Capital Management Sdn Bhd.

He received the Darjah Panglima Jasa Negara ("PJN"), which carries the title Datuk, from the Malaysian King in November 2013.

Datuk Kamarudin is the Non-Independent Executive Chairman of Capital A Berhad and AirAsia Berhad. He is also a Director of Red Giants Football Club.



TAN SRI ASMAT BIN KAMALUDIN

Independent Non-Executive Director

 : 81  : Male  : Malaysian

Tan Sri Asmat (Male), Malaysian, aged 81, was appointed as an Independent Non-Executive Director of the Company on 13 May 2013. He is the Chairman of the Nomination and Remuneration Committee of the Company.

Tan Sri Asmat graduated from the University of Malaya with a Bachelor of Arts (Honours) degree in Economics. He also holds a Diploma in European Economic Integration from the University of Amsterdam.

Tan Sri Asmat has vast experience of over 35 years in various capacities in the public service and his last post as the Secretary General of the Ministry of International Trade & Industry Malaysia, a position he held since May 1992. In the last five (5) years prior to his retirement in 2001, Tan Sri Asmat served as a Board member

of Malaysia Technology Development Corporation, Multimedia Development Corporation, Malaysian Trade Development Corporation, Permodalan Nasional Berhad, Small and Medium Industries Development Corporation and Perbadanan Johor.

Currently, Tan Sri Asmat is the Chairman of Compugates Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and Perusahaan Otomobil Kedua Sdn. Bhd. He is also a Director of the JACTIM Foundation.



MS CHIN MIN MING

Independent Non-Executive Director

 : 55  : Female  : Malaysian

Ms Chin (Female), Malaysian, aged 55, was appointed as an Independent Non-Executive Director of the Company on 1 December 2022. She is also the Chairman of the Risk Management Committee of the Company and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

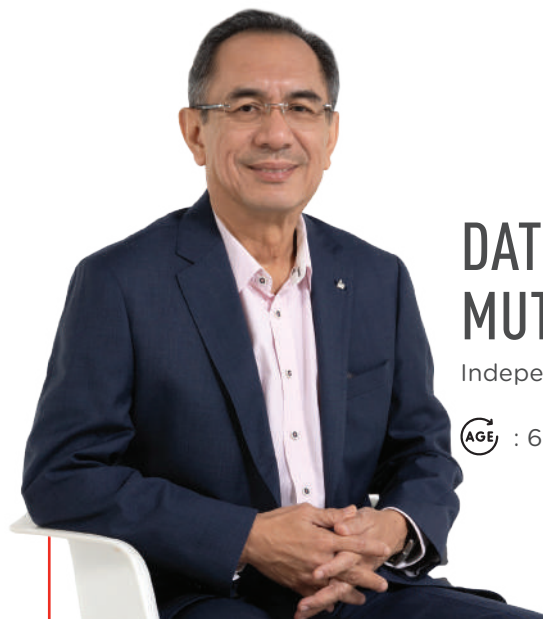
Ms Chin holds a Bachelor of Science in Computer Science from the University of Victoria, Canada, and a Senior Executive Master of Business Administration from the Melbourne Business School. She is also a Certified Information Systems Security Professional (“CISSP”).

She has extensive experience in Digital Transformation, Strategic Innovation and Technology Entrepreneurship. She had successfully implemented Financial Inclusion for migrant workers and refugees, digitalised Compliance Audit Tool for industry best practice standards,

developed a world-first Data Security & Access Control token with built-in RFID, designed the Digital ID blueprint for the first Multi-Application National ID Card in the world, delivered Labuan Halal Hub and National Food Traceability platform, and more. She is well-versed in technology valuation and acquisition. She raised the highest tech startup fund in Asia during the Asian Financial Crisis and was the first in Malaysia to receive funding from Draper Investment.

Further, she is actively involved in ESG and advising companies on Sustainability Risks Management and Compliance. She is familiar with sustainability reporting standards and the Bursa Malaysia's Enhanced Sustainability Reporting Framework.

Ms Chin is currently an Independent Non-Executive Director of MBM Resources Berhad and Tomei Signature Sdn. Bhd.



DATO' ABDUL MUTALIB BIN ALIAS

Independent Non-Executive Director

 : 64  : Male  : Malaysian

Dato' Mutalib (Male), Malaysian, aged 64, was appointed as an Independent Non-Executive Director of the Company on 29 September 2023. He is also the Chairman of the Audit Committee of the Company and a member of the Nomination and Remuneration Committee and Risk Management Committee of the Company.

Dato' Mutalib graduated with a Bachelor of Science in Accountancy from Northern Illinois University and a Master of Business Administration, from Governors State University, Illinois in the United States of America.

Dato' Mutalib started his career at the Chase Manhattan Bank in 1985 as a Credit Analyst and has extensive exposure in both Commercial and Investment Banking. He was Vice President, Investment Banking at Chase Manhattan Bank from 1994 to

2000. He moved into the public sector and served various Ministries including the Ministry of Finance, Ministry of Science, Technology and Innovation, Ministry of Energy, Water and Communications and Ministry of Work between 2000 and 2011. In 2011, he was tasked to set up a new Government housing agency, Perumahan Rakyat 1Malaysia or PR1MA and served as its Chief Executive Officer until January 2019.



Dato' Mutalib has also served the MARA Council and was a Board member of Bank Rakyat and Non-Executive Chairman of Bintulu Port Holdings Berhad and Icon Offshore Berhad. He is presently the Independent Non-Executive Director of Prolintas Managers Sdn. Bhd. and Ekuinas Berhad respectively.

DIRECTORS' PROFILES



DATO' SRI MOHAMMED SHAZALLI BIN RAMLY

Independent Non-Executive Director

 : 63  : Male  : Malaysian

Dato' Sri Mohammed Shazalli (Male), Malaysian, aged 63, was appointed as an Independent Non-Executive Director of the Company on 29 September 2023. He is also the Chairman of the Safety Review Board and a member of the Audit Committee and Risk Management Committee of the Company.

Dato' Sri Mohammed Shazalli holds a Bachelor of Science (Marketing) from Indiana University Bloomington, Indiana and a Master of Business Administration from St. Louis University, Missouri in the United States of America. He spent his early education in MARA Junior Science College ("MRSM") and University Teknologi MARA ("UiTM"), Perlis.

He began his career with Unilever, Malaysian Tobacco Company and British American Tobacco Company, both in Malaysia and the United Kingdom focusing on strengthening their brands from 1987 to 1996 before joining ASTRO in 1996 as the Marketing Director for two (2) years where he pioneered the launch of ASTRO digital satellite services in Malaysia. He then expanded his horizon and became the Chief Executive Officer ("CEO") of NTV7, Malaysia's seventh terrestrial TV station, for eight (8) years since its launch in 1998.

Dato' Sri Mohammed Shazalli also brings extensive directorship experience, where he was previously the regional CEO and Corporate Executive Vice President for Axiata Group Berhad's South East Asia operations, after being promoted from his previous position as the CEO and director of Celcom Axiata Berhad, a position he held from 1 September 2005 until 31 August 2016.

Dato' Sri Mohammed Shazalli was the Group Managing Director and CEO of Telekom Malaysia Berhad as well as a consultant at Strategic Brand Resources & Consultancy Sdn. Bhd. prior to his appointment as Group Managing Director of Boustead Holdings Berhad on 1 December 2020.

Dato' Sri Mohammed Shazalli had also served as Chairman of PRIMA Communication Sdn Bhd, Pharmaniaga Sdn. Bhd. and a Board member of Perbadanan PR1MA Malaysia and Malaysia Airlines System Berhad. He was also one of the seven (7) members in the task force led by the Performance Management & Delivery Unit ("PEMANDU") to oversee Proton Holdings Berhad's transformation plan.



DECLARATION OF DIRECTORS:

- **Family Relationship**
None of the Directors has any family relationship with any other Director and/or major shareholder of AirAsia X
- **Conflict of Interest**
None of the Directors has any conflict of interest with AirAsia X
- **Conviction for Offences**
None of the Directors have been convicted of any offences within the past five (5) years or have been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024

PROFILES OF THE LEADERSHIP TEAM

BENYAMIN ISMAIL

Chief Executive Officer

 : 48  : Male  : Malaysian

Date of Appointment: 1 September 2015

Responsibilities:

- Oversees AirAsia X's operations and governance, ensuring a culture of excellence and integrity across all aspects of the business
- Appointed CEO in 2015 to lead the Company's turnaround, executing a comprehensive transformation plan that laid the foundation for AirAsia X's renewed business model
- Steers the development and execution of high-impact business strategies of AirAsia X with the endorsement of the Board of Directors
- Leads critical corporate initiatives in the pandemic and post-pandemic eras, including the successful 2021 Debt Restructuring, the upliftment of PN17 status of AirAsia X in 2023, and most recently, the proposed strategic acquisitions of the AirAsia airline entities — positioning AirAsia X for sustainable expansion and growth for years to come

Experience:

- Handled Debt Capital Markets portfolio at Affin Investment Bank, 2003
- Joined Maybank Investment Bank as a manager in Debt Capital Markets, 2004
- Joined CIMB Investment Bank focusing on Debt Capital Markets, 2007
- Joined AirAsia as Head of Investor Relations, 2010
- Promoted to Group Head of Investor Relations, Corporate Development and Implementation, 2014

- Awarded Best IR Professional by Bursa's MIRA (2011-2012) and by Corporate Governance Asia for four (4) consecutive years (2011-2014)
- Appointed AirAsia X Chief Executive Officer ("CEO") effective 1 September 2015 after assuming the role of Acting CEO on 30 January 2015

Qualifications and Professional Membership:

- Bachelor of Commerce (Banking & Finance), Curtin University of Technology, Australia
- Master of Electronic Commerce, Edith Cowan University, Australia

Membership of Board Committees in AirAsia X:

- Safety Review Board

Present Directorship in Associates/Affiliates:

- Benyamin is a Director in Thai AirAsia X Co., Ltd.
- Benyamin is a Director in Ground Team Red Sdn Bhd

Additional Information:

- Benyamin does not own any AirAsia X's shares

LAVINIA LOUIS

Chief Financial Officer

 : 42  : Female  : Malaysian

Date of Appointment: 1 October 2023

Responsibilities:

- Oversees financial planning and analysis, including forecasting and analytical activities that support strategic business decision-making
- Coordinates the development of annual operating capital and program budgets, as well as reporting on it
- Ensures cash flow is compatible with operations by overseeing day-to-day accounting, recording, reporting, and internal-control activities of the Company
- Develops and implements best practices and tools to ensure a well-controlled yet flexible organisation that has strong fiscal management, project coordination, cross-team communications, and workflows
- Complies with national and local financial requirements and ensures adherence to existing and new legislation
- Liaison person with regulators, financial institutions, external auditors and the Board

Experience:

- Joined PricewaterhouseCoopers Kuala Lumpur in 2005 and gained 8 years of experience in performing financial audits, managing regulatory reporting and risk assessments

- Joined AirAsia Berhad as Financial Controller in 2012 and was instrumental to the group reorganisation exercises, disposal of large portfolios of aircraft, and the implementation of various accounting systems in simplifying business processes
- Promoted to Head of Finance in AirAsia Berhad in January 2023
- Appointed to Chief Financial Officer of AirAsia X Berhad in October 2023

Qualifications and Professional Membership:

- Bachelor of Business, Major in Accounting, Monash University, Australia
- Professional Qualification, Member of Certified Practising Accountant (CPA Australia)
- Professional Qualification, Member of Malaysian Institute of Accountants (MIA)




Additional Information:

- Lavinia does not own any AirAsia X's shares

PROFILES OF THE LEADERSHIP TEAM

MOSES DEVANAYAGAM

Senior Director

 : 74  : Male  : Malaysian

Date of Appointment: 1 October 2013

Responsibilities:

- Leads the coordination of operational functions within the Group, airport authorities and government agencies including the Malaysian Aviation Commission and the Civil Aviation Authority of Malaysia
- Advises and mentors the Operations team
- Instrumental in setting up Operations functions including Cargo, Flight Operations, Engineering, Ground and Group Operations, Inflight Operations, Safety and Security

Experience:

- 54 years of aviation experience including key positions in leading airlines in Singapore and Malaysia:
 - Joined Malaysia-Singapore Airlines, 1971
 - Served Malaysia Airline System Berhad in various senior management positions including General Manager-Operations, Head of Contracts Management and Warranty and Contracts Manager, 1972

- Joined AirAsia X as Director of Operations, 2007
- Regional Head of Operations of AirAsia Berhad, 2009
- Appointed as Senior Director, 2013

Qualifications and Professional Membership:

- Associate Member of the Royal Aeronautical Institute United Kingdom (by award), 1975
- Cadet/apprentice Technical Services in-house training with Malaysia-Singapore Airlines, 1971/72
- Type-rated Approvals from Qantas and Air New Zealand, 1971

CAPT EME ARIZAL BIN MOHD MAHIDIN

Director of Flight Operations

 : 53  : Male  : Malaysian

Date of Appointment: 7 June 2024

Responsibilities:

- Manages the safety, security, risk and efficiency of all flight operations
- Liaison person with local and international regulators, ensuring operations are in line with the Air Operator Certificate
- Represents the Company's interest in national and international bodies and institutions as far as flight operations are concerned
- Manage flight operational standards, technical matters and practices, and to ensure their compliance with all relevant national and international regulations

Experience:

- Started as a pilot with Malaysian Helicopter Services in 1991 as First Officer on Twin Otter and Gulfstream IV
- Joined Malaysia Airlines in 1998 as Captain on Twin Otter, later becoming instructor and examiner on fleet. Subsequently moved to the Fokker F50 fleet, also involved in training and standards
- Joined Fly Asian Express in 2006 as Head of Safety and Security, as well as training and standard

- Moved to AirAsia as A320 Captain in 2007. Moved to AirAsia X as A340 Captain in 2009, followed by A330 Captain. Later becoming instructor and examiner for both fleets
- Involved in flight safety, investigation and human factors for AirAsia X from 2014 and appointed as Flight Safety and Human Factors Manager for AirAsia X in 2016 before moving to AirAsia Group Safety as A330 Flight Safety Specialist and Head of Regulatory Compliance
- Also served as Head Of Training for AirAsia Drone Academy since 2021
- Appointed as Director of Flight Operations for AirAsia X in June 2024




Qualifications and Professional Membership:

- Commercial Pilot License Australia
- Airline Transport Pilot License Malaysia
- Type Rated Instructor and Examiner A340/A330/Fokker 50/Twin Otter
- ICAO Emergency Response Training
- DeDale Human Factors and Aviation Safety Investigation
- IATA Safety Management System
- APS Upset Recovery and Prevention Training

PROFILES OF THE LEADERSHIP TEAM

LIM KOK HOOI

Head of Corporate Safety

 : 54  : Male  : Malaysian

Date of Appointment: 22 January 2018

Responsibilities:

- Provides guidance and direction for AirAsia X's Safety Management System
- Ensures safety documentation accurately reflects the current situation, monitors the effectiveness of corrective actions, and provides periodic reports on safety performance
- Provides independent advice to the CEO, senior managers and other personnel on safety-related matters

Experience:

- Kok Hooi has been in the airline industry since the early 1990s, and has broad experience in safety and training with over 15,000 flying hours:
 - Started commercial flying in the Dornier 228, then Twin-Otter (DHC-6), Fokker 50, B737, A340 and, now, A330
 - Joined Malaysian Helicopter Services as a co-pilot, and was seconded to Pelangi Air Sdn Bhd, Kuala Lumpur, and to Royal Air Cambodge, Phnom Penh, 1992
 - Joined Malaysia Airlines as a Captain of DHC-6 Twin Otter, based in Miri, Sarawak, following which he became a Captain of Fokker 50, B737- 400 and B737-800, 1997




- Joined AirAsia X as a Captain of A340/330, leading the flight data monitoring team, 2011
- Became Chief Pilot Flight Safety, 2016
- Appointed to current post of Safety Director, January 2018

Qualifications and Professional Membership:

- Commercial Pilot License Australia
- Commercial Pilot License Malaysia
- Airline Transport Pilot License Malaysia
- Type Rated Instructor (TRI) A340/A330/Fokker 50/DHC-6 Twin Otter
- Member of Malaysia National Runway Safety Team
- Member of Malaysia Flight Safety Team
- IATA-qualified trained SMS implementer
- Cranfield University Certified Aviation Investigator
- IATA-trained Aviation Auditor

WONG OOI LING

Head of Internal Audit

 : 54  : Female  : Malaysian

Date of Appointment: 1 July 2016

Responsibilities:

- Provides independent and objective assurance as to the adequacy and effectiveness of system of internal controls, risk management and governance processes

Experience:

- Joined PricewaterhouseCoopers in its Audit and Assurance Department, 1995
- Joined EON Bank Berhad as Corporate Planning Manager, 2000
- Vice President of Group Management Services and PMO, EON Bank Berhad, 2003
- Joined Measat Broadcast Network Systems Sdn Bhd (Astro) as a Senior Manager in Planning, Broadcast and Operation, 2007
- Joined DRB-HICOM Group as a Senior Manager in GST PMO, 2014
- Joined AirAsia X as Head of Corporate Quality and Assurance, 2016
- Took on expanded role as Head of Internal Audit cum Corporate Quality Assurance in 2020


Qualifications and Professional Membership:

- Bachelor of Business (Accounting), Monash University, Australia
- Member of the Malaysian Institute of Accountants (MIA)

PROFILES OF THE LEADERSHIP TEAM

CAROLINE LEE

General Counsel

 : 60  : Female  : Malaysian

Date of Appointment: 5 July 2021

Responsibilities:

- Oversees the Group's legal landscape by providing strategic, commercially focused legal advice to the Board of Directors and senior management.
- Primary legal advisor for AirAsia X, leading negotiations with internal and external stakeholders, driving commercially sound outcomes while mitigating risk.
- Ensures compliance with regulatory requirements and corporate governance standards.
- Manages the Legal Department, providing leadership, guidance, and strategic direction.
- Collaborates closely with external counsel and advisers to ensure efficient and effective legal solutions to support the Group's business objectives.

Experience:



- Private legal practice in Singapore and Malaysia, 1990-2002
- Partner, Banking and Capital Markets, Messrs Rashid & Lee, 2000
- Head of Legal, Usaha Tegas Group, Oil & Gas, 2002
- Chief Operating Officer, Melium Sdn Bhd, 2006
- F&B owner and operator, 2011
- Consultant, 2017 - 2021

Qualifications and Professional Membership:

- Advocate and Solicitor, Malaysia
- Barrister and Solicitor, Australian Capital Territory
- Advocate and Solicitor, Singapore
- Barrister-at-Law, England & Wales
- Bachelor of Laws (LL.B, Hons), University of London
- Master of Science in Psychology and Neuroscience of Mental Health, King's College London (2024)

ALVIN TAN

Head of Engineering

 : 38  : Male  : Malaysian

Date of Appointment: 1 April 2022

Responsibilities:

- Provides leadership and vision to the Engineering Department with the primary focus on aligning technical capability with AirAsia X's business needs
- Oversees the main pillars in Engineering; CAMO, Subcontracted Maintenance Part-145 and Quality Assurance
- Manages Fleet Planning and Aircraft Lease Evaluation to ensure route and business growth strategies are in line with AirAsia X's vision
- Oversees Cost & Resource Tracking and Budgeting
- Ensures implementation of work culture, safety culture and engineering policies & procedures

Experience:

- Joined AirAsia Berhad, Chief of Design Assurance Section, 2010
- Joined Airbus, as Field Services supporting airlines in Singapore, Hong Kong and South Korea, 2013
- Promoted to Customer Support Director/Field Services Manager performing both commercial and technical role to airlines in SEA Region, 2018
- Joined AirAsia X Berhad, as Head of Engineering, 2022

Qualifications and Professional Membership:

- Bachelor of Science, Aerospace Engineering, Missouri University of Science & Tech, USA
- Airbus A330, A350 Type Trained

DECLARATION OF LEADERSHIP TEAM:

- **Family Relationship**
None of the Leadership Team has any family relationship with any Director and/or major shareholder of AirAsia X
- **Conflict of Interest**
None of the Leadership Team has any conflict of interest with AirAsia X
- **Conviction for Offences**
None of the Leadership Team have been convicted of any offences within the past five (5) years or have been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024

CHAIRMAN'S STATEMENT

Continued its remarkable
journey of resilience

DEAR SHAREHOLDERS,

As 2024 comes to a close, I am pleased to share that AirAsia X has continued its remarkable journey of resilience, recovery and onward growth. Once again, we have come to appreciate that every journey has its own headwinds, but with unwavering support from you, our shareholders, our guests and our Allstars, we find ourselves soaring to new heights each time.

Dato' Fam Lee Ee

Non-Independent Non-Executive Chairman



CHAIRMAN'S STATEMENT

In the last Annual Report, I shared that the Company successfully navigated its way out of the Practice Note 17 ("PN17") classification, noting a close in its long journey of recovery since such precipitation of the prolonged effects in the wake of the COVID-19 pandemic. Today, the Company continues to steer its way through an ever-dynamic industrial landscape, forevermore locked in on its targets for revenue enhancement, operational efficiencies, cost management and ultimately, delivering value to all its stakeholders.

In terms of capacity turnaround, despite the team's best efforts, the main hurdle for the Company remains in bringing back all of its fleet. The shortage of resources in aircraft parts and manpower - a protracted after-effect of the pandemic slowdown - lingered and inhibited the turnaround time for MRO facilities worldwide, and airlines ultimately had to bear the brunt of the impacts. The Company was no exception; while it had targeted to reactivate all of its fleet in 2024, the Company currently had one remaining aircraft in its fleet to return to service.

The team is working closer than ever with our key business partners, including MRO facilities, OEMs and aircraft lessors, to expedite this final return-to-service task. The Company expects the whole fleet to be operational by the first half of 2025 and had, most recently, in February 2025, inducted one additional A330-300 aircraft through a third-party operating lease to meet its network requirements. On a much brighter note, in 2024, our associate AirAsia X Thailand had its fleet of ten aircraft fully operational, adding over 20% to their seat capacity by December 2024.

The Company's operational and financial metrics were solid in 2024. AirAsia X was in full speed ahead in 2024 from the momentum garnered in the previous year, laser-focused on its goals on return to its most popular destinations and enhancement of revenue channels, all of which it executed with high utilisation and operational efficiencies as the anchor.

Consequently, the Company posted a net profit of RM207.1 million, with its turnover for the year trending past the RM3.0 billion mark at RM3.3 billion. This profit was primarily attributable to a robust passenger load factor ("PLF") of 83%, as the Company saw a 41% growth in the number of passengers carried against 2023, exceeding capacity growth of 35% to over 4.8 million seats. Our associate AirAsia X Thailand followed the same

trajectory - with a PLF of 83% and over 1.6 million passengers carried, it posted a full-year revenue of RM 1.7 billion, with a profit before tax of RM44.9 million.

The appetite for travel in the market was substantial and viable well into 2024. The Company was diligent in capturing this demand, relaunching its routes in China, and establishing elevated connectivity in its home base of Asean to fresh new regions - Central Asia and Africa. At the time of writing, AirAsia X served 23 destinations, bridging 11 countries with direct flights. More importantly, I am pleased to share that our anticipation for Almaty proved fruitful, as this new destination proved successful, ranking among our top profitable routes and consistently charting around 90% PLF. For Nairobi, the team persisted in the work towards this latest destination, which is new to most of us in this region.

Having served the Board since the inception of the Company, I have had the chance to witness how the Company was built - and rebuilt - time and again. It has been such an experience to watch the trials and triumphs that the Company has independently achieved throughout all these years, and with my fellow Board members, we are conscientious in our



CHAIRMAN'S STATEMENT

duties in ensuring that the management team is ever steadfast in delivering the Company's goals. We are assured that the Company consistently prevailed in the face of setbacks, with the right level of resilience, adaptability and ability to overcome all hurdles and present itself anew.

With the Company's events and achievements in 2023 setting the stage against the backdrop of an ever-evolving industry, the Company embarked on its most ambitious growth strategy to date in 2024 and undertook a proposed acquisition of Capital A Berhad's aviation business, encompassing AirAsia Berhad (commonly known as AirAsia Malaysia) and AirAsia Aviation Group Limited which includes AirAsia Thailand, AirAsia Indonesia, AirAsia Philippines and most recently, AirAsia Cambodia (collectively, Proposed Acquisitions), inking a conditional sale and purchase agreement for the Proposed Acquisitions in April 2024. Serving on the Board of AirAsia X and Capital A Berhad, I am keen to see the synergy this plan shall unlock shortly.

Then and now, as an airline, the safety and well-being of our guests and our Allstars of paramount importance and regards for both the Board and the management team- it is the very core of our operational excellence. As the industry shifts in today's operational landscape, we maintain a concrete commitment that compels us to consistently ensure that each segment of our operational standards and regulations is upheld 24/7. In 2024, the Company proudly served over 3.9 million passengers, and our safety standards were recognised and certified seven-star airlines by [AirlineRatings.com](#), a testament to the team's commitment to safety across all operations.

In 2024, the Company proudly served over

3.9 million

passengers, and our safety standards were recognised and certified seven-star airline.



CHAIRMAN'S STATEMENT

We recognise that stringent safety procedures, protocols, strict enforcement, and governance are critical pillars supporting the Company's operational standards and integrity. As a member of the Company's Safety Review Board, I am honoured to assure you of the resolute dedication and commitment the Company maintains in upholding exemplary safety standards in all aspects of operations, having in place a rigorous procedure that ensures proactive identification, mitigation, minimisation and wherever possible, elimination of any potential risk factors, ultimately safeguarding the safety and well-being of all stakeholders.

Globally, the efforts in implementing sustainability initiatives continued to serve as the vanguard for the all-encompassing commitment to humanity's long-term survival and prosperity. From the Company's perspective, enhancing its profit margin and fortifying its financial position are preeminent. Yet, the Company is also conscious of the broader responsibility and obligation to do its part in contributing to the longevity of a growing industry that is sustainable, inclusive and equitable for generations to come.

As a testament to this commitment, the Company presented its inaugural sustainability framework in its Sustainability Statement 2023. In 2024, AirAsia X's FTSE ESG ratings score soared to 3.5 from 2.1 in 2023, effectively placing AirAsia X into the FTSE4Good Bursa Malaysia Index, serving as proof of the Company's enhanced sustainability programme with measurable actions in its ESG practices and disclosures.

Once more, in this year's Annual Report, I am pleased to present AirAsia X's Sustainability Statement, available in detail from pages 34 to 119. Additionally, I am delighted to present the Company's Corporate Governance Overview Statement in detail from pages 120 to 129. This comprehensive review puts forth the Company's internal processes and practices that align with the esteemed standards of the Malaysian Code of Corporate Governance ("MCCG").

Good governance is the cornerstone of what we do; the Company is committed to improving its corporate governance standards and operational procedures by abiding by these principles. In the future, we expect to sustain the continuous refinement of the Company's governance framework. In conducting regular review and evaluation of the Company's practices, the Company, is more than ever, resolved to strengthen its strategic initiatives, ultimately accelerating its aspirations for sustainability in a holistic manner.



As my closing note, on behalf of my fellow Members of the Board, I extend my gratitude to our shareholders, guests and Allstars for the continued support and trust in AirAsia X. There remains much more to accomplish shortly, and I am confident that your ceaseless support will empower the Company to persevere and achieve all its goals for the enduring success of the Company. Thank you for being a part of our journey.

Thank you.

Dato' Fam Lee Ee
Non-Independent
Non-Executive Chairman
AirAsia X Berhad

CEO'S MANAGEMENT DISCUSSION & ANALYSIS

DEAR VALUED SHAREHOLDERS,

Once again, it gives me great pleasure to present AirAsia X's Annual Report for the financial year 2024 - marking yet another remarkable year for all of us here. Thumbing through our last Annual Report, I am pleased to share that this year, we continue to soar through new heights characterised by new destinations, increased flights and enhanced ancillary offerings to guests to ensure a better customer experience at affordable fares, staying true to our DNA of ensuring that everyone can fly.

Benyamin Ismail
Chief Executive Officer



CEO'S MANAGEMENT DISCUSSION & ANALYSIS

While the Company was on a roll in its recovery trajectory last year, in 2024, we could pass on the benefits from fine-tuning our operational efficiencies and cost management to our guests. We have come so far - from the resumption of minimal operations in April 2022, with only two aircraft reactivated, still then bearing the Practice Note 17 ("PN17") classification until November 2023, to now having strengthened our position and regained significant market leadership and brand momentum in regions we serve. Looking back on the year, we even won the World's Leading Long-Haul Low-Cost Airline award for the second consecutive year, in addition to winning the coveted Best International Airline Flying to Australia at the Australian Aviation Awards 2024.

Despite the arduous tasks, the team remained committed to implementing and upholding the dynamics of the Company's revitalised business model in the post-pandemic industrial landscape, which was substantially different from pre-2020. Personally, I am always in awe of such dedication from our team, which is crucial for AirAsia X's sustainable growth and profitability in the long run, particularly as prevailing scepticism continues to plague the perception of the airline industry's resilience. Through it all, the AirAsia X team's unwavering spirit shone through, navigating the adversities with ceaseless prudence and perseverance.

The substantial demand for travel marked an emergence in 2023, and this year, we are delighted to share that the demand continues to be very, very encouraging. Over the course of 2024, we methodically launched more routes in our bid to expand our network through the resumption of our most popular routes in China and more importantly, by establishing connectivity from our home base of Southeast Asia to entirely new regions. This approach enabled us to strategically capitalise on the sustained and unquenchable thirst for travel in today's world, and through our ever-evolving ancillary offerings, we had also managed to leverage the upside from onboard spending on food, beverages, merchandise and duty-free products.

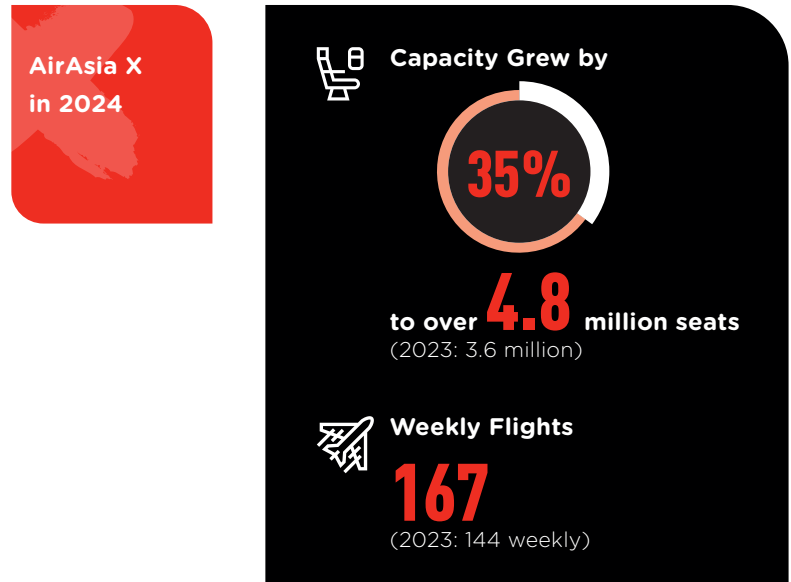


CEO'S MANAGEMENT DISCUSSION & ANALYSIS

In terms of aircraft availability, the main stumbling block persisted as we continued to face headwinds in reactivating aircraft fast enough to meet the high demand on the back of hangar unavailability at MRO (maintenance, overhaul and repair) facilities globally, which were further exacerbated by the shortage of parts and components in the face of a protracted disruption to the supply chain. The situation at hand further escalated as MRO facilities require longer than usual turnaround times due to a shortage of parts and manpower resources, on top of conditions of aircraft grounded for prolonged periods.

Consequently, AirAsia X activated 17 out of its 18-strong A330 fleet, and they were operational throughout the financial period under review, resulting in a net increase of one aircraft. That being said, despite having just one additional aircraft rejoin our operations, we are happy to share that AirAsia X's capacity grew by 35% to over 4.8 million seats compared to the preceding year (2023: 3.6 million), as the Company managed to increase its weekly flights from 144 weekly flights by 31 December 2023 to 167 weekly flights by 31 December 2024. Effectively, this translated to a 35% increase in the number of sectors for AirAsia X, in line with the increase in its seat capacity and the launch of new routes.

At the time of writing, AirAsia X services Australia (Sydney, Melbourne and Perth), China (Beijing, Hangzhou, Shanghai, Changsha, Chengdu, Chongqing, and Xi'an), India (New Delhi), South Korea (Seoul), Japan (Tokyo, Osaka and Sapporo), Taiwan (Taipei), Indonesia (Bali), Saudi Arabia (Jeddah and Medina), Kazakhstan (Almaty) and Kenya (Nairobi). In addition, AirAsia X had in 2024 provided seasonal services to Kota Kinabalu and Kuching to support the wider AirAsia network with the overwhelming demands during the peak holiday season. In calibrating our fleet and network management during the year, we suspended services to Busan, Auckland and the Gold Coast - it was not easy, but it was a measure that we had to undertake at this juncture.



CEO'S MANAGEMENT DISCUSSION & ANALYSIS

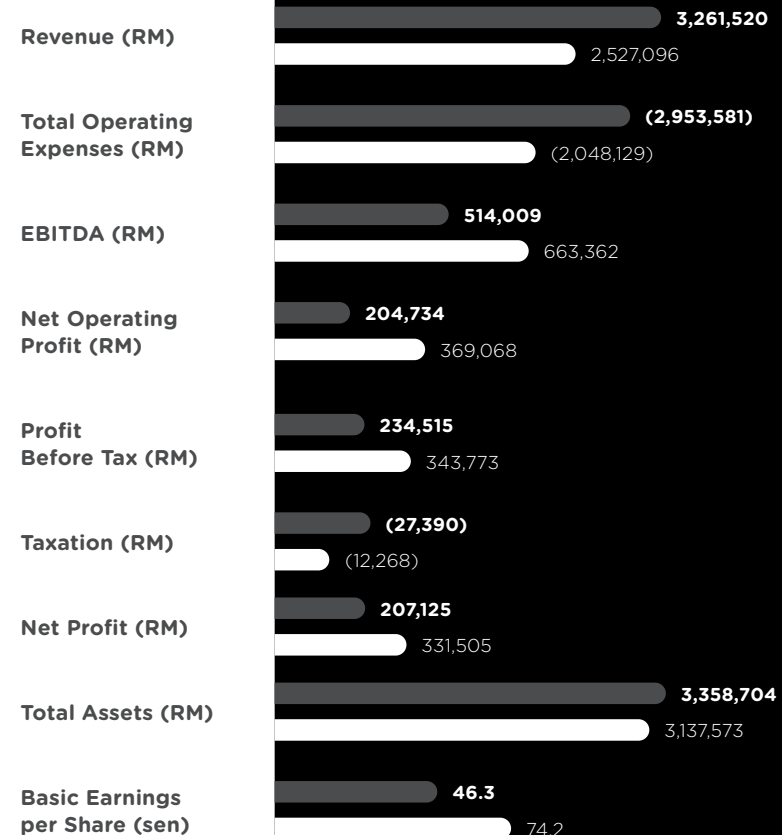
More importantly, for the full financial year, AirAsia X served close to 4 million passengers, marking a 41% increase compared to the previous year (2023: 2.8 million), which outperformed the rise in seat capacity, reflecting fortified evidence that demand remains sustained in the markets. Ultimately, AirAsia X charted a robust Passenger Load Factor (“PLF”) of 83% for the full financial year 2024, up by three percentage points, and the highest PLF recorded since 2012.

In aggregate, we derived these results from the enhanced optimisation and effectiveness of AirAsia X's initiatives and operational optimisation that were well-sustained from 2020, geared towards the Company's recovery and eventual growth and expansion, which had materialised in the last 12-month period.

Review of Financial Results and Financial Condition

AirAsia X Group (the “Group”) reported a total revenue of RM3.3 billion for the financial year ended 31 December 2024 (2023: RM2.5 billion), and recorded total operating expenses of RM3.0 billion (2023: RM2.0 billion) due to higher operating expenses driven by higher costs across the board as the airline ramped up its level of operations, in addition to there being positive total operating expenses for the first three quarters of 2023 as a result of the reversal of provisions made previously.

Overview of Group's Business and Operations



CEO'S MANAGEMENT DISCUSSION & ANALYSIS

For the financial year 2024, the Group posted earnings before interests, taxes, depreciation and amortisation (“EBITDA”) of RM514.0 million (2023: RM663.4 million), while net operating profit stood at RM204.7 million (2023: RM369.1 million). As part of the profit sharing arrangement from Debt Restructuring Scheme back in 2021, the Group expects to distribute the profit sharing amount to the eligible creditors under the Debt Restructuring Scheme, which was in excess to RM300 million earnings before interests, taxes, depreciation, amortisation and rent (“EBITDAR”), per the Company’s Explanatory Statement dated 18 October 2021 in relation to the Debt Restructuring Scheme.

The Group closed the financial year ended 31 December 2024 with a net profit of RM207.1 million (2023: RM331.5 million), reflecting a normalised profitability level against having reversal of provisions for most of the preceding year. Compared to pre-pandemic, the Group had recovered over 70% of the 2019-level revenue, even as capacity trended 65% of the above period. It successfully drove its profitability level against a net loss position in 2019.

Group Earnings

Revenue

The Group’s total revenue scaled the RM3.0 billion mark at RM3.3 billion for the financial year ended 31 December 2024 (2023: RM2.5 billion), primarily attributable to the 41% increase in the number of passengers carried, buoyed by the strong demand for travel in the markets the Group services, supported by the increase in seat capacity by 35%. During this period under review, AirAsia X’s scheduled flight operations delivered a turnover of RM2.0 billion (2023: RM1.7 billion), while ancillary revenue showed strong growth of close to 50% at slightly over RM1.0 billion (2023: RM682.3 million), a testament to the strategic initiatives to drive ancillary income implemented over the



period, particularly the high drive for personalised offerings for guests on top launching new products. For 2024, freight services and charter flights reported revenues of RM210.8 million (2023: RM151.7 million) and RM1.5 million (2023: RM18.8 million), respectively, while we aligned capacity with requirements for scheduled flight operations.

Expenditure

The Group’s total operating expenses charted RM3.0 billion (2023: RM2.0 billion) for the financial year under review, driven primarily by increased costs related to maintenance and overhaul, user charges and aircraft fuel. These expenses were within expectations, as the Group continued to scale up its operations with over 35% more sectors flown compared to the previous year; with increased block hours, maintenance and overhaul expenses were up 53% to RM537.3 million (2023: RM351.0 million), while user charges increased by 31% at RM324.8 million (2023: RM247.6 million) as the Group serviced more destinations. In tracking the pattern, aircraft fuel consumption was up considerably with the level of operations ramp-up and registered an over 20% increase at RM1.5 billion

CEO'S MANAGEMENT DISCUSSION & ANALYSIS

(2023: RM1.3 billion), mitigated by the lower jet fuel price in the financial year 2024. As the business grew, the Group's staff costs increased by 36% to RM277.2 million (2023: RM204.1 million) on the back of hiring additional back-office staff and operational and technical crew. In terms of aircraft operating lease expenses, with most aircraft exiting the pay-by-hour arrangement in March 2024, the Group's aircraft operating lease expenses reduced by about 61% to RM28.1 million (2023: RM72.2 million).

Group Financial Position

The Group's net gearing stood at nil for the financial year under review, as the Group did not have loan financing during the year under review, while its shareholders' equity stood at RM328.8 million (2023: RM116.2 million), up over threefold for the financial year ended 2024 as the Group continued to chart profits.

Total assets increased to RM3.4 billion (2023: RM3.1 billion) due to a higher security deposit and prepayment paid following operational requirements as the Group ramped up its operations during the year.

Total liabilities flattish at RM3.0 billion (2023: RM3.0 billion) due to a lower amount recorded for sales in advance and trade payables, on top of lower lease liabilities with no addition of aircraft on operating lease in 2024.

Total Revenue

RM3.3 billion

(2023: RM2.5 billion)

Total Assets

RM3.4 billion

(2023: RM3.1 billion)

Cash Flow Generated

RM397.4 million

(2023: RM(46.8) million)

CEO'S MANAGEMENT DISCUSSION & ANALYSIS

Capital Structure and Capital Resources

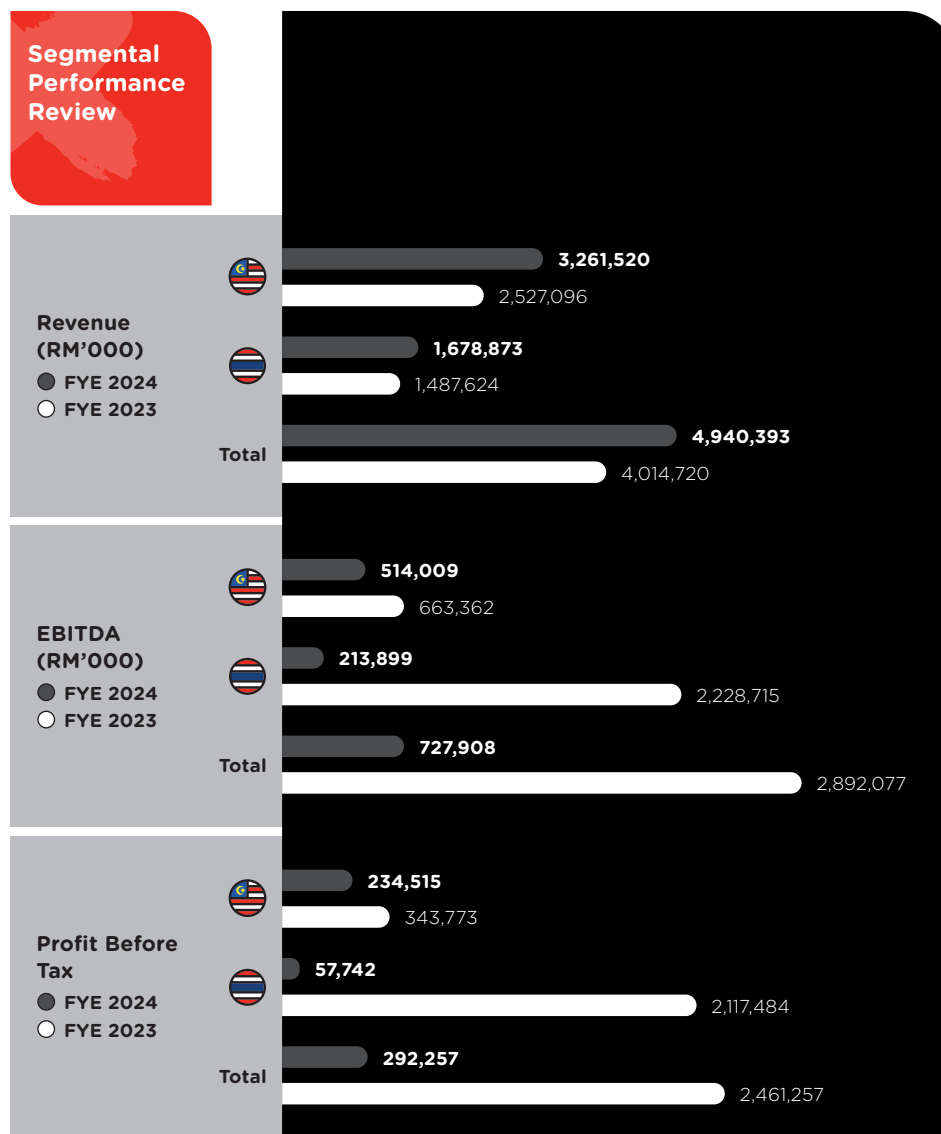
In the financial year ended 31 December 2024, the cash flow generated from operations stood at RM397.4 million (2023: RM(46.8) million), while cash balance increased to RM174.8 million (2023: RM57.7 million).

Review of Operating Activities

The Group's reportable operating segments consist of each company with an Air Operator's Certificate ("AOC") held under the AirAsia X brand, namely Malaysia and Thailand. As of 31 December 2024, AirAsia X Malaysia maintained a total of 18 aircraft within its fleet, with 17 activated and operational by the end of the period. AirAsia X Thailand increased its fleet to ten aircraft, with all fully activated and operational for the financial year ended 31 December 2024.

Review of Corporate Exercises

Revisiting the previous year's Annual Report, I had the privilege of telling the success story that was



the upliftment of AirAsia X's PN17 classification status; when the Group reported a turnaround of its shareholders' equity to a positive RM40.8 million in the financial quarter ended March 2023, the team moved to submit a waiver application aimed at resolving AirAsia X's PN17 classification, anchored on the fact that the Group no longer triggered any PN17 criteria. After much effort, finally in November 2023, we managed to demonstrate the viability of the business by meeting the requisite consecutive quarters of profitability; AirAsia X successfully emerged from the PN17 classification without the need to submit any regularisation plan.

We have also shared that we were engaged in discussions with Capital A Berhad ("Capital A") in relation to a proposed acquisition of Capital A's aviation business, encompassing AirAsia Berhad (commonly known as AirAsia Malaysia) and AirAsia Aviation Group Limited, which includes AirAsia Thailand, AirAsia Indonesia, AirAsia Philippines and

CEO'S MANAGEMENT DISCUSSION & ANALYSIS

AirAsia X successfully secured approval from our esteemed shareholders to proceed with the associated acquisition proposals. We are diligently moving forward to fulfil the requisite condition precedents for completing the Proposed Acquisitions, ensuring that all shareholders can access the enhanced value of an enlarged aviation group once the exercise is completed.

most recently, AirAsia Cambodia (Proposed Acquisitions). In 2024, we embarked on our most ambitious growth as we inked a conditional sale and purchase agreement for the strategic acquisition of Capital A's aviation businesses in April 2024.

Fast forward to 16 October 2024, AirAsia X successfully secured our esteemed shareholders' approval to proceed with the associated acquisition proposals. We are now diligently moving forward with fulfilling the requisite condition precedents to complete the Proposed Acquisitions, ensuring that all shareholders can access the enhanced value of an enlarged aviation group once the exercise is completed. We look forward to reporting the proposal's progress to our shareholders and stakeholders as necessary.

Outlook

We delivered promising results through our key performance indicators all through 2024, particularly by capitalising on the high demand in the markets and reaching a very robust PLF of 83% despite an over 35% addition to our seat capacity. We kept to our commitment to resume services to our most profitable and popular destinations, returning to Xi'an, Changsha and Chongqing in China, and made the imperative decision to terminate services to Busan, Auckland and the Gold Coast in our bid to ensure we only fly the most profitable routes.



More significantly, we have also in 2024 launched Almaty in Kazakhstan and Nairobi in Kenya, now connecting this region to Central Asia and to Africa. Almaty proved successful for us and reigns now as one of our top profitable routes, with PLF consistently scaling 90%, and we are prudent in monitoring the progress for Nairobi, a destination that is fresh for most of us in this region and ticks the boxes for one's bucket list. Next up on the horizon for us this year is to present to our guests even more destinations in regions that are both familiar and fresh to all of us, and we cannot wait to tell you more in the coming months, as and when the launches are ready for takeoff.

CEO'S MANAGEMENT DISCUSSION & ANALYSIS

At the time of writing, we expect the final aircraft in long-term storage to rejoin our full operational fleet by the first half of 2025. Despite our best efforts, challenges posed by the constraints in resources and manpower among our MRO partners had prolonged the turnaround time required for returning our fleet to full capacity. In 2024, the team managed to return one aircraft to service and is now laser-focused on working with our partners to return the one remaining aircraft to the fleet while prioritising the safety of our guests and crew above everything.

At the same time, the team had also managed to secure one additional A330-300 on a third-party operating lease, which had been successfully inducted into our fleet just weeks ago. This is critical in meeting our network requirements for the year. AirAsia X expects to end the financial year 2025 with 19 aircraft in its Kuala Lumpur hub. On a brighter note, we are delighted to share that our associate AirAsia X Thailand has fully activated its fleet and currently maintains ten A330-300 aircraft in its fleet.

As we anticipate the completion of the Proposed Acquisitions, the Group looks forward to unlocking the potential the exercise had in store for us through multiple channels. For instance, we expect that with an imminent centralisation and rationalisation of the decision-making process as an enlarged aviation group, enhanced collaboration is natural and will eventually facilitate efficiency for our processes in various areas - fleet planning, network and revenue management, procurement, engineering and ground handling matters - the vastness of the prospects is astounding. Furthermore, the exercise would also grant us immediate access to a secured orderbook of close to 400 aircraft, which opens up a whole new avenue for growth for us as an enlarged aviation group.

Now is the dawn of the Asia era; with rising demands, urbanisation and a steadily growing middle class, Asia, particularly Southeast Asia, is all geared up as a prime market. With the strength of the AirAsia brand, infrastructure, and network built over the last 23 years, we are confident that we will gain the first-mover advantage and platform. This is essential for us in riding the tailwinds from the macroeconomic outlook of our home region and beyond, with the vision of building a low-cost network carrier shouldering multi-hub connectivity for our guests within our grasp. Overall, the future is bright, with endless opportunities for our enlarged business.



AirAsia X expects to end
the financial year 2025 with
19 aircrafts
in its Kuala Lumpur hub



CEO'S MANAGEMENT DISCUSSION & ANALYSIS

Sustainability

In 2024, AirAsia X's FTSE ESG ratings score soared to 3.5 from 2.1 just a year before, initiating the Company into the constituents of the FTSE4Good Bursa Malaysia Index. The rating serves as a testament that the Company strengthened its sustainability programme through tangible improvement in its ESG practices and disclosures. In 2023, the airline achieved a 32% reduction in carbon intensity through enhanced fuel efficiency measures, and boosted its governance efforts by establishing its Sustainability Steering Committee and Working Group, formally integrating ESG into the Company's Enterprise Risk Management framework, on top of conducting its inaugural gender pay gap analysis, reflecting our goal towards long-term equitable remuneration strategies, serving to enhance its Diversity, Equity and Inclusion pledge.

With all of this in the book, AirAsia X remains committed to our obligation in addressing the impact of our activities on the environment, and is working towards aligning with the International Civil Aviation Organization's ("ICAO") Long Term Aspirational Goal to achieve net zero emissions by 2050. In particular for climate change, we have outlined our strategy to support the common objective through four pathways as set out by ICAO: (i) operational efficiency, (ii) aircraft technologies, (iii) sustainable aviation fuel ("SAF") and (iv) carbon offsetting.

That is not all - on the social front, in upholding our safety commitments as an airline, we put forward a well-rounded structure with focal points on safety, security and the health and well-being of our Allstars. Staying true to our roots as an Asean-born Company, we have always taken pride in the core of our corporate identity, which values diversity and inclusivity, ensuring every one of our Allstars is respected, valued and empowered to succeed.



AirAsia X's FTSE ESG
ratings score soared to

3.5
from 2.1
just a year before

CEO'S MANAGEMENT DISCUSSION & ANALYSIS



We also seek to give back to the communities in places we operate, and in 2024, taking a page from our venture to the African region, our community project was geared towards biodiversity and wildlife conservation.

Lastly, towards the economic aspect, we seek to maintain corporate governance and ethical business conduct, ultimately enhancing long-term value for our stakeholders and driving sustainable business development. We do this by safeguarding our corporate governance, strengthening our supply chain in partnership with our suppliers, enhancing guest experience, elevating our technology innovation and ensuring the fortification of our data security. For further details on the Company's comprehensive directions and approach to sustainability through the environmental, social and economic pillars, please refer to the AirAsia X Sustainability Statement, available from pages 34 to 119 in this Annual Report.

Appreciation and Acknowledgements

On behalf of the AirAsia X Leadership Team, I extend heartfelt appreciation to our Chairman, Dato' Fam Lee Ee, co-founders Tan Sri Tony Fernandes and Datuk Kamarudin Meranun, and all of our esteemed Board members. Their indispensable guidance had been the core of what we do, and this rings more true today, as we soar through the next stage of our corporate journey.

To our dedicated Allstars, your tireless support and work never goes unnoticed; each day, I am humbly reminded that we are here today because of your ceaseless spirit and that you never gave up on all that we built together. The value of "all for one, one for all" is deeply engraved within this organisation, serving as the cornerstone of our shared goals, our future as one.

Last but certainly not least, I would like to take this opportunity to express my gratitude to all other valued stakeholders for their unwavering support for AirAsia X; the past few years presented us with unprecedented daunting challenges, yet also imparted invaluable lessons to all of us. We look forward to further driving AirAsia X's business towards prosperity with you.

Thank you.

Benyamin Ismail

Chief Executive Officer
AirAsia X Berhad

OUR WAY FORWARD - AS ONE

“It started with a dream.”

AirAsia was founded in 2001 with a single mission: to make air travel accessible to all embodied by our tagline “Now Everyone Can Fly”. This vision extended to the creation of AirAsia X in 2007, a long-haul affiliate designed and adapted to serve medium to long-haul routes with a similar low-cost, no-frills model. From humble beginnings with two aircraft, AirAsia Group (comprising short haul operators AirAsia Malaysia, AirAsia Thailand, AirAsia Indonesia, AirAsia Philippines and AirAsia Cambodia) and AirAsia X Group (comprising medium-haul operators AirAsia X Malaysia and AirAsia X Thailand) combined has grown to become Asia’s fourth-largest airline group, operating over 250 aircraft, and recognised globally as one of the leading low-cost carriers, winning the Skytrax’s World’s Best Low-Cost Airline award for the 15th consecutive year in 2024.

Operational Structure

AirAsia Group and AirAsia X Group operate independently, each tailored to their respective route profiles due to the following reasons:



Fleet

AirAsia Group operates narrowbody aircraft for short-haul routes, while AirAsia X Group operates widebody aircraft for long-haul services



Crew & Scheduling

Distinct aircraft types require specific type-ratings and crew scheduling aligned to flight duration



Maintenance

Aircraft variation and usage frequency dictate unique maintenance and spares requirements



Turnaround Time

Operations are optimised based on block hours and ground handling needs

One AirAsia Initiative

In 2018, AirAsia Group and AirAsia X Group (collectively, the “Group”) launched the “One AirAsia” initiative to centralise its functions for the non-regulated corporate, operational, and commercial aspects. This had facilitated greater operational efficiency, reduced duplication and inessential workflow, enhanced collaboration across entities, driving synergies across sales, marketing, finance, branding, and ultimately, the Group’s revenue management, maximising its margins across the board.

ONE WAY FORWARD

Resilience and Recovery

The onset of the COVID-19 pandemic in 2020 brought unprecedented challenges to the air travel industry world over, forcing the Group into virtually a hibernation of its scheduled flights operations over a protracted period, up until 2022. During this time, AirAsia X undertook a comprehensive debt restructuring, significantly reducing its cost base and fortified its financial position, enabling it to restart on a clean slate once air travel was possible. With borders reopening in mid-2022, all across the Group operations resumed with a leaner, more agile structure, following an extensive review and revamp of the Group's business and operational model. Notably, the Group has weathered the crisis on its own merits—demonstrating remarkable resilience, and AirAsia X had even managed to emerge from its PN17 classification in November 2023 after charting the requisite consecutive quarters of profitability, without further regularisation of its business.

Strategic Fleet Realignment

As part of the debt restructuring, AirAsia X renegotiated its aircraft orders, reducing its orderbook to 15 A330neos and 20 A321XLRs, with a deferred delivery timeline. However, with surging post-pandemic demand, access to additional near-term capacity has become critical. With the proposed acquisition of AirAsia Berhad (AirAsia Malaysia) and AirAsia Aviation Group Limited (which in turn holds stakes in AirAsia Thailand, AirAsia Indonesia, AirAsia Philippines and AirAsia Cambodia), AirAsia X will be able to leverage the

Skytrax's World's Best
Low-Cost Airline

**for the 15th
consecutive
year**

existing AirAsia orderbook, thus allowing it the pathway to avoid growth constraints and fortify its market leadership.

Consolidation and Growth

Today, with demand surge and efficient new aircraft technology, we are compelled to unify our operations and create an enlarged airline group, optimising for the future of air travel. The proposed acquisition of the AirAsia Group airlines by AirAsia X represents a strategic convergence to optimise the scale of the business and capture post-pandemic opportunities - which have continued to be dynamic and abundant. This consolidation will steer the organisation towards new heights, via three major pillars; (i) centralised decision-making driving greater alignment and execution speed, (ii) flexible fleet management including cross-utilisation of aircraft, providing more flexibility in fleet planning, and (iii) enhanced economies of scale, boosting operational efficiency and cost savings, ultimately maximising margins for the enlarged aviation group.

Centralised Decision-Making

The consolidation of administrative, operational, reporting and decision-making processes via a centralised leadership will aid further collaborations and streamline business decision-making across all entities within the enlarged aviation group. This will speed up execution of strategy and initiatives, rationalise operations, improve efficiency across all business functions and processes, with greater flexibility in the architecture of the future business and strategic directions of the Group, including in fleet management and utilisation.

Procurement & Financial Strength

The enlarged Group will benefit from improved procurement leverage, enhanced supplier terms, and optimised resource allocation. Furthermore, with a broader service portfolio spanning short-, medium-, and long-haul segments, the Group is poised for improved fundraising capabilities and sustainable growth.



ONE WAY FORWARD



Leveraging Capital A Ecosystem

The Group's synergies will extend beyond aviation, entering a new chapter by elevating its leverage of Capital A's integrated ecosystem, which over the past few years has grown exceptionally to include:



Expands network reach via digital and fintech platforms, allowing the Group to seamlessly interline and expand its network reach, ultimately boosting revenue stream through innovative offerings and cross-selling opportunities, further strengthening customer retention rate



Enables seamless cargo interlining and maximised belly space, letting the Group extend its cargo connectivity with other airlines through a centralised cargo network



Offers cost-effective and efficient MRO services hence the Group stands to access faster checks turnaround, increasing utilisation and pare down maintenance costs



Delivers efficient ground handling at reduced cost, optimising manpower costs for the Group



Drives inflight F&B and ancillary revenue of the Group with continuously fine-tuned ancillary initiatives, boosting sales and take-up rates

Looking Ahead

Since the inception of AirAsia in 2001, we have demonstrated unwavering resilience, and this rings especially true in the past few years, as we overcome financial challenges, PN17 classification, and supply chain disruptions, all while ensuring that our operations standards and safety practices are upheld. With a lean cost structure, network-driven fleet expansion, and a focus on high-margin flights and ancillary services, the Group is well-positioned for long-term profitability and market leadership, powered by an experienced leadership team and a strong strategic foundation which have been constructed since 23 years ago.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2017	2018	2019	2023	2024
Income statement (in RM'mil)					
Revenue	4,579	4,571	4,233	2,527	3,261
Total operating expenses	4,517	4,783	4,395	2,288	2,954
EBITDAR/(LBITDAR)	1,167	822	625	736	542
EBITDA/(LBITDA)	222	(77)	625	663	514
EBIT/(LBIT)	113	(204)	(122)	479	308
Net operating profit/(loss)	85	(219)	(348)	369	204
Profit/(Loss) before tax	187	(227)	(306)	344	235
Net profit/(loss)	99	(301)	(650)	332	207
Balance sheet (in RM'mil)					
Deposits, cash and bank balances	433	298	357	58	175
Total assets	4,764	4,342	9,567	3,138	3,359
Net debt (Total liabilities - total cash & cash equivalents)	429	389	9,072	2,964	2,855
Shareholders' Equity	989	574	138	116	349
Cash flow statement (in RM'mil)					
Net cash generated from/(used in) operating activities	291	98	462	(46)	395
Net cash generated from/(used in) investing activities	(22)	(9)	1,024	(15)	(31)
Net cash generated from/(used in) financing activities	(238)	(219)	(1,431)	(63)	(262)
Net cash flow	31	(131)	55	(119)	105
Consolidated financial performance (%)					
Return on total assets	2.1	(6.9)	(0.1)	0.1	6.2
Return on shareholders' equity	10.0	(52.4)	(4.7)	2.9	0.6
ROCE (EBIT/ (Total assets - Total current liabilities))	8.0	(21.2)	(0.02)	0.3	0.2
EBITDAR margin	25.5	18.0	14.8	29.1	16.6
EBITDA margin	4.8	(1.7)	14.8	26.3	15.8
EBIT/(LBIT) margin	2.5	(4.5)	(2.8)	19.0	9.4
Profit/(Loss) before tax margin	4.1	(5.0)	(7.2)	13.6	7.2
Net profit/(loss) margin	2.2	(6.6)	(15.4)	13.1	6.3

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2017	2018	2019	2023	2024
Consolidated operating statistics					
Passenger carried	5,837,530	6,167,465	6,071,019	2,822,605	3,992,931
Capacity	7,152,067	7,622,940	7,459,069	3,550,531	4,807,822
Load factor	82%	81%	81%	80%	83%
RPK (million)	28,578	29,111	28,366	12,222	16,676
ASK (million)	35,054	36,047	34,880	15,604	20,369
Aircraft utilisation (hours per day)	15.4	15.7	13.7	15	11.7
Average fare (RM)	504	477	477	593	510
Ancillary revenue per pax (RM)	175	169	166	242	254
Revenue per ASK (sen)	13.07	12.69	12.14	16.19	16.01
Revenue per ASK (USc)	3.22	3.06	2.93	3.55	3.50
Cost per ASK (sen)	12.89	13.27	12.60	14.90	13.88
Cost per ASK (USc)	3.17	3.20	3.04	3.27	3.03
Cost per ASK - excluding fuel (sen)	8.70	8.06	7.78	6.85	6.46
Cost per ASK - excluding fuel (USc)	2.14	1.95	1.88	1.50	1.41
Size of fleet at year end	30	35	39	18	18
Average stage length (km)	4,901	4,729	4,672	4,410	4,256
Sectors flown	18,971	20,220	19,837	9,799	13,262
Fuel consumed (bbl'000)	5,145	5,223	5,079	2,448	3,250
Average fuel price	66.0	89.0	79.9	109	102
Number of employees at year/period end for MAAX	2,326	2,427	2,364	1,339	1,324

The tabular presentation for the financial periods set out below are not presented as there is no like-for-like comparison:

- * 18-month financial year 2020/2021 » Due to the suspension of scheduled flight operations for the period between May 2020 - Jun 2021 from the impact of the COVID-19 pandemic
- * 18-month financial year 2021/2022 » Due to the resumption of scheduled flight operations started only in July 2022

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SUSTAINABILITY STATEMENT

CHAPTER 1: OUR SUSTAINABILITY APPROACH

ABOUT THIS STATEMENT

AirAsia X Berhad (“AirAsia X” or the “Company”) presents its Sustainability Statement 2024 (“Statement”), highlighting its commitment to economic, environmental and social (“EES”) progress. This report reflects key achievements, challenges and their impact on business operations and stakeholders.

In 2024, we enhanced our Statement with deeper insights into material topics such as emissions and climate-related strategy, waste management and labour practices, standards and diversity, while improving transparency in our EES performance in line with Bursa Malaysia’s Main Market Listing Requirements (“Main LR”).

From responsible operations to fostering diversity and inclusion, this Statement demonstrates our progress in managing sustainability risks and opportunities, reinforcing our commitment to a positive impact across Asean and beyond.

REPORTING FRAMEWORK AND GUIDELINES [GRI 1, 2-1, 2-3]

This Statement was developed based on the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements, in relation to Sustainability Statements within Annual Reports, with guidance from Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). We also prepared this Statement with reference to the Global Reporting Initiative (GRI) Standards. Other frameworks and guidelines taken into consideration include the:

- Task Force on Climate-related Financial Disclosures (“TCFD”)
- United Nations Sustainable Development Goals (“UN SDGs”)
- FTSE4Good Bursa Malaysia (F4GBM) Index

REPORTING SCOPE AND BOUNDARIES [GRI 2-2, 2-3]

This Statement covers the reporting period of 1 January 2024 to 31 December 2024, unless stated otherwise. It also provides comparative historical data wherever relevant and available.

This Statement encompasses the activities of AirAsia X only, excluding any associates or joint ventures. We excluded Thai AirAsia X Co., Ltd. (“AirAsia X Thailand” or “TAAX”) and PT. Indonesia AirAsia Extra (“IAAX”) because we do not have direct management control over the former, while the latter has ceased operating as a

result of the pandemic. References to ‘AirAsia X’, ‘the Group’, ‘the Organisation’ and ‘we’ refer to AirAsia X Berhad and its subsidiaries. For certain environmental indicators, the data reported refers to operations in our head corporate office (RedQ, Selangor) only due to data limitation, and excludes all hubs/stations, as well as any subsidiaries.

The Group commenced tracking and disclosure of sustainability material indicators in line with Bursa Malaysia’s Sustainability Reporting Guide beginning in the financial year ended 31 December 2023 (“FYE 2023”). Accordingly, data is available for FYE 2023 and FYE 2024, while no comparative data is presented for FYE 2022 as the metric was not monitored during that period.

While our Environmental, Social and Governance (ESG) reporting process is still in its initial phases, we are committed to investing resources and effort to progress in a phased manner, aiming to enhance our sustainability reporting to a more comprehensive level.

ASSURANCE [GRI 2-5]

As part of the Company’s continuous effort to strengthen the credibility of its Sustainability Statement, the Internal Audit Department has verified the data for the following selected Sustainability Subject Matters, which are disclosed in the Sustainability Statement for the financial year ended 2024, using a sampling approach. The data has also been approved by the Company’s Audit Committee.

OUR SUSTAINABILITY APPROACH

Subject Matter	Common Indicators	2024 Data
Emissions & Climate-related Strategy	i) Total energy consumption	17,372,722,776 MJ
	ii) Scope 1 emissions in tonnes of CO ₂ e	1,280,601 tCO ₂ e
	iii) Scope 2 emissions in tonnes of CO ₂ e	235.60 tCO ₂ e
	iv) Scope 3 emissions in tonnes of CO ₂ e	266,561 tCO ₂ e
Waste Management	i) Total volume of water used	4.551 megalitres
	ii) Total waste generated and a breakdown of the following: <ul style="list-style-type: none"> Solid waste Liquid waste 	71.00 tonnes 15.02 kilolitres
	iii) Total waste diverted from disposal	0.77 tonnes
	iv) Total waste directed for disposal: <ul style="list-style-type: none"> Solid waste Liquid waste 	70.23 tonnes 15.02 kilolitres
Labour Practices, Standards & Diversity	Percentage of employees by gender and age group, for each employee category:	
	i) Percentage of employees by gender for each employee category: <ul style="list-style-type: none"> Senior Management (Female / Male) Management (Female / Male) Executive (Female / Male) Non-Executive (Female / Male) 	23.08% / 76.92% 8.21% / 91.79% 45.99% / 54.01% 64.39% / 35.61%
	ii) Percentage of employees by age group for each employee category: <ul style="list-style-type: none"> Senior Management (Under 30 / Between 30-50 / Above 50) Management (Under 30 / Between 30-50 / Above 50) Executive (Under 30 / Between 30-50 / Above 50) Non-Executive (Under 30 / Between 30-50 / Above 50) 	0% / 61.54% / 38.46% 0.48% / 68.60% / 30.92% 17.75% / 79.63% / 2.62% 49.90% / 49.69% / 0.41%
	iii) Percentage of directors by gender: <ul style="list-style-type: none"> Female Male 	16.67% 83.33%
	iv) Percentage of directors by age group: <ul style="list-style-type: none"> Under 30 Between 30-50 Above 50 	- - 100%

Subject Matter	Common Indicators	2024 Data
Labour Practices, Standards & Diversity (continued)	v) Total hours of training by employee category: <ul style="list-style-type: none"> Senior Management Management Executive Non-Executive 	9 hours 6,884 hours 13,215 hours 39,934 hours
	vi) Percentage of employees who are contractors or temporary staff	20.36%
	vii) Total number of employee turnover by employee category: <ul style="list-style-type: none"> Senior Management Management Executive Non-Executive 	1 12 41 103
	viii) Number of substantiated complaints concerning human rights violations	2

The scope of the review is based on the Company's reporting scope and boundaries set by the Management, as disclosed in the Sustainability Statement for the financial year ended 31 December 2024.

This Statement has also been reviewed by our Sustainability Steering Committee ("SSC") and Risk Management Committee ("RMC"), as well as endorsed by the Board of Directors ("the Board") of AirAsia X.

FEEDBACK [GRI 2-3]

In order to continuously improve our reporting and sustainability efforts, we welcome all feedback, ideas and comments from our stakeholders. Please direct enquiries, feedback or comments on AirAsia X's Sustainability Statement 2024 via email to: aax_sustainability@airasia.com

OUR SUSTAINABILITY APPROACH

WE ARE AIRASIA X

Established in 2006 as Fly Asian Express, AirAsia X has grown into a medium-haul low-cost airline serving primarily in the Asia-Pacific region. In 2024, the airline steadily expanded its network, which now covers 23 destinations, with a total of seven routes launched over the 12-month period.

In 2023, AirAsia X successfully navigated its way out of the Practice Note 17 (“PN17”) classification, marking a significant achievement after a long journey of recovery since the onset of the impacts of the COVID-19 pandemic in 2020. Since then, AirAsia X has embarked on its most monumental expansion ambition to date — the Proposed Acquisitions of Capital A Berhad’s 100% equity interest in the short-haul aviation segment, which consists of stakes in AirAsia Aviation Group Limited (“AAAGL”), which in turn includes AirAsia Thailand, AirAsia Philippines, AirAsia Indonesia and AirAsia Cambodia, along with stakes in AirAsia Berhad (“AAB”) (also known as AirAsia Malaysia) — aiming to ultimately secure the long-term viability of the Company’s earnings and growth potentials, thus future-proofing the Organisation.

An overview of AirAsia X’s operational statistics as of 31 December 2024

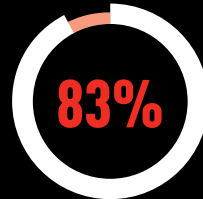


No. of Passengers Carried

3,992,931



Passenger Load Factor



Available Seat Kilometres (“ASK”) Capacity (million)

20,369



Revenue Passenger Kilometres (“RPK”) (million)

16,676



Fleet Size

**18
A330-300**

SUSTAINABILITY ACHIEVEMENTS AND HIGHLIGHTS IN 2024

FYE 2024 was a year of recovery and growth for AirAsia X, fueled by fleet reactivation and operational improvements. We expanded our network, increased flight frequencies and carried a record of almost four million passengers with an improved 83% load factor. Operating more than 13,200 flights across 23 destinations, we launched new routes to Nairobi, Kenya — our first entry into Africa — and Almaty, Kazakhstan.

In addition, sustainability remains central to our operations. Fuel efficiency initiatives, such as single-engine taxiing, reduced flap landings, electronic flight bags and optimised water uplift, helped us to avoid 2,430 tCO₂e in 2024. By increasing the load factor by 3%,



OUR SUSTAINABILITY APPROACH

we improved the Company's overall fuel efficiency. This led to a 3% reduction in CO₂ intensity per revenue passenger kilometres ("RPK"), decreasing it from 78.3 gCO₂ in 2023 to 76.1 gCO₂ in 2024.

While sustainable aviation fuel ("SAF") is a key step in reducing emissions, its limited availability and high prices remain a challenge. To address this, we have commenced the monitoring of SAF mandates, airline offtake agreements and eligible SAF feedstocks in the Southeast Asia region, and are negotiating SAF offtake agreements with a regional oil producer. In line with the latest ICAO CORSIA updates, we have also begun mapping eligible carbon-offset projects in this region.

Our commitment to sustainability extends to our waste management initiatives. In partnership with our primary in-flight supplier, Santan, we replaced single-use plastics onboard our in-flight operations with compostable alternatives. Additionally, the Plastic Detox Campaign, launched at RedQ in 2024, encouraged our Allstars to adopt reusable cutlery, containers and water bottles.

In addition, our sustainability governance efforts were also strengthened, with our Board of Directors participating in AirAsia's Sustainability Briefing covering CORSIA compliance, carbon offsets and SAF developments. To reinforce sustainability as a strategic priority, the Board approved linking the CEO's compensation to ESG key performance indicators (KPIs), including ESG ratings.

Beyond our environmental efforts, we continued to invest in social initiatives. We introduced the Moms-on-Duty programme to support working mothers among our pilots and cabin crew by providing discreet nursing covers and a comprehensive handbook for working mothers. Employees also united for a volunteer programme led by AirAsia X CEO at Zoo Negara, Malaysia's iconic national zoo, contributing nearly 120 manpower hours to enhancing the zoo's visitor experience and supporting the upkeep of its

natural habitats. Tasks included cleaning, upgrading surrounding areas, painting pathway borders, trimming shrubs, raking leaves and washing pavements. Working hand-in-hand with Zoo Negara staff, the team gained insights into maintaining the sprawling grounds that welcome 50,000 visitors monthly.

Based on our ongoing sustainability initiatives, we are pleased to report a substantial improvement in our FTSE4Good score, increasing to 3.5 from 2.1 in 2023. This achievement, alongside our successful exit from the PN17 classification, has led to our inaugural inclusion in two Bursa Malaysia indices. The summary of our achievements in 2024 is highlighted below:



FTSE4Good ESG score

3.5/5.0

(2023: 2.1)

First-time inclusion in two indices*

- FTSE4Good Bursa Malaysia (F4GBM) Index
- FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index

Seven-Star Safety Rating
by [AirlineRatings.com](https://www.airlineratings.com)

WORLD'S BEST LOW-COST AIRLINE 2025



Maybank Investment Bank
Group Sustainability Research

57/100

(Above average ESG score)

**FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that AirAsia X Berhad has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.*



OUR SUSTAINABILITY APPROACH

SUSTAINABILITY FRAMEWORK

[GRI 2-6, 2-22]

Our Sustainability Framework aligns with the Company’s identified material matters and is built around **three core pillars: Economic, Environmental, and Social**. This holistic approach ensures that we continuously address our key sustainability priorities. As the Company gains a deeper understanding of how to optimally align its business objectives with the global sustainability agenda, the Sustainability Framework will be updated and refined consistently to ensure its continued relevance and effectiveness.



VISION

To be the leading sustainable low-cost airline in Asia by connecting underserved communities and championing eco-friendly air travel across ASEAN and beyond

MISSION

Embracing innovative technologies and eco-efficient operations to minimise our environmental footprint in the pursuit of net-zero emissions by 2050, while creating exceptional value for our customers

ECONOMIC (E)

Delivering exceptional value to our customers by embracing technology and maintaining high standards of ethical business conduct and risk management

ENVIRONMENTAL (E)

Driving eco-efficient operations and minimising waste to reduce our environmental footprint

SOCIAL (S)

Cultivating a diverse and inclusive workforce, ensuring the safety and well-being of our people and actively engaging the communities we impact

AIRASIA X'S FOCUS AREAS



- Customer Service
- Corporate Governance
- Data Privacy & Security
- Supply Chain Management



- Emissions & Climate-related Strategy
- Waste Management



- Labour Practices, Standards & Diversity
- Health & Safety
- Community Empowerment

In alignment with the United Nations Sustainable Development Goals



OUR SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE

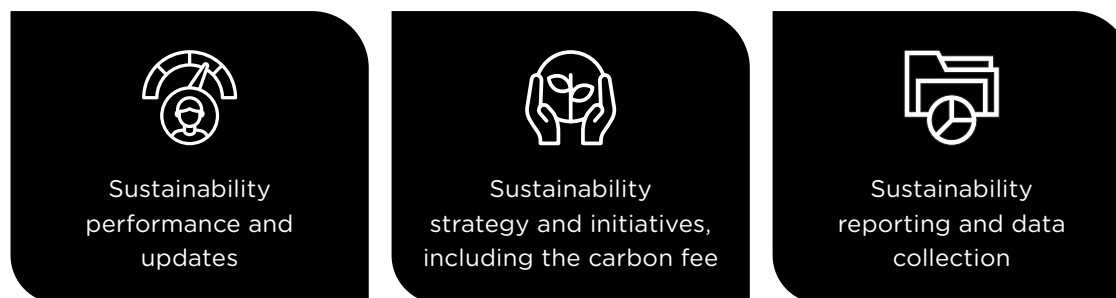
[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18]

A key component of AirAsia X is our robust sustainability governance framework that ensures effective management of ESG. This governance structure follows a four-tier approach, starting with the Board's top-level oversight to ensure ESG considerations are integrated throughout the Organisation. The roles and responsibilities of each committee are clearly defined as shown below, ensuring smooth collaboration and effective execution of tasks. This governance structure guarantees that sustainability remains a top priority at every level.



Roles	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and Oversees the development and implementation of the Sustainability Framework, strategies, priorities and targets.
Risk Management Committee ("RMC")	<ul style="list-style-type: none"> Provides oversight and assesses the Company's sustainability strategies, policies, principles and practices, aligning them with the commitment of the Company to sustainability; and Reviews and advises on the Sustainability Statement prior to reporting to the Board of Directors.
Sustainability Steering Committee ("SSC")	<ul style="list-style-type: none"> Sets the sustainability strategies, policies, principles and practices in line with the Company's direction; and Acts as a decision-making body for sustainability initiatives, including recommending to the RMC for approval of the Sustainability Statement.
Sustainability Working Group ("SWG")	<ul style="list-style-type: none"> Implements the sustainability strategies and initiatives set by the SSC; and Prepares the Sustainability Statement by ensuring the quality and extent of disclosures.

During the reporting year, the SWG, SSC and RMC convened to discuss the following matters:











In 2024, the Board approved linking the CEO's compensation to KPIs for ESG performance metrics, such as ESG ratings. This decision reinforces the integration of sustainability into strategic decision-making and underscores its importance as a priority for senior management.

OUR SUSTAINABILITY APPROACH

COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Since the launch of the UN SDGs in 2015, we have recognised the importance of this global agenda throughout the years. In 2024, we focused primarily on eight SDGs, which are aligned with our sustainability initiatives.

SDGs	What We Did to Support
 <p>Gender Equality</p>	<ul style="list-style-type: none"> 16.67% of our Board of Directors is made up of women 5% of our pilots are women 223 Allstars completed our online anti-harassment module on Outclass Enhanced our gender pay gap analysis Introduced the Diversity Recruitment Guidelines
 <p>Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> Provided employment for 1,351 Allstars 19 AirAsia X Allstars participated in the #KnowTheSigns Human Trafficking awareness course Zero work-related fatalities
 <p>Industry, Innovation and Infrastructure</p>	<ul style="list-style-type: none"> Implemented multiple fuel-saving initiatives, resulting in 2,430 tCO₂e of avoidance Set to induct our first Airbus A330neo aircraft by 2026 and the Airbus A321XLR by 2028 Introduced the AskBo chatbot

SDGs	What We Did to Support
 <p>Sustainable Cities and Communities</p>	<ul style="list-style-type: none"> Implemented a Safety Management System to ensure operational risks are proactively managed, with relevant procedures to prevent serious incidents Implemented turbulence briefings during pre-flight and in-flight briefings to enhance cabin crew awareness
 <p>Responsible Consumption and Production</p>	<ul style="list-style-type: none"> Local suppliers constituted 48% of our supply chain expenditure Implemented multiple fuel-saving initiatives, resulting in 769 tonnes of fuel saved Collaborated with Santan to introduce compostable food packaging
 <p>Climate Action</p>	<ul style="list-style-type: none"> Implemented sustainable fleet management by ordering the latest aircraft type: Airbus A330neo and A321XLR Conducted CORSIA: Monitoring, Reporting and Verification (“MRV”) of carbon emissions Disclosed Scope 1, 2 and 3 emissions
 <p>Peace, Justice and Strong Institutions</p>	<ul style="list-style-type: none"> Established Board oversight of sustainability through the RMC 87% of AirAsia X Allstars participated in the Anti-Bribery & Anti-Corruption e-learning module on Outclass Zero incidents of corruption
 <p>Partnerships for the Goals</p>	<ul style="list-style-type: none"> Approximately 743 active suppliers and vendor partners across the globe Engaged with ICAO for CORSIA compliance Engaged with regulators



OUR SUSTAINABILITY APPROACH

**STAKEHOLDER
ENGAGEMENT**






[GRI 2-29, 3-3]

Building good relationships with our stakeholders is a constant priority. At AirAsia X, we actively listen to their needs and aspirations, shaping the very foundation of the Company’s operations. By maintaining active and multi-channel communication, we pave the way for long-term value creation for all.



Stakeholder Groups	Areas of Interest	Metrics/Data Tracked	Our Response
Investors 	<ul style="list-style-type: none"> • Share price appreciation and an attractive dividend stream • Sustainable growth in revenue and financial performance • Attractive business plans and growth strategy • Strong and experienced management • Transparent reporting and disclosure • Sound ESG practices measured through shareholder feedback and AGM outcomes 	<ul style="list-style-type: none"> • Revenue, EBITDA and other financial performance indicators • Share price and dividends 	<ul style="list-style-type: none"> • CEO’s Management Discussion & Analysis, pg 18-28 • Financial Statements • Robust Corporate Governance, pg 84-85
Employees (Allstars) 	<ul style="list-style-type: none"> • A safe and healthy work environment • Fair remuneration, effective performance management and recognition • Career development and advancement opportunities • An empowering environment that embraces diversity and inclusivity 	<ul style="list-style-type: none"> • Employee satisfaction survey • Training and development indicators • Employee retention and turnover rate • Safety indicators 	<ul style="list-style-type: none"> • Safety as Our Priority, pg 62 • Caring for Allstars, pg 73-76

OUR SUSTAINABILITY APPROACH

Stakeholder Groups	Areas of Interest	Metrics/Data Tracked	Our Response
Customers (Guests) 	<ul style="list-style-type: none"> Responsible and high-quality airline services Affordable international flights Excellent customer service Trusted and credible AirAsia X brand 	<ul style="list-style-type: none"> Customer Satisfaction Scores Net Promoter Scores 	<ul style="list-style-type: none"> Our Sustainability Approach, pg 36-47 Enhancing Guest Experience, pg 96-99
Regulators/ Governmental bodies 	<ul style="list-style-type: none"> Compliance with all legal and regulatory requirements Active engagement with the industry and regulatory working groups Reduction of carbon emissions 	<ul style="list-style-type: none"> Carbon emission indicators Safety audit reports and certifications 	<ul style="list-style-type: none"> Towards Low-Carbon Operations, pg 48-56 Safety as Our Priority, pg 62 Robust Corporate Governance, pg 84-85
Local communities 	<ul style="list-style-type: none"> Community empowerment programmes Mitigating our operational impact on the environment 	<ul style="list-style-type: none"> Amount channelled towards community empowerment Number of beneficiaries positively impacted 	<ul style="list-style-type: none"> Towards Low-Carbon Operations, pg 48-56 Managing Our Natural Resources, pg 58-61 Safety as Our Priority, pg 62 Uplifting Our Communities, pg 82-83
Suppliers and contractors 	<ul style="list-style-type: none"> Fair procurement and responsible sourcing practices Supplier assessment and engagement process Contractor health and safety practices 	<ul style="list-style-type: none"> Percentage of local suppliers engaged Quality of suppliers engaged 	<ul style="list-style-type: none"> Safety as Our Priority, pg 62 Sustainable Supply Chain, pg 93-95
Media 	<ul style="list-style-type: none"> Business strategies and growth plans Updates on routes and destinations 	<ul style="list-style-type: none"> Press releases 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis, pg 18-28 AirAsia X website Social media

OUR SUSTAINABILITY APPROACH

MATERIAL MATTERS

[GRI 3-1, 3-2, 3-3]

Our materiality process is guided by a comprehensive assessment conducted every two years, with periodic reviews in between to ensure continued relevance. In 2023, we carried out our first materiality assessment to determine the EES issues most relevant to our business and stakeholder expectations. In FYE 2025, we will conduct a full materiality assessment to ensure our priorities remain aligned with our operations, stakeholder perspective and market dynamics.

To identify key material matters, we focused on the most relevant EES factors, prioritising them through stakeholder engagement and internal surveys. These priorities were then mapped on a materiality matrix, providing a clear visualisation of their importance. This approach enhances our understanding of the interconnections between EES factors. The materiality assessment process undertaken is detailed below:

Step 1: Identification of Material Matters

We identified nine material matters relevant to our business and value chain, based on external and internal sources. Our external sources include industry benchmarking, emerging trends in the aviation industry and relevant reporting standards and frameworks, such as Bursa Malaysia's Sustainability Reporting Guideline. Our internal sources include assessment of business context, KPIs and relevant policies.

We also identified eight stakeholder groups that are pivotal to our value chain.

Step 2: Prioritisation of Material Matters

We sent a materiality survey to both internal and external stakeholders to rate these nine material matters based on their influence on stakeholder decisions and significance on the Company's EES impacts.

Results of the assessment were plotted in a materiality matrix, then graded from high to very high importance.

Step 3: Review and Validation of Process and Outcomes

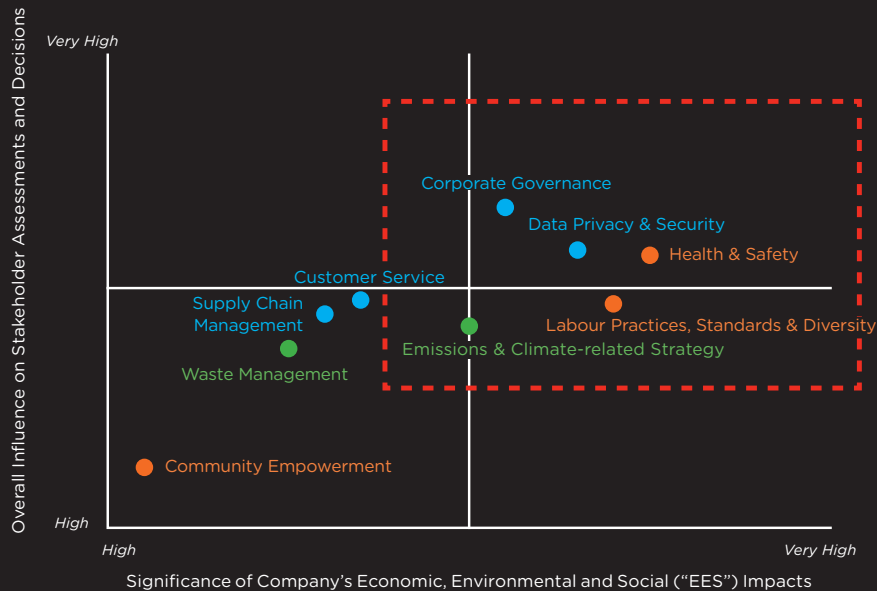
The materiality matrix is then approved by the following committees:

- Board of Directors;
- Risk Management Committee ("RMC"); and
- Sustainability Steering Committee ("SSC").

We aim to conduct a full-scale materiality assessment once every two years, with a limited scale review conducted in the intervening years.

OUR SUSTAINABILITY APPROACH

MATERIALITY MATRIX



Note:
In line with Bursa Malaysia's enhanced sustainability requirements under the Main Market Listing Requirements:

- "Anti-Corruption" is covered under Corporate Governance
- "Energy Management" is managed under Emissions & Climate-related Strategy
- "Water" is managed under Waste Management
- "Diversity" is managed under Labour Practices, Standards & Diversity

Based on the materiality assessment conducted, our findings revealed that all nine material topics are deemed highly important by internal and external stakeholders alike. Therefore, the materiality matrix highlights the top-right quadrant when scaled from a rating of 1 to 5. In summary, the Top 5 material topics deemed most important by all stakeholders are:



Material Topics	Description	Risks	Opportunities
ECONOMIC			
Customer Service	Ensuring transparent and timely flight-related communications and customer service	Inability to meet customer expectations may adversely affect our brand and reputation, resulting in loss of customers	Ongoing enhancements are implemented based on the Net Promoter Score ("NPS") and Customer Satisfaction ("CSAT") surveys distributed to passengers following their experience with AirAsia X flights
Corporate Governance	Upholding high standards of good governance, integrity, policies and standard procedures to enhance transparency within AirAsia X	Any non-compliance of regulations imposed by regulatory bodies (CAAM, Bursa Malaysia, etc.) as well as corruption, resulting in financial loss	By maintaining robust governance practices, we enhance trust and transparency across stakeholders within the Company

OUR SUSTAINABILITY APPROACH

ECONOMIC (Continued)			
Data Privacy & Security	Protecting our customers' data and ensuring data security while booking flights through AirAsia's website	Cyber threats, including breach of customers' data due to ineffective cybersecurity measures, may lead to loss of customer trust and reputational harm	We continuously update our cybersecurity measures to ensure comprehensive protection in mitigating potential security exposures, leading to greater customer trust and loyalty
Supply Chain Management	Supporting sustainable procurement practices while ensuring suppliers and vendors meet our ESG standards	Sourcing goods from suppliers with poor ESG practices pose legal, reputational and safety risks	By prioritising local suppliers and suppliers that meet our ESG standards, we are able to mitigate risks associated with environmental, social and regulatory factors
ENVIRONMENT			
Emissions & Climate-related Strategy	Proactively managing our emissions and climate-related risks, including carbon emissions and energy consumption	Our international flight operations expose us to non-compliance risks from evolving climate regulations and SAF mandates across our markets	Adopting in-sector measures such as operational efficiency, new aircraft fleet and SAF would reduce our carbon emissions and potentially reduce our operational costs. Effective emissions management will also help raise our ESG valuation

ENVIRONMENT (Continued)			
Waste Management	Responsibly managing waste, particularly food waste and scheduled waste (i.e. operational and maintenance-related waste)	Non-compliance to environmental regulations can lead to fines and sanctions	By leveraging pre-booked meal information and historical customer purchase data, we minimise food waste and hence operational costs
SOCIAL			
Labour Practices, Standards & Diversity	Upholding labour practices and standards, as well as promoting a workplace culture that advocates diversity and inclusion, training, development and talent retention	Poor workplace culture and remuneration packages can result in employee disengagement, which would likely lead to a high turnover rate	Robust recruitment initiatives, promotion of diversity, equity and inclusion ("DEI") and a positive workplace culture would ensure employee satisfaction and retention, leading to improved productivity
Health & Safety	Promoting flight and workplace safety, as well as the well-being of employees	Flight safety incidents can significantly affect the Company's reputation and may result in the decline of our safety ratings, as well as additional operational restrictions imposed by regulatory authorities	Inculcation of a robust safety culture and prioritisation of rigorous health and safety standards would lead to improved safety for our employees and customers
Community Empowerment	Supporting our community programmes, such as CSR and employee volunteering activities	Increased tourism activities are putting a strain on local environments, leading to ocean and land pollution that disproportionately affects the communities that we fly to	Partnerships with local communities where we operate would minimise the negative impact of tourism and aviation

CHAPTER 2: ENVIRONMENT

TOWARDS LOW-CARBON OPERATIONS

2024 PERFORMANCE OVERVIEW

[GRI 3-3]

AirAsia X remains committed to addressing the impact of climate change and is working towards aligning itself with the International Civil Aviation Organization's ("ICAO") Long Term Aspirational Goal to achieve net zero emissions by 2050. We have outlined four aviation pathways to support this objective, alongside initiatives to reduce our greenhouse gas ("GHG") emissions and energy consumption, while ensuring that we also use water responsibly.

The following environmental disclosures highlight our achievements and future plans, demonstrating our commitment to improving our resilience to climate-related risks and meeting stakeholder expectations as an environmentally responsible airline.



KEY POLICIES & PROCEDURES

- AirAsia X Sustainability Policy
- ICAO requirements
- Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") requirements, including the Emissions Monitoring Plan
- Environmental Policy Statement
- Environmental Quality Act 1974

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS

- ✓ Total energy consumption
17.4 million GJ
- ✓ Carbon intensity per RPK
76.1 gCO₂/RPK
- ✓ Carbon intensity per ASK
62.3 gCO₂/ASK
- ✓ Total GHG emissions
(Scope 1+2+3)*
1,547,398 tCO₂e
- ✓ CO₂ emissions avoided
through the fuel efficiency
programme
2,430 tCO₂e

* Scope 3 emissions only cover categories 3, 6 and 7.

ENVIRONMENT



Low-Carbon Transition Strategies

AirAsia X is leveraging ICAO’s four-pillar low-carbon transition strategies; namely, investing in operational efficiency measures, new aircraft technologies, utilising sustainable aviation fuels and offsetting remaining emissions with CORSIA eligible carbon credits.

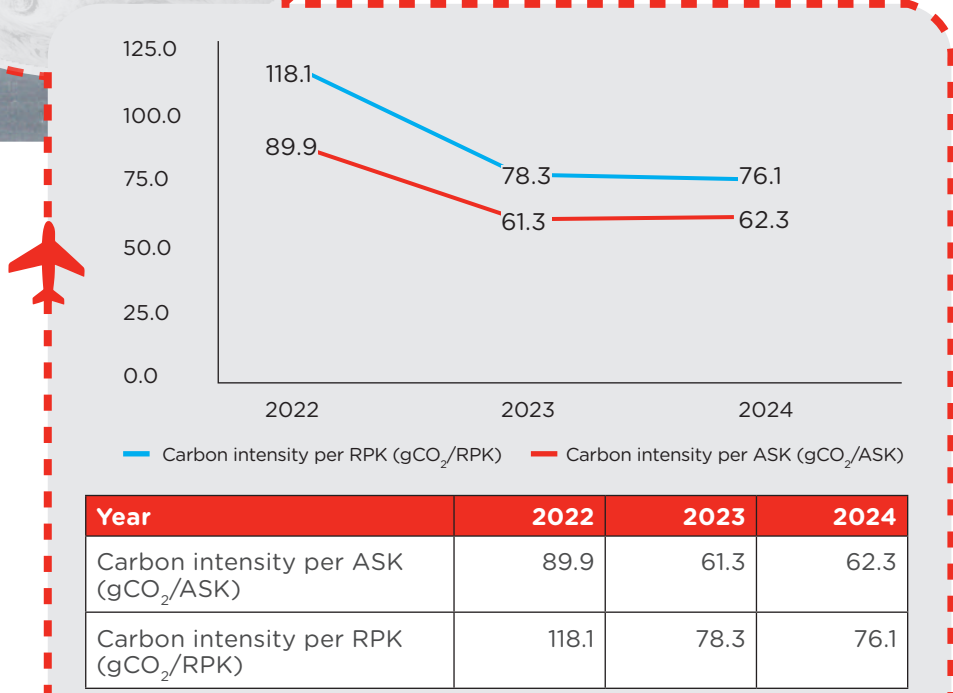
As part of our ongoing commitment to CORSIA, we continue to refine our operational efficiency initiatives. While our CO₂/ASK increased by 1.0 g, largely due to shorter block hours leading to a higher proportion of fuel burn during take-off and landing, we are making progress in optimising fuel efficiency. At the same time, our CO₂/RPK improved by 2.2 g, supported by a 3% increase in passenger load factor compared to the previous year, demonstrating our continuous efforts to enhance capacity utilisation.

CLIMATE TRANSITION STRATEGIES
[GRI 305-5]

Supporting ICAO’s Long-Term Aspirational Goals

With the commencement of the voluntary first phase (2024-2026) of ICAO’s Carbon Offsetting and Reduction Scheme for International Aviation (“CORSIA”), AirAsia X is required to meet regulatory compliance on emissions reduction, joining airlines worldwide. CORSIA came into force in 2021 as an emissions capping scheme, requiring eligible airlines to jointly offset emissions exceeding a pre-determined baseline.

AirAsia X, together with its affiliate, has remained proactive in engaging stakeholders and implementing measures to advance its climate transition pathways, solidifying its role in shaping the region’s evolving aviation sustainability landscape.

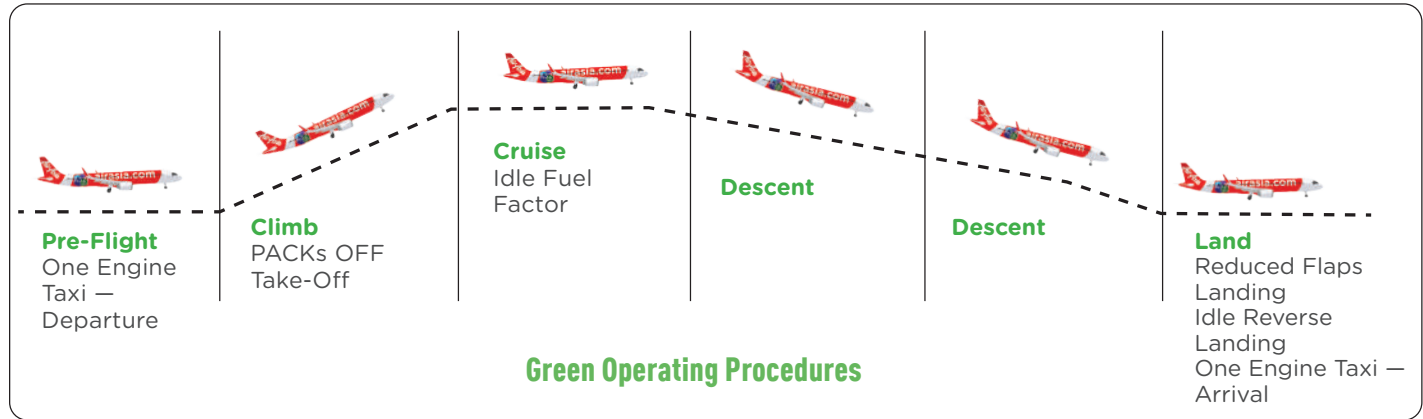


ENVIRONMENT



AirAsia X remains steadfast in its commitment to minimising carbon emissions through an industry-leading fuel efficiency programme, which serves as the most immediate solution to reducing its carbon footprint. This approach has enabled us to continuously reduce our carbon intensity while also lowering operational costs. In 2024, we tracked performance of key operational efficiency measures, which delivered a slight improvement in our carbon intensity performance compared with the previous year.

The table on the right provides an overview of the key fuel efficiency initiatives that contributed to 2024’s carbon emission reductions:



Fuel Reduction Initiatives Implemented in 2024

No.	Key Operational Efficiency Measures	Implementation Rate		2024 Fuel Savings (t)	2024 CO ₂ Emissions Avoided (tCO ₂)
		2023	2024		
1.	Reduced Flap Landings	92%	92%	92	291
2.	One Engine Taxi – Arrival	85%	42%	211	667
3.	One Engine Taxi – Departure	55%	26%	119	376
4.	Idle Reverse Landing	98%	100%	224	708
5.	PACKs OFF Take-Off	99%	99%	53	167
6.	Electronic Flight Bag (“EFB”)	-	-	70	221

Note: The table highlights six out of nine operational efficiency measures monitored. Due to the transition to new efficiency monitoring tools, approximately 20% of flight data is currently undergoing processing. This temporary limitation affects the completeness of our operational efficiency data. Full data will be disclosed in the next reporting cycle.

Through the initiatives above, AirAsia X has avoided emissions of 2,430 tCO₂ into the atmosphere, or equivalent to 40,500 trees planted.

769
Tonnes of fuel saved

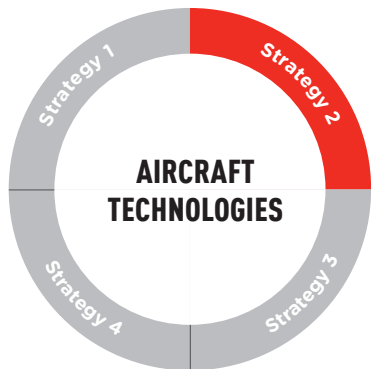
2,430
Tonnes of CO₂ emissions avoided

40,500
Equivalent number of trees planted

For more information on Greenhouse Gases Equivalencies, please visit <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references>.

In 2024, AirAsia X also signed an agreement to implement Mission+, which is an application developed by NAVBLUE to provide briefing packages, flight follow-up and reporting capabilities to the flight crew. This will form an expansion of our Electronic Flight Bag (“EFB”) initiative to further reduce paper use in the cockpit, leading to approximately 7 kg of fuel saved each flight. AirAsia X has received full approval from CAAM for this initiative in November 2024, following a successful trial period.

ENVIRONMENT

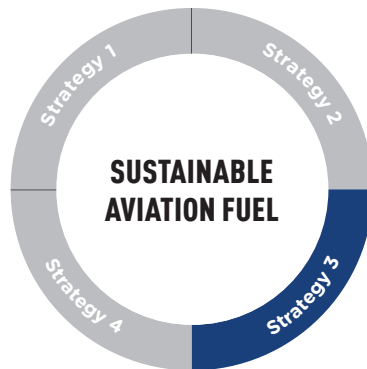


As of 31 December 2024, we operate a fleet of 18 Airbus A330-300 with an average fleet age of 13.1 years, with one currently in storage. In 2025, the focus will be on reactivating all 18 aircraft and aligning fleet expansion with network needs.

AirAsia X’s Average Fleet Age

Model	Units
Airbus A330-300	18
Average age of aircraft (years) as of 31 December 2023	Average age of aircraft (years) as of 31 December 2024
12.1	13.1

Looking ahead, we plan to induct our first Airbus A330neo by 2026 and the Airbus A321XLR by 2028 as part of our long-term fleet renewal strategy, with the aim of further cutting our carbon emissions.



Sustainable aviation fuel (“SAF”) can reduce the life cycle CO₂ emissions by up to 80% when compared to conventional jet fuels, directly affecting both Scope 3 emissions from fuel extraction and refining, and overall carbon intensity. As a ‘drop-in’ fuel, SAF can be blended into existing airport fuel infrastructure and is fully compatible with our Airbus A330-300 fleet and the upcoming A330neo aircraft, with blends of up to 50% SAF.

The main challenge for AirAsia X in adopting SAF is its high cost — up to five times that of Jet A1 — in addition to limited production capacity in Southeast Asia. However, we continue to monitor the progress of SAF mandates at the destinations that we fly to. As of 31 December 2024, the following SAF mandates have been announced in the region:

Country	2026	2027	2028	2029	2030
Singapore ¹	1%	2-3%			3-5%
Indonesia ²	-	1%	1%	1%	2.5%
Japan ³	-	-	-	-	10%

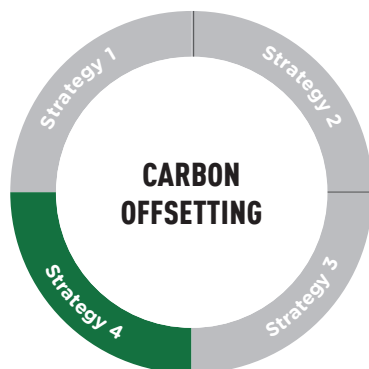
¹ Singapore Sustainable Air Hub Blueprint
² Indonesia SAF Development Roadmap
³ Japan SAF Target

In anticipation of potential SAF mandates in Southeast Asia, AirAsia X has begun negotiations for its first offtake agreement with a regional SAF producer. These negotiations are still ongoing at the time of reporting. Additionally, AirAsia X and its affiliates are actively engaging with governments to advocate for SAF incentives ahead of any regulatory mandates, aiming to accelerate the adoption of cost-effective and scalable SAF solutions.

Our affiliate has signed an MoU with Airbus, launching a strategic collaboration to explore the decentralised production of SAF in Southeast Asia using alternative feedstock and innovative technologies. This initiative is expected to enhance SAF availability in the region while enabling us to gain access to more cost-effective and scalable SAF solutions, supporting our long-term sustainability goals.

To strengthen our internal capabilities in SAF management, we also prioritise learning and development initiatives. Therefore, AirAsia X participated in a workshop organised by the European Union Aviation Safety Agency (“EASA”) in Bangkok, Thailand, focused on the ‘Production of SAF Direct Supply Lines’, thus gaining valuable insights to support its SAF adoption strategy.

ENVIRONMENT



Based on ICAO's global growth scenarios, AirAsia X has projected its CORSIA compliance offsetting requirements through 2030. The CORSIA scheme helps airlines compensate for CO₂ emissions that cannot be reduced through aircraft technology, operational improvement or the use of SAF.

Following the publication of the 12th edition of the ICAO Document on CORSIA Eligible Emissions Units in October 2024, AirAsia X has commenced the mapping of projects that meet the scheme's latest eligibility criteria.

Preparing ahead to meet the CORSIA compliance phase and other decarbonisation needs in the absence of institutional financing support, AirAsia X began submitting applications

to civil aviation authorities to introduce a carbon fee on its flights in 2023. In 2024, a major decision was announced by the Malaysian government to allow airlines complete flexibility to fund their decarbonisation and environmental activities by introducing carbon fees, subject to regulatory oversight for transparency and fairness.

This marks a significant achievement as it allows AirAsia X to develop concrete decarbonisation plans based on expected cost recovery. The progressive approach of the Malaysian government also allows AirAsia X to plan beyond compliance to include new investments in new decarbonisation technologies that allow it to cut emissions directly.

As of 31 December 2024, AirAsia X has received approval from Malaysia's civil aviation authority and 10 other civil aviation authorities to introduce a carbon fee on its flights, set to begin in 2025. The Company plans to use the collected fees to fund its low-carbon transition strategies.

OUR CARBON FOOTPRINT

GHG Emissions Management

To ensure effective decarbonisation measures, a comprehensive understanding of our carbon emissions footprint is essential. In 2024, our total greenhouse gas ("GHG") emissions, encompassing Scopes 1, 2 and 3, amounted to approximately 1,547,398 tCO₂e.

Our GHG inventory aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and uses the operational control method, with emissions data calculated using relevant emission factors primarily from the UK Greenhouse Gas Reporting Conversion Factors and the US Environmental Protection Agency ("EPA") Emissions Factors. Our Scope 1 emissions are attributed to fuel consumption from airline operations, while Scope 2 and Scope 3 (category 7) emissions include data from our corporate headquarters, RedQ.



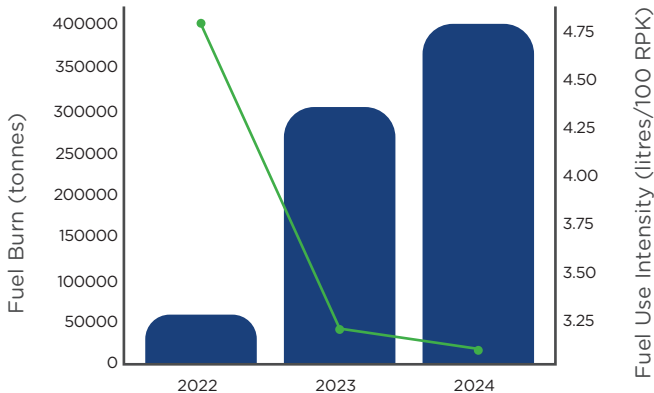
	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions
Description	Direct GHG emissions from owned or controlled sources by the reporting company	Indirect GHG emissions from the generation of purchased energy by the reporting company	Indirect GHG emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions
Sources of emissions	Fuel consumption of aircraft	Purchased electricity	<ul style="list-style-type: none"> Fuel and energy-related activities Business travel Employee commuting
Emissions	1,280,601 tCO ₂ e	235.6 tCO ₂ e	266,561 tCO ₂ e

Total Scope 1 + 2 + 3 emissions = **1,547,398 tCO₂e**

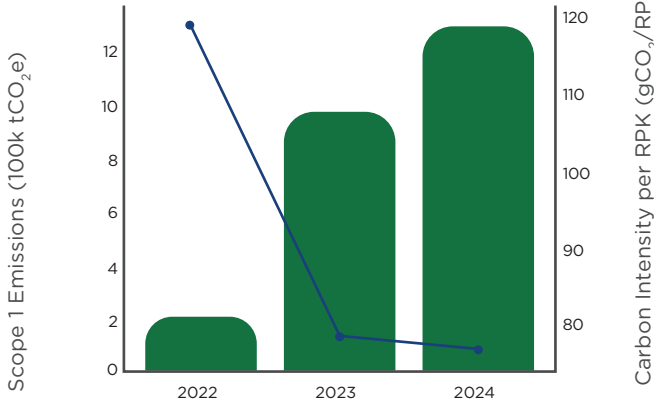
SCOPE 1 GHG EMISSIONS

[GRI 305-1, 305-4]

Fuel Burn and Fuel Use Intensity



Scope 1 Emissions and Carbon Intensity per RPK



	2022	2023	2024
Fuel burn (tonnes)	58,948	302,832	401,749
Fuel use intensity (litres/100 RPK)	4.8	3.2	3.1
Scope 1 emissions (tCO ₂ e) ¹	186,924	960,280	1,280,601
Carbon intensity per RPK (gCO ₂ /RPK)	118.1	78.3	76.1
Carbon intensity per ASK (gCO ₂ /ASK)	89.9	61.3	62.3

¹ The data reported here includes the CO₂ equivalents of methane (CH₄) and nitrous oxide (N₂O) emissions. AirAsia does not emit hydrofluorocarbons, perfluorocarbons or sulfur hexafluoride from flight operations.

AirAsia X’s Scope 1 GHG emissions originate entirely from the jet fuel consumption of our aircraft. With the resumption of multiple routes and expansion to new destinations such as Almaty and Nairobi, we have observed a 33% increase in our Scope 1 emissions, from 960,280 tCO₂e in 2023 to 1,280,601 tCO₂e in 2024.

From 2022 to 2024, the Company’s expanding operations have led to an increase in total fuel consumption and Scope 1 emissions, measured in tCO₂e. However, both fuel use intensity (litres/100 RPK) and carbon intensity per RPK (gCO₂/RPK) have shown a continuous decline, reflecting ongoing improvements in fuel efficiency and operational optimisation.

We continuously implement fuel saving measures and improve operational efficiency to reduce our Scope 1 emissions and minimise our carbon footprint. In 2024, our fuel efficiency programmes led to an emissions avoidance of 2,430 tCO₂ into the atmosphere.

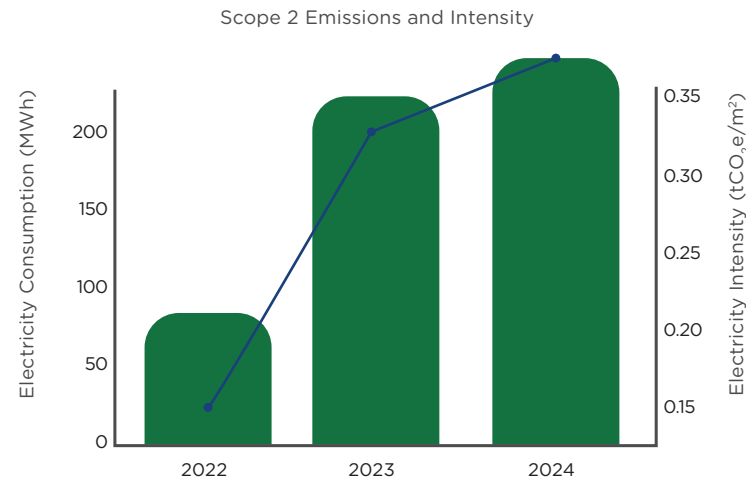
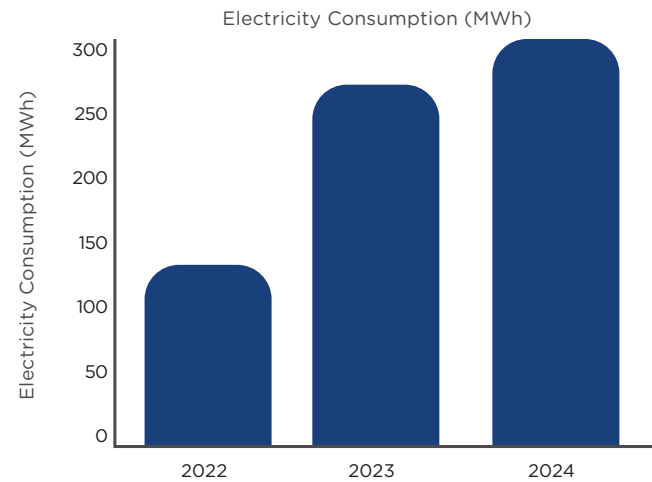
As a fully compliant participant in CORSIA’s Monitoring, Reporting and Verification (“MRV”) requirements, AirAsia X has engaged an accredited third-party verification body to audit its CO₂ emissions from international flights annually since 2019. At the time of writing, our 2024 carbon emissions verification is in progress.

This external assurance is aligned with the International Standards and Recommended Practices, Environmental Protection – Carbon Offsetting and Reduction Scheme for International Aviation (“CORSIA”) (Annex 16, Volume IV to the Convention on International Civil Aviation) (SARPs) and ICAO Environmental Technical Manual (Doc 9501), Volume IV. The auditor is also accredited with relevant ISO standards.

ENVIRONMENT

SCOPE 2 GHG EMISSIONS

[GRI 302-1, 305-2]



	2022	2023	2024
Electricity consumption (MWh)	130.0	271.6	304.4
Scope 2 emissions (tCO ₂ e)	98.5	205.9	235.6
Scope 2 intensity (tCO ₂ e/m ²)	0.15	0.32	0.36

Notes:

1. The Grid Emissions Factor used is 0.774 tCO₂e/MWh, which is extracted from the Malaysian Energy Commission database (2022 Peninsular).
2. The data reported here only encompasses AirAsia X's operations in our head corporate office (RedQ, Selangor) and excludes all hubs/stations and AirAsia X's subsidiaries, due to data limitations.
3. The Scope 2 Guidance, published by GHG Protocol, is used as the methodology to calculate Scope 2 emissions.

As AirAsia X's head office is based in RedQ, we have conducted an estimate of AirAsia X's electricity consumption based on the proportion of leased office space at RedQ. In 2024, RedQ registered a 12% jump in electricity consumption to 304.4 MWh compared to the previous year, primarily due to the full return of all employees to the office, as well as more events held throughout the year.

The RedQ Facilities Department has implemented various initiatives in our offices aimed at enhancing energy efficiency and reducing our overall resource consumption. These initiatives encompass:

Conversion to LED lighting at the office

Scheduled energy usage following working hours

Staggered switching for major equipment such as air conditioning

SCOPE 3 GHG EMISSIONS

[GRI 302-2, 305-3, 305-4]

We have commenced tracking of Scope 3 emissions, which signifies the carbon footprint beyond our operations. Our estimated Scope 3 emissions contribute to about 17% of our overall emissions, with the largest component being upstream emissions associated with jet fuel production, also known as well-to-tank (“WTT”) emissions.

To minimise our Scope 3 emissions from business travel, we prioritise virtual meetings and conferences whenever feasible. Additionally, all business travel requests require approval from both the CEO and CFO to ensure all business trips are necessary and aligned with our sustainability goals.

For employee commuting, we continuously raise awareness via Workplace to encourage employees to reduce their carbon footprint by carpooling with colleagues or taking public transportation to their respective workplaces. In 2024, we conducted a survey on Workplace to gather data on ERL usage among Allstars, which will help inform the Ministry of Transport’s proposal for a special public transport fare for all AirAsia X employees.

Looking ahead, we will also continue to work closely with our vendors and suppliers to track and minimise our Scope 3 carbon emissions, and will include additional Scope 3 emissions categories as deemed applicable for the reporting year.



Scope 3 Emissions Category	2023	2024
3 - Fuel- and energy-related activities not included in Scope 1 or Scope 2 ^{1,2} (tCO ₂ e)	200,413	265,879
6 - Business travel ^{1,3} (tCO ₂ e)	68	269
7 - Employee commuting ^{1,4} (tCO ₂ e)	314	413
Total (tCO₂e)	200,795	266,561

¹ The Technical Guidance for Calculating Scope 3 Emissions, published by GHG Protocol, is used as the methodology to calculate Scope 3 emissions; and the emission factors are sourced from the UK Government GHG Conversion Factors for Company Reporting, version 1.1 year 2024.
² Category 3 emissions originate from jet fuel production from our airlines operations.
³ Business travel includes duty travel from non-AirAsia X flights and hotel stays.
⁴ Employee commuting data only covers employees that travel by car and are parking at our head corporate office (RedQ, Selangor), due to data limitations. The emissions factor used in FYE 2024 was amended to reflect a more accurate representation of the vehicles used in RedQ.

ENVIRONMENT

OTHER GHG EMISSIONS

[GRI 305-7]

Beyond GHG emissions, jet fuel combustion also releases nitrogen oxides (NOx), sulfur oxides (SOx), carbon monoxide (CO) and volatile organic compounds (VOCs), which impact air quality. Over time, advancements in engine design have progressively reduced these emissions. Under Annex 16, Volume III of the International Standards on Environmental Protection, ICAO has set acceptable levels of emissions from aircraft engines for such gases.

As of 2024, all of AirAsia X's A330-300 aircraft currently in operation are compliant with the most stringent ICAO CAEP/8 NOx emissions standards.

Pollutants	2022	2023	2024
NOx emissions (tonnes) ¹	80	349	470
NOx emissions intensity (gNOx/RPK) ¹	0.05	0.03	0.03
SOx emissions (tonnes) ²	1.83	7.98	10.74
VOC emissions (kg) ²	6,336	27,600	37,126

¹ NOx emissions and compliance data are obtained from the ICAO Emissions Data Bank Issue 29B.

² SO₂ and VOC emissions data are sourced from the US Environmental Protection Agency's Generic Aircraft Type Emission Factors Table; under the category Aircraft/Commercial. SO₂ represents the highest composition of SOx emissions per US EPA standards, hence SO₂ is considered as SOx for the purpose of calculations.

100%

COMPLIANT WITH ICAO ANNEX CAEP/8 NOx EMISSIONS STANDARDS



ENERGY MANAGEMENT

[GRI 302-1]

In 2024, AirAsia X's total fuel consumption increased by 33% from the previous year, rising from 302,832 tonnes in 2023 to 401,749 tonnes. This growth was driven by the launch of new routes to Almaty, Kazakhstan, and Nairobi, Kenya, along with the resumption of services to multiple destinations.

Categories	2022	2023	2024
Non-renewable fuel consumption (MJ) ¹	2,548,911,520	13,094,455,680	17,371,626,760
Non-renewable electricity consumption (MJ)	467,903	977,793	1,096,016
Total energy consumption (MJ)	2,549,379,423	13,095,433,473	17,372,722,776

¹ The energy content of non-renewable fuel purchased (Jet-A1 fuel for our aircraft) is based on the Fuel Lower Heating Value ("FLHV") of 18,590 btu/lb or 43,240 MJ/tonnes of Jet A1 consumed.



ENVIRONMENT

AIRCRAFT NOISE MANAGEMENT

We are proud to share that all of AirAsia X's A330-300 aircraft currently in operation are compliant with the latest ICAO Annex 16 Chapter 14 noise standards. Moving forward, the A330neo aircraft will be fully certified under these new noise standards, which offers up to 16 EPNdB noise reduction compared to the older ICAO Chapter 4 noise standards; or up to 9 EPNdB reduction compared to the latest ICAO Chapter 14 noise standards.

Additionally, AirAsia X adheres to all relevant noise abatement procedures at airports with noise restrictions and curfews to minimise disruptions to local communities. Whenever possible, we implement measures such as idle reverse landing, reduced flap landing and one-engine taxiing to significantly reduce noise pollution. We remain committed to meeting and exceeding ICAO's noise certification standards while collaborating with airports to develop effective noise reduction solutions.

100%

**COMPLIANT WITH ICAO ANNEX 16
CHAPTER 14 NOISE STANDARDS**



ENVIRONMENT

MANAGING OUR NATURAL RESOURCES

2024 PERFORMANCE OVERVIEW

[GRI 3-3]

We are committed to minimising our environmental impact by managing our waste and water consumption responsibly. Effective planning of resource management is key to reducing resource use and mitigating environmental risks.



KEY POLICIES & PROCEDURES

- AirAsia X Sustainability Policy
- Environmental Policy Statement
- Environmental Quality Act 1974

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS



Total solid hazardous waste generated

12.72 tonnes



Total liquid hazardous waste generated

15.02 kilolitres



Total non-hazardous waste generated

58.28 tonnes



Total water consumption
4,551 m³

ENVIRONMENT

WASTE MANAGEMENT

[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

Our waste management efforts are targeted to reduce the waste generated in our flights, during airport and engineering operations, and in our corporate offices. As part of our in-flight operations, a selection of food, beverages and drinking water is available for purchase to enhance our guests' travel experience. This results in non-hazardous waste generation in the form of food remnants and packaging materials.

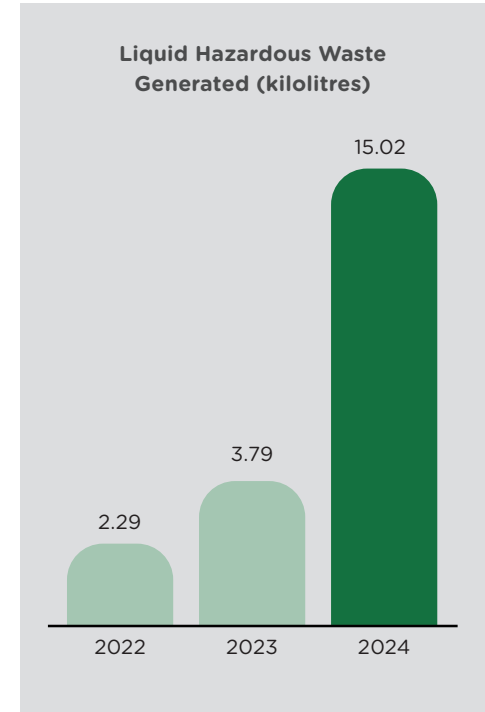
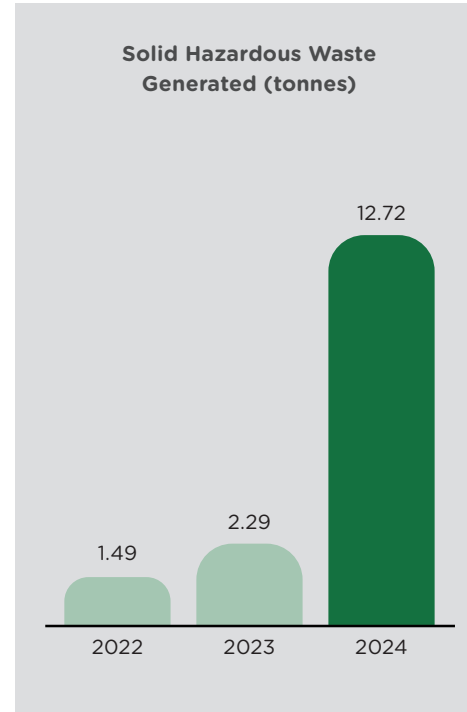
On the other hand, airport and engineering operations generate hazardous waste in the form of residuals such as spent jet fuel and lubricants, absorbents, containers, filters, oil rags, paint and grease from servicing ground equipment or aircraft.

Through actively adopting the practices of eliminate, reduce reuse and recycle, we aim to continuously reduce the disposal of waste to landfills. In 2024, no sanctions nor non-compliance were recorded in relation to environmental regulations or requirements.

Hazardous Waste

Hazardous waste is harmful to human health and the environment, and therefore should be disposed of properly. Most of our hazardous waste is generated by our engineering operations and maintenance hangar at our main hub in Kuala Lumpur. We engage with Department of Environment ("DOE") licensed contractors to manage our scheduled waste and ensure proper handling, transportation and disposal of the waste in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia.

In 2024, we generated 12.72 tonnes of solid hazardous waste, a 5.5 times increase from 2023. Whereas for liquid waste, we generated 15.02 kilolitres of liquid scheduled waste compared to 3.79 kilolitres in 2023. The high level of waste generated in 2024 was due to an increase in flight operations as Air Asia X launched new routes to Almaty, Kazakhstan, and Nairobi, Kenya, along with the resumption of services to multiple destinations.



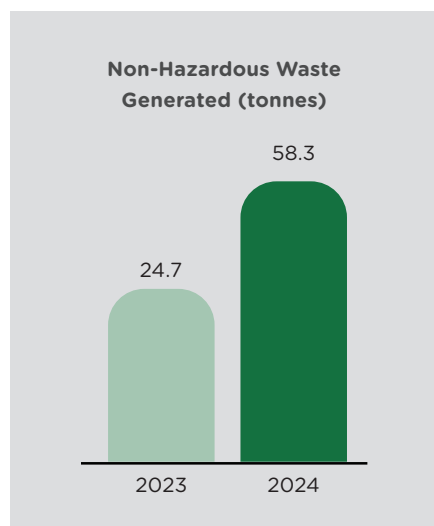
Hazardous Waste	2022	2023	2024
Total Waste Generated			
Solid Hazardous Waste (tonnes)	1.49	2.29	12.72
Liquid Hazardous Waste (kilolitres)	2.29	3.79	15.02
Waste Diverted from Disposal (tonnes)	0	0	0
Waste Directed to Disposal			
Solid Hazardous Waste (tonnes)	1.49	2.29	12.72
Liquid Hazardous Waste (kilolitres)	2.29	3.79	15.02

ENVIRONMENT

Non-Hazardous Waste

Our non-hazardous waste mainly consists of food waste, while other types, such as cabin waste, remain untracked due to data limitations. As in previous years, the Company continues to promote key sustainable practices among Allstars, including:

- encouraging Allstars to bring their own cutlery and containers to the office
- prohibiting the use of single-use plastics such as plastic cutlery
- implementing a fee for Allstars who use plastic containers.



Non-Hazardous Waste	2023	2024
Total Waste Generated (tonnes)	24.7	58.28
Food waste (tonnes)	24.7	45.58
Office waste (tonnes)	-	12.70
Waste Diverted from Disposal (tonnes)	0	0.77
Recyclable office waste (tonnes)	0	0.77
Waste Directed to Disposal (tonnes)	24.7	57.51
Food waste (tonnes)	24.7	45.58
Office waste (tonnes)	-	11.93

In 2023, our non-hazardous waste consists of unclaimed in-flight food waste. In 2024, we enhanced the tracking of our non-hazardous waste to include office waste generated at RedQ, Selangor. Overall, our non-hazardous waste has increased by 136% in 2024, primarily due to the growth in overall passenger numbers and the increased scope to include office waste.

Minimising Food Waste

AirAsia X remains committed to reducing food waste onboard and its associated environmental impact, including water and land pollution. Through our collaboration with our catering provider Santan, we consistently maintained food waste within our internal target of 30%, ensuring more efficient onboard consumption and minimising waste.

To optimise catering uplift and minimise excess food, we have implemented multiple initiatives across our operations. In 2024, AirAsia X generated 45.58 tonnes of food waste – an increase of approximately 1.8 times compared to the previous year. This rise is primarily driven by a 41% increase in overall passenger numbers, resulting in higher meal provisions.

Here are the initiatives that AirAsia X has undertaken with Santan to minimise its in-flight food waste.

Initiatives to Minimise In-Flight Food Waste



Wastage Cost to Revenue Tracking

Santan introduced two new metrics, Availability-to-Purchase (“ATP”) and Cost-to-Revenue ratio (“CTR”), to help identify unprofitable products more efficiently. This will enable Santan to quickly adjust the catering uplift and minimise food wastage. Both metrics can now be tracked via a dashboard.



Demand Planning Tool

Santan has implemented a data-driven learning tool to forecast demand for each flight, which in turn helps minimise food wastage. Demand planners continuously validate the model’s accuracy and provide regular feedback to the ICT department for ongoing improvements.



Pre-Booked Meals

Passengers are encouraged to pre-book their meal prior to their flights, to ensure their meal of choice is served, which also allows for more efficient catering uplift.

Reducing Single-Use Plastics

The increasing demand for air travel has resulted in a rise in plastic waste from in-flight items such as cutlery, cups and packaging. Recognising the environmental impact of single-use plastics (“SUP”), we have collaborated with our primary in-flight catering provider, Santan, to actively reduce their use in our operations. In FYE 2024, AirAsia X and Santan launched an initiative to replace all SUPs onboard with compostable alternatives, reinforcing our commitment to more sustainable in-flight operations.

ENVIRONMENT



Introduction of Compostable Packaging on AirAsia X flights

In 2024, we engaged our in-flight catering provider, Santan, to transition all single-use disposable packaging on AirAsia X flights to compostable alternatives made from polylactic acid (“PLA”), a biodegradable material derived from organic sources such as corn starch and cassava. Once fully implemented on all D7 flights, this initiative is expected to reduce annual carbon emissions by approximately 29 tCO₂e.

Santan has also implemented several initiatives to reduce plastic waste in our main corporate office, RedQ.

Initiatives to Reduce Office Waste



Compostable Plastic Packaging

Takeaway boxes at the office are now made from compostable corn starch materials, and plastic cups have been replaced with compostable PLA paper cups. Additionally, we encourage all Allstars to bring their own reusable containers for takeaways.



Discounts for Using Own Cup

Allstars can receive a RM2 discount on any drink purchase when they bring their own cup or tumbler to the office. We actively encourage this practice to reduce single-use waste.

Reducing Office Waste

Recycling bins for paper, plastic and aluminium are available on every floor of our RedQ office. In 2024, a total of 0.77 tonnes of waste was recycled. This improvement is a direct result of more clean up projects being done in 2024.



To reinforce our commitment to reducing plastic waste in our offices, we launched the #PlasticDetox campaign at RedQ in July 2024. This initiative encouraged Allstars to cut down on single-use plastics by switching to reusable alternatives, such as bringing their own personal cutlery, food containers, water bottles and reusable bags. To further drive awareness, we introduced mini-contests highlighting the daily impact of plastic consumption, and hence inspiring behavioural change amongst our Allstars.

WATER MANAGEMENT

[GRI 303-1, 303-5]

In 2024, our total water consumption reached 4,551 m³—a 2.5-fold increase from 2023—primarily due to the expanded scope of data coverage, which now includes water uplifted on our flights.

As AirAsia X’s head office is located in RedQ, we estimated the office’s water consumption based on the proportion of leased office space within the building. The water supply for RedQ comes from municipal potable water sources.

Most commercial airlines fully fill the aircraft water tank before each flight, regardless of actual in-flight water usage, whereas AirAsia X tailors the amount of water uplifted to minimise overall aircraft weight based on flight duration and passenger load. This initiative reduces water consumption and enhances fuel efficiency.

Water Consumption	2022	2023	2024
Total water consumption (m ³) ¹	1,877	1,304	4,551
Office water consumption (m ³)	1,877	1,304	1,692
In-flight water consumption (m ³)	-	-	2,859
Total water consumption (megalitres)	1.9	1.3	4.551

¹ The data reported here encompasses AirAsia X’s operations in our head corporate office (RedQ, Selangor) and water uplifted into our flights, but excludes all hubs/stations and AirAsia X’s subsidiaries due to data limitations.

WASTEWATER MANAGEMENT

[GRI 303-4]

AirAsia X does not generate industrial effluents from our office, hence all sanitary and waste water from washing is discharged into government-operated centralised water treatment plants for treatment.

CHAPTER 3: SOCIAL

SAFETY AS OUR PRIORITY

2024 PERFORMANCE OVERVIEW

[GRI 3-3]

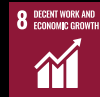
At AirAsia X, our commitment to safety goes beyond mere compliance — it is a core principle embedded in our daily organisational culture. Additionally, we cultivate an open, transparent environment where everyone feels empowered to raise concerns and report hazards or incidents, knowing they will be heard and addressed their concerns appropriately. With strong governance and continuous improvements, we strive to provide a safe and stress-free journey for all our passengers, reinforcing a safety-first mindset across our entire organisation.



KEY POLICIES & PROCEDURES

- Safety Policy Statement
- Safety Management System (“SMS”) Manual
- Occupational Safety, Health and Environment (“OSHE”) Manual
- International Air Transport Association (“IATA”) Operational Safety Audits (“IOSA”)
- Flight Data Analysis (“FDA”) Manual
- ISO 9001:2015 Quality Management Systems
- ISO 45001:2018 Occupational Health and Safety Management Systems
- Malaysia CAD 19 and ICAO Annex 19
- Occupational Safety and Health (Amendment) Act (“OSHA”) 2022
- Alcohol and Drug Management Programme
- Emergency Response Manual

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS



Number of work-related fatalities for employees
0



Lost Time Incident Rate
6.40



Total safety training hours
3,028



Number of safety reports filed
1,630



Percentage of reported hazards, incidents and accidents, which have been investigated and addressed
100%

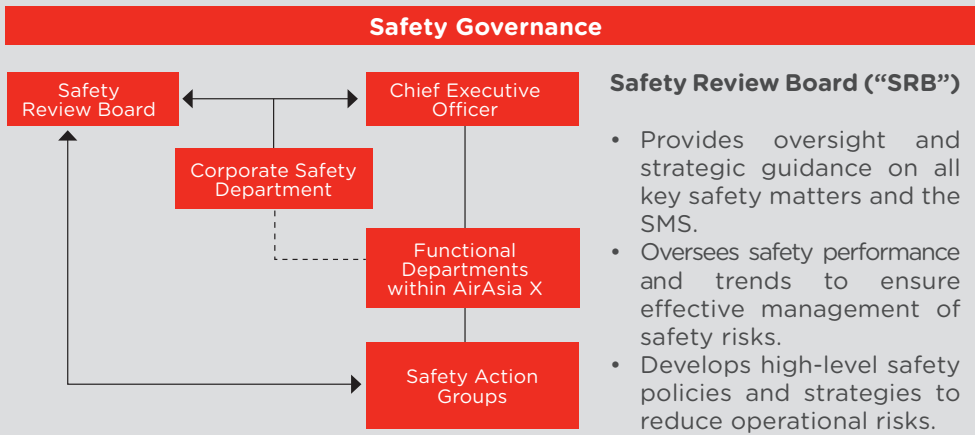
ENSURING ROBUST SAFETY GOVERNANCE

[GRI 403-1, 403-7, 403-8]

Safety Governance

[GRI 403-1, 403-7, 403-8]

At AirAsia X, we cultivate a safety culture built on trust and accountability, with well-defined roles and responsibilities. As safety is a non-negotiable, shared responsibility, it demands commitment and accountability from everyone, from the Board of Directors to on-the-ground Allstars.



Corporate Safety Department

- Oversees the implementation and continual enhancement of the SMS, ensuring regulatory compliance and operational safety excellence.
- Monitors the safety performance of each department and provides dedicated support to line managers on safety matters.
- Develops and improves safety training and culture.
- Investigates and addresses safety risks.

Safety Action Groups

- Implement safety strategies and actions developed by the SRB.
- Continuously evaluate and assess safety risks.

Safety Policy

Our Safety Policy Statement serves as the foundation of our commitment to maintaining the highest safety standards. It establishes clear guidelines to ensure a robust safety culture and performance for the Organisation. This policy applies to all AirAsia X Allstars and is available on our intranet website, RedDocs. The policy:

- reflects AirAsia X's commitment regarding safety, including the promotion of a positive safety culture
- commits to defining the accountabilities and responsibilities for all staff in delivering the Organisation's safety performance
- commits to complying with all applicable regulatory requirements
- ensures that no action will be taken against any employee who discloses a safety concern through the hazard reporting system

In 2024, we amended several safety-related policies and manuals, as summarised below:

<p>Safety Policy Statement</p>	<p>The revised AirAsia X Safety Policy Statement was submitted to the Civil Aviation Authority Malaysia ("CAAM"), with approval expected by the first quarter of 2025. Key amendments include additional commitments to:</p> <ul style="list-style-type: none"> • Continuously enhance workplace human factors to support employees' mental and psychological well-being. • Enforce Occupational Safety and Health regulations to protect employees' safety, health and welfare. • Maintain a strict drug- and alcohol-free workplace through rigorous enforcement measures.
<p>Safety Management System ("SMS") Manual</p>	<ul style="list-style-type: none"> • Revised the Just Culture process flow to standardise it across all Air Operator Certificates ("AOCs"). • Just Culture refers to an environment where employees are encouraged to report safety-related incidents, errors or near misses without fear of reprisals, so long as they were not due to reckless behaviour.
<p>Alcohol and Drug Management Programme</p>	<ul style="list-style-type: none"> • Revised the process of conducting alcohol and drug testing for Allstars.

SOCIAL

Safety Management System

Our commitment to operational and technical excellence is driven by a strong Safety Management System (“SMS”), which serves as the foundation of our operations. Designed to prevent incidents and ensure full regulatory compliance, our SMS is built on well-defined policies, structured processes and clear accountability. We define our SMS framework in four aspects:

Safety Management System (“SMS”) Manual	
Safety Policy & Objectives Establishes management’s commitment to continually improving our safety record through: <ul style="list-style-type: none"> • Management Commitments • Safety Accountability and Responsibilities • Appointment of Key Safety Personnel • Emergency Response Planning • SMS Documentation 	Safety Risk Management Determines the need for, and adequacy of, risk controls through: <ul style="list-style-type: none"> • Hazard Identification • Safety Risk Assessment and Mitigation
Safety Assurance Evaluates the continued effectiveness of risk control strategies through: <ul style="list-style-type: none"> • Safety Performance Monitoring and Measurement • Management of Change • Continuous Improvement 	Safety Promotion Inspires a positive safety culture across the entire organisation through: <ul style="list-style-type: none"> • Training and Education • Safety Communication

Hazard Identification and Safety Risk Management

[GRI 403-1, 403-2, 403-3, 403-4, 403-8]

Our Safety Risk Management process identifies potential hazards and assesses risks promptly, implementing necessary corrective measures. By systematically managing risks through the four-step process below, we create a safer work environment, minimising the likelihood of accidents and injuries.



Growing Impact of Climate Change on Turbulence

In 2024, turbulence became more frequent and unpredictable, driven by climate change. Rising global temperatures are intensifying jet streams and disrupting wind patterns, leading to turbulence that often occurs without warning.

While our aircraft are built to handle turbulence, we continuously enhance safety through strict compliance checks, advanced pilot training and real-time weather monitoring to help our flight crew navigate these evolving challenges.

Key Flight Data Insights

- **Geographical Hotspots:** Most turbulence incidents occur over land, particularly in Southeast Asia, including parts of Vietnam, Thailand, Malaysia and Indonesia.
- **High-risk Zones:** Flights over mountainous and varied terrain experience higher instances of turbulence.
- **Flight Phases:** Data shows a consistent pattern of turbulence during the climb, cruise and descent phases.
- **Seat Belt Safety:** Many incidents occurred when seat belt signs were off, emphasising the need for continuous vigilance.

Enhancing Crew Communication

Corporate Safety Department identified a gap in communication between flight crews and cabin crews regarding predicted turbulence areas. To address this, Corporate Safety Department, in collaboration with flight operations, implemented turbulence briefings during pre-flight and in-flight briefings to enhance cabin crew awareness. This initiative resulted in a decline in turbulence-related incidents affecting passengers and crew.

DRIVING OPERATIONAL SAFETY PERFORMANCE

[GRI 403-1, 403-7, 403-8, 403-9]

The Corporate Safety Department is dedicated to continuously enhancing health and safety performance at AirAsia X, providing Senior Management with regular monthly updates on key safety indicators. In 2024, AirAsia X recorded zero work-related fatalities and reported a Lost Time Incident Rate (“LTIR”) of 6.40. While this reflects a five-fold increase from 2023, it is primarily attributed to the airline’s growing flight operations and a stronger culture of safety reporting. With greater employee awareness of medical benefits claim eligibility and proactive reporting, we anticipate continued improvements in safety transparency and accountability in the years ahead.

One notable incident involved a cabin crew member sustaining a scalding injury due to a defective jug. To prevent similar occurrences, the Company replaced all jugs onboard its aircraft, reinforcing its commitment to workplace safety.

SOCIAL

The table below summarises our safety performance in 2024:

Indicators	2022	2023	2024
Total man-hours worked	1,603,888	2,377,936	2,827,968
Number of work-related fatalities	0	0	0
Fatality rate	0	0	0
Number of recordable work-related injuries (number of incidents)	3	1	7
Rate of recordable work-related injuries	0.37	0.08	0.50
Lost Time Injury (number of lost workdays due to injuries)	161	12	90
Lost Time Incident Rate ("LTIR")	20.08	1.01	6.40
Number of employees who participated in safety-related training	766	1,236	1,211

Note:

- *Fatality rate = Number of work-related fatalities/Total man-hours worked x 200,000*
- *Rate of recordable work-related injuries = Number of recordable work-related injuries/Total man-hours worked x 200,000*
- *Lost Time Incident Rate = Total number of lost time injuries/Total man-hours worked x 200,000*



Operational Safety and Security

[GRI 403-1, 403-2, 403-4]

Safety is at the core of AirAsia X's operations from takeoff to landing. We employ advanced safety dashboards, rigorous maintenance and detailed aircraft inspections to ensure every flight is secure. Various departments — Flight, Ground, Engineering and Cabin safety — work together to uphold our highest safety standards. Below is an overview of the procedures we follow to protect our customers and Allstars:

Flight Safety

- Safety risk assessments are carried out by all departments prior to operating to new destinations to ensure all risk levels are as low as reasonably practicable ("ALARP").
- A safety reporting system is in place for the pilots and cabin crew to report any threats, incidents or occurrences during the flight. Flights are constantly monitored and any anomalies will be relayed to the Operations Control Centre ("OCC") for further action.
- Our Flight Data Analysis ("FDA") monitoring dashboard monitors flight safety performance. Analyses are carried out as required.

Ground Safety

- Our Ground Crew are extensively trained in safe baggage handling and passenger boarding procedures.
- Emergency response teams are on standby at both departure and arrival airports, ready to act if needed.
- Our Ground Crew guides the aircraft safely to its designated parking bay. Baggage is unloaded and delivered efficiently while maintaining passenger safety.

Engineering Safety

- Our Engineering team conducts thorough inspection and maintenance as required to ensure airworthiness of the aircraft.
- All flights are continuously monitored and any anomalies will be relayed to the OCC. The Maintenance Operations Control (“MOC”) team is available 24/7 to remotely assist the pilots if any technical issues arise.
- Our Engineering personnel conduct post-flight inspections and/or maintenance as required before the next flight.

Cabin Safety

- Cabin conditions are checked before flights to ensure their airworthiness and functionality.
- Our Cabin Crew conducts regular cabin checks, ensuring passenger safety and comfort. They are trained to handle in-flight emergencies, from medical situations to turbulence.
- The cabin is thoroughly cleaned and disinfected, preparing it for the next flight.

Prioritising Health and Well-Being

[GRI 403-6]

At AirAsia X, we recognise that mental well-being is as vital as physical safety, especially for our pilots and cabin crew. To prevent fatigue, stress and substance-use risks, we have integrated comprehensive controls and processes into our SMS. By prioritising mental health and well-being, we equip our Allstars to perform at their best, ensuring safer and more reliable operations. In 2024, we focused our attention on improving the mental health and well-being of our Allstars through three additional initiatives:

1. IMSAFE

We introduced the IMSAFE self-assessment framework, a tool designed to help pilots and cabin crew evaluate their fitness for duty. Each letter represents a key factor of health and readiness, enabling pilots and cabin crew to assess their overall well-being before a flight.



2. Critical Incident Stress Management (“CISM”)

In 2024, the Human Factors team introduced the CISM programme to help pilots and cabin crew manage stress from traumatic events. This structured approach provides early intervention to ease any emotional distress and reduce the risk of long-term psychological challenges, such as PTSD.

The programme offers immediate crisis support, access to professional services and ongoing care, ensuring those affected by critical incidents receive the necessary assistance. This initiative reinforces our commitment to protecting the mental well-being of our frontline teams.

3. Counselling Support

Starting in 2025, an in-house counselling service at RedQ will offer a confidential resource for emotional and psychological support. Additionally, our partnership with The Pillars provides professional assistance, including access to psychiatrists when needed. For added convenience, Allstars can book virtual therapy sessions via the Naluri health app.

SOCIAL

Fatigue Risk Management

Cabin crew undergo mandatory training to effectively manage stress and fatigue, as required by our regulators. Additionally, AirAsia X strictly complies with established Flight Duty Period (“FDP”) limits and Minimum Rest Periods (“MRP”) to ensure pilots have adequate rest and recovery time. These guidelines are detailed in our operations manual, which fully aligns with the requirements of the civil aviation authorities in all the countries where we operate.

Alcohol and Drug Management Programme

The misuse of drugs and alcohol poses serious safety risks, impacting performance and endangering our guests. To maintain a safe workplace, we enforce a rigorous Alcohol and Drug Management Programme, approved by CAAM and other regional aviation authorities. This programme includes three key components: reporting and testing, medical intervention with rehabilitation as well as peer support and continuous education. In 2024, we enhanced our safety measures by increasing the testing frequency from quarterly to monthly.

Allstar Peer Support Programme

The Allstar Peer Support Programme offers a confidential and supportive space where employees facing stress or challenging situations can seek guidance from trained peers. This initiative fosters a non-judgemental environment, ensuring Allstars receive emotional support when needed. In more serious cases, Peer Supporters facilitate referrals to professional mental health providers.

EMBEDDING A SAFETY-FIRST CULTURE

[GRI 403-4, 403-5, 403-6]

At AirAsia X, we embrace the Just Culture approach, which balances accountability with learning from mistakes. Allstars are encouraged to report incidents or near misses without fear of unfair punishment, as long as actions were not negligent or reckless. This peer-to-peer information

sharing builds trust and fosters a learning-focused environment where everyone takes ownership of safety. To further promote this culture, we are developing an e-learning course on Outclass (formerly airasia academy), set to launch in 2025.



SOCIAL

Safety Training

We provide sufficient and necessary aviation safety-related training to all Allstars to ensure that they are continuously updated with safety systems and procedures, thus ensuring effective responses when needed.

In 2024, 1,211 Allstars attended a total of 3,028 hours of safety training conducted by our Corporate Safety Department, compared to 1,236 Allstars with a total of 3,090 hours in 2023. The table on the right showcases the different types of training that our employees participated in 2024:

Safety Management System

- To ensure that relevant personnel are trained and competent to perform their responsibilities relating to safety

2024 attendees:

1,211

Ergonomic Awareness Training

- To educate our employees on the risk factors for musculoskeletal disorders, and how ergonomics can make their work easier, more efficient and safer.

2024 attendees:

79

Safety Induction Training

- To welcome new employees to the Company and to educate all employees on potential hazards as well as safe work practices in their workplace or work tasks.

2024 attendees:

79

Special Assistance Team Training

- To equip new flight crew with knowledge of the Company's Emergency Response Planning ("ERP") procedure and Psychological First Aid.

2024 attendees:

79

Safety Awareness

In addition to safety training, our commitment to continuous safety promotion includes activities such as ergonomic risk assessments, a month-long safety campaign, newsletter topics covering occupational safety and health matters, fire evacuation drills and other safety-related measures.

Safety survey
for all AirAsia X Allstars on an annual basis

Safety newsletter
to all AirAsia X Allstars on a quarterly basis

Safety notices
to all AirAsia X Allstars, as and when required

Flight Safety notices
to all AirAsia X pilots, as and when required



SOCIAL



Mega Foreign Object Debris Walkabout Campaign

In 2024, we strengthened our safety commitment through our largest collaboration yet with Malaysia Airports Holdings Berhad (“MAHB”) for a mega foreign object debris (“FOD”) walkabout at Kuala Lumpur International Airport (“KLIA”). The campaign focused on raising awareness of and vigilance in spotting and removing foreign objects — be it debris or wildlife — that could endanger personnel or aircraft. Even minor hazards can significantly impact safety, efficiency and flight operations, highlighting the importance of proactive initiatives such as this.

Mega Hammerhead Cleaning

On 17 October 2024, our Head of Corporate Safety spearheaded a clean-up initiative at KLIA’s rubbish collection area, which had become a breeding ground for pests and may pose potential safety risks. In collaboration with our affiliates, AirAsia X volunteers worked together to properly dispose of the waste and thoroughly clean the site. A total of 96 participants took part in this initiative, reinforcing our commitment to maintaining a safe and hygienic work environment.



Safety Campaign

In 2024, we collaborated with our affiliates to organise our annual safety campaign. Themed “Safer and Stronger Together”, this campaign emphasises that safety is a shared responsibility for all Allstars. Nearly all AirAsia X Allstars, except on-duty cabin crew and pilots, participated in Safety Day activities to raise safety awareness. The event featured interactive booths from various business lines, highlighting safety’s role in their operations. A key milestone was the launch of our Safety Portal, RedEye — a one-stop platform offering essential tools, information and real-time updates to empower Allstars and advance our safety mission.

RedEye: Safety Reporting On-the-Go

In April 2024, the Safety team launched the RedEye mobile app, upgrading the previous web version to enhance safety incident reporting, tracking and analysis. The app offers key features such as:

- Live chat for real-time communication with safety teams
- Location-pinning to accurately mark incident sites
- Automatic translation for cross-language accessibility

These features make RedEye a user-friendly and efficient tool for managing safety incidents on the go. All reports are routed to the appropriate Safety Departments for categorisation, assessment and investigation by subject matter experts.

1,630

SAFETY REPORTS RECORDED IN 2024
(2023: 1,310)



In 2024, AirAsia X safety reports saw a 24% increase compared to the previous year. This growth can be attributed to the increase in our flights and our strategic focus on improving safety measures.

SAFETY ASSURANCE, CERTIFICATIONS AND AWARDS

[GRI 403-1]

At AirAsia X, we implemented a robust safety assurance system comprising three key pillars: performance monitoring, management of change and continuous improvements.

Performance Monitoring

Central to our safety commitment is performance monitoring, which includes setting Safety Objectives, Performance Indicators, and Targets. This process offers valuable insights into organisational behaviour and measures the effectiveness of our SMS, enabling us to proactively mitigate risks and achieve safety goals.

Management of Change

AirAsia X acknowledges the potential impact of internal and external changes on safety. Therefore, a formal change management process is triggered for new technologies, equipment, operating environments, key personnel, regulatory requirements and staffing levels, among others. Notably, 45 Management of Change (“MOC”) and risk assessments were conducted by operational departments in 2024, underscoring our commitment to proactive risk management.

Continuous Improvement

To guarantee the enduring effectiveness of AirAsia X’s SMS, we employ dedicated safety assurance activities and internal audit processes. Additionally, a comprehensive SMS effectiveness evaluation is conducted at least annually. We comply with IATA’s IOSA standards, the global benchmark for airline safety, and adhere to Malaysia’s Civil Aviation Regulations (“MCA”) and CAAM Civil Aviation Directives (“CAD”). These rigorous assessments drive continuous improvement, enhancing the safety and security of our operations. In 2024, AirAsia X carried out a total of 20 safety-related audits throughout the year:

6 Civil Aviation Authority
Malaysia (“CAAM”) audits

11 Joint Station Compliance
Audits (“JSCA”)



Certification: International Operational Safety Audits (“IOSA”) by the International Air Transport Association (“IATA”)

The IOSA, conducted every two years, rigorously assesses airlines against eight key operational principles:

- Organisation and Management System (“ORG”);
- Flight Operations (“FLT”);
- Operational Control and Flight Dispatch (“DSP”);
- Aircraft Engineering and Maintenance (“MNT”);
- Cabin Operations (“CBN”);
- Ground Handling Operations (“GRH”);

- Cargo Operations (“CGO”); and
- Security Management (“SEC”).

AirAsia X has consistently achieved IOSA certification since its initial audit in 2013, demonstrating a long-standing commitment to exceeding global safety standards.

The last IOSA renewal audit was carried out from 5 to 8 December 2022. This audit certificate is valid until 11 April 2025.



AirlineRatings Seven-Star Safety Rating by AirlineRatings.com

AirAsia X has proudly been recertified as a Seven-Star Airline by AirlineRatings.com for the third consecutive year, which is the highest number of stars awarded, underscoring our collective efforts towards safety. The recertification process included comprehensive analysis and evaluation, with a focus on areas such as pilot training and incident management.

After independent audits, AirAsia X promptly addresses non-conformities through root cause analysis, implementing corrective and preventive actions as needed. Once resolved, reports are officially closed. Common audit findings are shared with stakeholders via forums and auditor training sessions, promoting collective learning and risk mitigation.

SOCIAL

FOOD SAFETY

AirAsia X outsources its in-flight catering to its affiliate company, Santan, who is responsible for preparing, packing and delivering food to the airline. To ensure that the food served to passengers is safe, nutritious and free from contamination, Santan strictly follows all relevant health and safety regulations in the food and beverage industry, including the following standards and processes:

- ISO 22000:2018 Food Safety Management System
- Inflight Catering Food Safety & Quality Policy
- Food safety audit by Santan's internal quality assurance team
- Routine scheduled microbial, physical and chemical verification of water, food products and the environment
- Compliance with the requirements of both Hazard Analysis and Critical Control Points ("HACCP") and the Malaysia Halal Certification by JAKIM
- FSSC 22000 Food Safety Systems Awareness Training
- Food Safety Information System of Malaysia ("FOSIM")

In 2024, Santan's Quality Assurance team carried out comprehensive audits to uphold supplier standards. This included quality checks and compliance audits at supplier facilities to ensure adherence to established standards. Notably, there were no incidents of non-compliance with food safety regulations that resulted in fines, penalties or warnings.



CARING FOR ALLSTARS

2024 PERFORMANCE OVERVIEW

[GRI 2-7, 3-3]

At AirAsia X, we recognise that our enduring success is fueled by the passion and dedication of our people. Prioritising top-tier talent, we continuously invest in our Allstars' personal and professional growth in order to create a motivated and thriving workplace. Ultimately, a robust workforce is key to realising our ambitions of becoming a resilient and purpose-driven organisation.



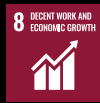
KEY POLICIES & PROCEDURES

- Anti-Bribery and Anti-Corruption Policy
- Code of Business Conduct
- Employee Handbook
- Anti-Harassment Policy
- Remuneration Policy
- Board Diversity Policy
- Learning and Development Policy

2024 IN NUMBERS

- ✓ Average training hours per employee **44.44**
- ✓ Women in the workforce **47%**
- ✓ Women representation on the Board of Directors **16.67%**
- ✓ Number of substantiated complaints concerning human rights violations **2**

PRIMARY UN SDGs SUPPORTED



SOCIAL

PROMOTING DIVERSITY, EQUITY AND INCLUSION

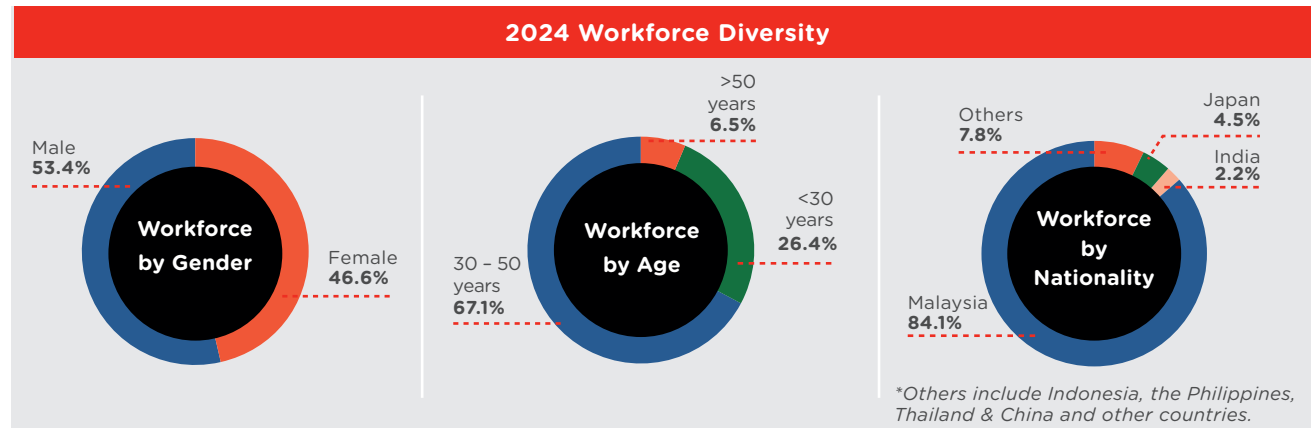
[GRI 405-1, 405-2]

From our Asean roots to our global reach, AirAsia X proudly reflects our shared heritage, values and authentic identity through our Allstars. This celebration of diversity within our organisation enriches us with unique perspectives and strengths, which we greatly value. We foster an inclusive culture where everyone – regardless of race, religion, gender, age, sexual orientation, disability or nationality – is respected, valued and empowered to succeed. Consequently, our recruitment diversity guidelines are designed to provide equal employment opportunities for all of our hires.

Workforce Diversity

In 2024, our team comprised 1,351 employees, with a gender distribution of 53% men and 47% women. Full-time permanent employees made up approximately 79.64% of our workforce, while the remaining 20.36% consisted of full-time contract employees, who are predominantly expatriate cabin crew. These contract roles are subject to performance-based renewals after one year of service.

Although male Allstars continue to represent the majority across all employment categories, excluding non-executives, we are dedicated to fostering an inclusive workplace that offers equal opportunities for growth and development to all employees. A detailed summary of our workforce diversity is outlined below:



Supporting Women at Work

Advancing Women in Leadership*

In 2024, women represented 16.67% of our Board of Directors, 23.08% of Senior Management and 8.21% of the broader management team. As we look ahead, we remain committed to fostering a strong pipeline of talented women, supporting their advancement into leadership positions across all levels of the Organisation.

Aligned with our AirAsia X Board Charter, we believe a diverse and inclusive leadership team drives innovation, introduces fresh perspectives and enhances our competitive edge. The Nomination and Remuneration Committee (“NRC”) continues to prioritise the identification and promotion of highly qualified and diverse candidates for Board positions. Currently, women account for 16.67% of our Board, and we endeavour to improve Board diversity to build a more balanced and equitable leadership structure. Demonstrating the strength of women in leadership, our Risk Management Committee (“RMC”) is chaired by Ms Chin Min Ming, whose expertise and leadership exemplify the invaluable contributions women bring to corporate governance.

* Leadership is defined as those within the Board of Directors, as well as those holding Senior Management and Management positions.

Gender Pay Gap

At AirAsia X, we are committed to being an equal-opportunity employer by actively addressing gender pay discrepancies within our organisation. Following the UK’s statutory guidance on gender pay gap reporting, we conducted detailed analyses of pay scales across eight job grades to ensure fairness and equity. This initiative is a key step towards building a more inclusive workplace, especially in the aviation industry which has traditionally been male-dominated. Figures 1 and 2 present our 2024 gender pay gap results, reflecting pay differences across all employment categories. Given that gender representation in pilot and cabin crew roles remains highly imbalanced, we reported our performance using two sets of data:

- All Allstars
- Allstars excluding pilots and cabin crew

By segmenting the data, we filter out these outliers and gain clearer insights into potential biases within other areas of the Organisation. The following is our performance in the 2024 hourly pay difference between male and female employees:

Hourly Pay Gap Analysis

(1a) All Allstars

MEAN 187%

(2023: 234%)

MEDIAN 158%

(2023: 218%)

(1b) Allstars excluding pilots & cabin crew

MEAN 26%

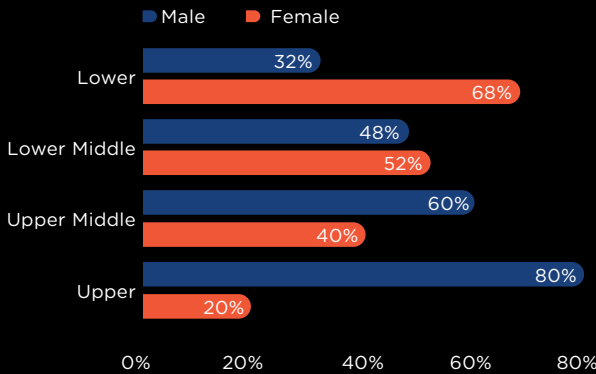
(2023: 39%)

MEDIAN 5%

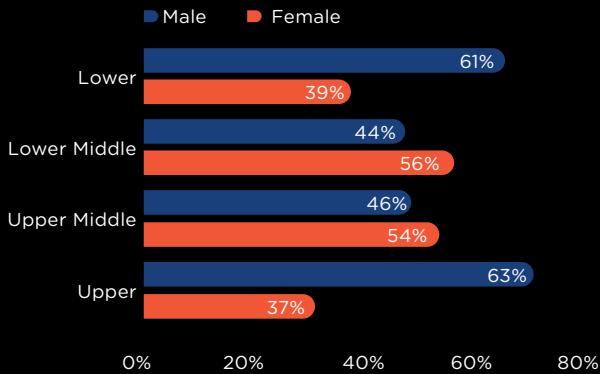
(2023: 32%)

Proportion of Employees in Quartiles by Gender

(2a) All Allstars



(2b) Allstars excluding pilots & cabin crew



Notes:

- The mean pay gap is the average hourly wages of female employees compared to their male counterparts.
- The median pay gap signifies the middle point of men versus women’s pay.
- A positive percentage indicates female employees are paid less than male employees, while a negative percentage indicates the opposite.

SOCIAL

What does the data show?

All Allstars

Our analysis shows a mean pay gap of 187% and a median pay gap of 158% across the Company (see Figure 1a). However, it is important to note that these figures reflect gender representation imbalances rather than pay inequality. Pilots, who are among the highest earners at AirAsia X, receive equal pay regardless of gender. We can deduce that the gap stems from the low proportion of women in pilot roles, which currently make up approximately 4.7% out of all AirAsia X pilots. Since pilots and cabin crew represent 76% of our total workforce, this gender disparity has a significant impact on the overall pay gap.

This trend is further reflected in our pay quartile distribution (Figure 2a):

- In the highest pay quartile, 80% are men, largely due to the high number of male pilots.
- Meanwhile, the lower middle pay quartile shows a more balanced distribution, with 48% men and 52% women.

These insights reinforce the need to address gender imbalances in aviation careers, particularly by encouraging more women to pursue pilot roles, which will help close the gap over time. It is also important to note that compared to 2023, the median and mean pay gap has reduced from 234% and 218%, respectively, as we continue to enhance

our pay competitiveness offerings which was reflected in the reduction.

Allstars excluding pilots and cabin crew

When pilots and cabin crew are excluded from the analysis, the data shows that a gender pay gap still exists, albeit on a smaller scale, with men earning more than women. Specifically, the mean pay gap stands at 26%, while the median pay gap is 5% (Figure 1b). This gap is reflected in the pay quartile distribution (Figure 2b):

- Men continue to dominate the highest pay quartile, accounting for 63% in this group.
- Conversely, women outnumber men in both the lower middle and upper middle pay quartiles.

The improvement of females in the upper middle quartile (from 45% in 2023 to 54% in 2024), as well as in the upper quartile (from 29% in 2023 to 37% in 2024), showcase our efforts in closing the gender pay gap.

How are we addressing the difference?

Guided by our Diversity Recruitment Guidelines, we strive to attract talent from diverse backgrounds, promoting an inclusive workplace and ensuring equal opportunities for all candidates, regardless of their perspective or experience. To support fair hiring practices, we provide our hiring managers with unconscious bias training. As of 2024, 100% of hiring managers completed this training.

Moms-on-Duty Programme: Supporting Our Operational Allstars

Women in operational roles face unique challenges, often balancing demanding shift work in non-traditional environments. For pilots and cabin crew, returning to flying hours while navigating the responsibilities of motherhood can significantly impact their well-being.

At AirAsia, we are committed to better supporting working mothers. Focus group discussions with Allstar pilots and cabin crew highlighted several challenges, including:

- Limited opportunities to express breast milk before, during or between flights
- A lack of private spaces on aircraft
- Inadequate access to lactation rooms

In response, we launched the Moms-on-Duty Kit in 2024, featuring:

- A comprehensive handbook offering guidelines to create a safe, supportive environment for working mothers
- A discreet nursing cover to enable privacy when expressing breast milk

This initiative reflects our ongoing commitment to fostering an inclusive and supportive workplace for all Allstars.



TALENT ATTRACTION AND RETENTION

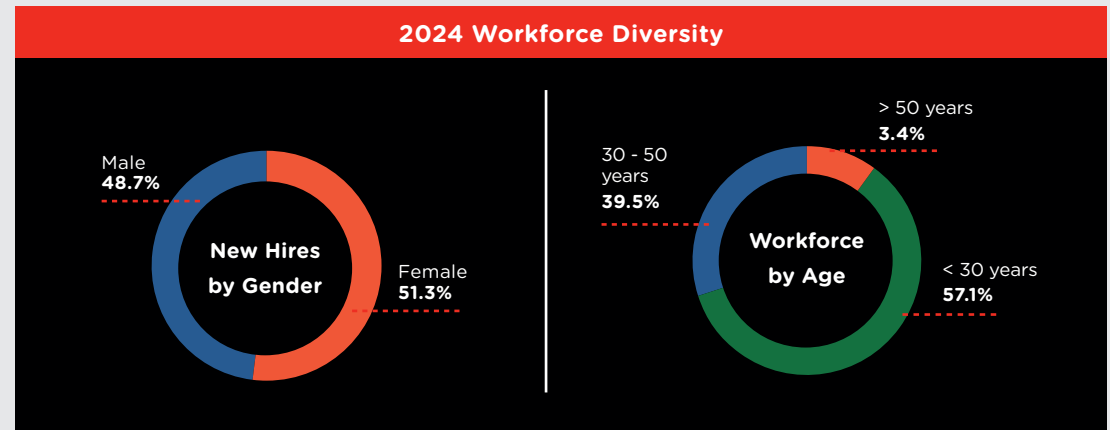
At AirAsia X, we believe in supporting our Allstars every step of the way. From the initial recruitment stage to fostering their continuous engagement and development, we are highly committed to nurturing our talent at every phase of their journey.

Recruiting Allstars

At AirAsia X, we look beyond people's qualifications and seek individuals with a strong work ethic who are dynamic, innovative, and embody our "Dare to Dream" spirit. Our recruitment team actively sources future Allstars through career fairs, social media, internships, and internal referrals. Candidates undergo background checks, interviews, and assessments to verify their credentials and ensure role suitability. Guided by our Diversity Recruitment Guidelines, we promote inclusive hiring by mitigating unconscious bias through gender-neutral language in job postings, skills-based interviews focused on competencies and transparent and equitable compensation practices. We also provide unconscious bias training for hiring managers, equipping them with practical strategies and best practices for fair and inclusive recruitment.

New Hires & Turnover

In 2024, we proudly welcomed over **119 new Allstars** to our organisation, with 57% of them under 30. This youthful energy brings fresh perspectives and innovative ideas to help us shape the future of the travel industry.



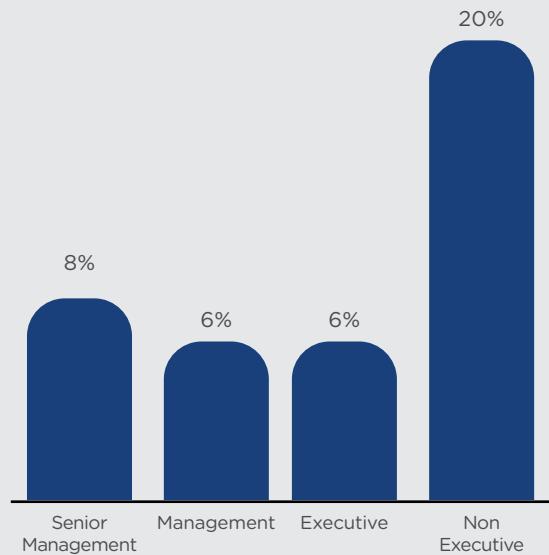
Our full-day onboarding programme helps new Allstars integrate smoothly into the Company. It offers an in-depth introduction to our mission, values, and operations. It covers our Company's journey, Allstar Values, key policies (safety, cybersecurity, anti-bribery, anti-corruption, etc.), and digital tools such as Workday, Workplace, Google Suite, and Redlcons. This comprehensive onboarding programme equips new hires with the knowledge and tools to thrive.

In 2024, our overall turnover rate was **12%**, a key measure of employee retention. While some turnover is natural, we foster a supportive, engaging work environment to retain our talent.

SOCIAL

We address employee needs through career development opportunities, internal transfers, and personal growth initiatives. By gathering feedback, analysing turnover trends, and refining our strategies, we aim to build a motivated, resilient workforce aligned with our long-term goals.

Employee Turnover by Category



Investing in Allstars

[GRI 404-1, 404-2]

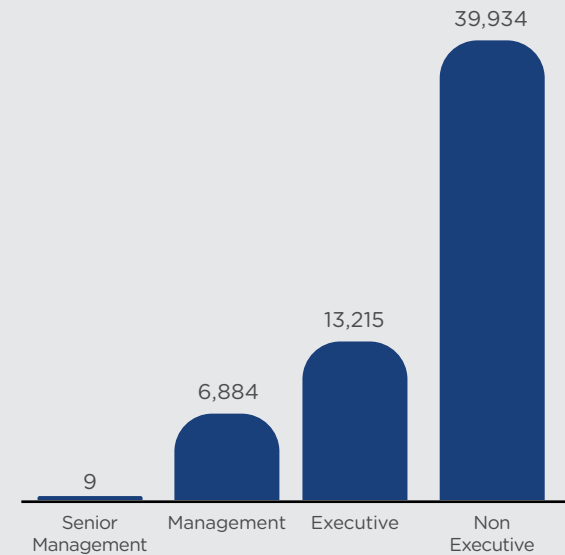
At AirAsia X, we empower our Allstars to take charge of their professional and personal growth. Through continuous learning and upskilling, we equip them with the technical, functional, and soft skills needed for the future of work. In collaboration with Outclass, we offer a mix of face-to-face, virtual, and blended training programmes, ensuring a dynamic and accessible learning experience.

Below is our 2024 performance in supporting Allstars with their learning and development:



Our training initiatives primarily focus on non-executives and executives, empowering them with the tools and expertise needed to advance their careers. This targeted approach helps us nurture a workforce that is not only skilled but also prepared to excel in a rapidly evolving industry. There is a significant 2.1-time increase in training hours from 2023 to 2024. The scope now includes regulated training hours for pilots, cabin crew, engineering and ground crew.

Training Hours by Employee Category



2024 KEY TRAININGS

- Anti-Trafficking Training - #Know The Signs**
- Anti-Harassment Policy Training**
- Information Security Awareness Education**
- Building Emergency Evacuation Drill**
- Anti-Bribery and Anti-Corruption Training**
- Pilot Safety & Emergency Procedure Recurrent Training**
- Pilot Simulator Training**
- Cabin Crew Recurrent Training**
- Cabin Crew Initial Training**

Shaping Future Ready Leaders

Having a robust leadership and talent pipeline is essential to securing the future of AirAsia X. We focus on coaching, mentoring and developing identified Allstars to take on leadership roles to ensure sufficient talent to accede to vacant leadership positions and thus secure business continuity. The leadership development programmes organised in 2024 are as follows:

Leading People Programme

The Leading People programme featured a standout “Shark Tank” style finale in its second year. Each cohort tackled a designated project, crafting innovative solutions and presenting them to top management. This dynamic challenge honed participants’ critical thinking, problem-solving, and persuasive communication skills.

Leading Self Programme

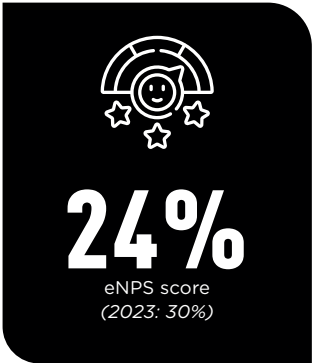
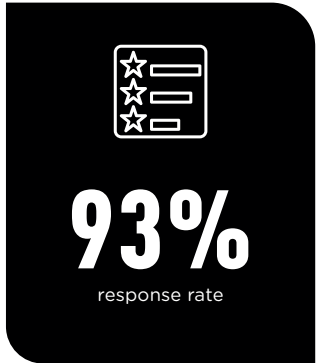
Addresses the developmental needs of ambitious individuals by providing a platform for self-improvement, enhancing their leadership capabilities, and potentially advancing their career trajectories within the organisation.

Engaging with Allstars

Allstars Feedback

We are committed to fostering an open and transparent workplace where Allstars feel heard and valued, enhancing satisfaction and productivity.

In 2024, we conducted the Allstar Feedback Survey, which revealed that AirAsia X’s Net Promoter Score declined slightly to 24 from 30 in 2023. The results indicate that most Allstars are satisfied with their roles and aligned with the company’s goals. However, benefits, remuneration and career progression require further improvement. These insights will guide our efforts to enhance the employee experience and strengthen workplace culture.



We also organise town halls and events for each major festive celebration, which includes Chinese New Year, Hari Raya, Deepavali, Christmas and others. Each event provides the opportunity for employees to engage with the Company’s Senior Management team.

SOCIAL

Rewards & Benefits

[GRI 401-2]

We aim to be the employer of choice by offering a competitive remuneration package which prioritises the well-being and development of Allstars.

✓ Upskilling

Offer a variety of development programs and training courses via Outclass.

✓ Financial Health

Organise financial education sessions with several external organisations such as Cashku, Ziet Invests and others.

✓ Medical & Life Benefits

Provide medical, life and personal accident insurance, in-house gym, clinic and physiotherapy clinic.

✓ Travel Benefits

We offer employee travel benefits to which they can extend to their family members.

✓ Career Advancement

Assist Allstars in recognising and utilising their strengths to discover fresh career possibilities using our internal talent marketplace powered by an intuitive AI system.

✓ Family Well-Being

Offer maternity leave (98 days), paternity leave (8 days), marriage leave (5 days), a creche and mother's room, and provide medical and bereavement support through Red Heart Fund.

Health & Well-being

We adopt a holistic approach to health where we support the physical, emotional and mental well-being of our Allstars. We have a few channels in which Allstars can seek help:

Employee Assistance Programme

This year, we partnered with The Pillars, our new employee assistance programme provider, offering Allstars five complimentary sessions annually with licensed therapists for professional support.

In-House Counselling

To further prioritise mental well-being, we launched an in-house counselling service at RedQ, providing Allstars with direct access to professional counsellors. Starting January 2025, this service will be available five days a week, ensuring a safe, confidential space for personal and professional support.

Other initiatives during the year that supported the health and well-being of employees include:

Allstars Wellness Day



We held a health screening day where Allstars received free health screening in the office.

Regional Sports Competition



We organised multiple regional level sports tournaments throughout the year. In 2024, we held a badminton competition, a futsal tournament and a cycling event.

World Mental Health Day



In conjunction with World Mental Health Day in October, we raised awareness of the importance of safeguarding mental well-being through our "Ok tak?" campaign, where we provided free mental health assessments and in-person chats with clinical psychologists and wellness coaches.

SOCIAL

Performance Review

[GRI 404-3]

AirAsia X uses the Objectives and Key Results (“OKR”) framework to enhance performance management and appraisals for Allstars. This streamlined goal-setting approach improves alignment, engagement, and clarity, driving progress toward our business objectives. Quarterly reviews with line managers ensure continuous tracking and goal refinement. In 2024, 100% of AirAsia X employees underwent performance appraisals.

ESG KPIs

In 2024, the Board approved linking the CEO’s compensation with key performance indicators (“KPIs”) for ESG performance metrics, such as ESG ratings. This decision reinforces the integration of sustainability into strategic decision-making and underscores its importance as a priority for senior management.

UPHOLDING HUMAN RIGHTS

We align our human rights approach with internationally recognised human rights standards such as the International Bill of Human Rights and other international labour laws. Our commitment is highlighted in our Code of Conduct and Ethics. To embed human rights principles across our operations, we:

- Integrate human rights principles into our Employee Handbook and Supplier Code of Conduct, which does not condone forced or child labour.
- Ensure all operations comply with local laws on minimum working age and exceed minimum wage standards while fostering a safe and inclusive workplace.
- Enforce anti-harassment policies and actively work to prevent issues such as sexual harassment and human trafficking

Through ongoing assessments and actions, we strive to protect human rights in all areas of our operations and ensure our suppliers and partners uphold the same standards.

Anti-Harassment

We strongly uphold our Anti-Harassment Policy to prevent and mitigate any forms of harassment, as well as to promote a safe and conducive working environment. In 2024, 223 Allstars completed our online anti-harassment module on Outclass, which educates employees on recognising and reporting harassment. To raise awareness, posters in our main corporate office, RedQ, outline different forms of harassment and available reporting channels for Allstars to submit their complaints.

Allstars can raise concerns regarding harassment and discrimination through channels such as AskPAC, our official Whistleblowing Channel, or directly to the Employee Relations team. All reports are promptly and confidentially investigated, with disciplinary action taken against offenders. In 2024, we recorded two cases of human rights violations concerning harassment as per the table:

Year	No. of Case	Action Taken
2022	0	-
2023	3	All 3 cases were resolved according to the company’s Anti-Harassment Policy, with only one resulting in dismissal, while the other two received warnings.
2024	2	All 2 cases have been resolved according to the company’s Anti-Harassment Policy, with one resulting in dismissal, while the other one received a reprimand.

Anti-Human Trafficking

AirAsia X is committed to protecting human rights and combating human trafficking, modern slavery, and child labour. Given the ongoing prevalence of human trafficking in Asean and its links to cyber scams, we prioritise raising awareness among our frontline staff. We provide human trafficking awareness training for cabin crew, security personnel, pilots, and airport customer service representatives, equipping them to identify warning signs and report concerns through proper channels.

In 2024, 19 AirAsia X Allstars completed the Anti-Trafficking e-learning module on Outclass. To ensure continued relevance, we update this module every three years to incorporate emerging trends in trafficking and exploitation. The module covers:

- Recognising signs of human trafficking
- Appropriate actions when identifying a trafficking case
- Trends in human trafficking, particularly within air travel and the ASEAN region.

SOCIAL

**UPLIFTING
OUR COMMUNITIES**

2024 PERFORMANCE OVERVIEW

[GRI 3-3, 413-1]

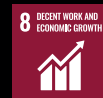
AirAsia X is committed to making a positive impact on the communities where we operate. By leveraging our business as a force for good, our goal is to create meaningful change in people’s lives via impactful initiatives. In 2024, our community project focused on biodiversity and wildlife conservation.



KEY POLICIES & PROCEDURES

AirAsia X Sustainability Policy

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS

-  Total community investment
RM 9,000
-  Total number of beneficiaries impacted
50,000 monthly visitors
-  Total employee volunteers
40
-  Number of volunteering hours
120

SOCIAL



OUR COMMUNITY EMPOWERMENT

In line with our commitment to environmental sustainability and in celebration of the launch of our new route to Nairobi, Kenya, AirAsia X contributed RM9,000 to the Malaysian Zoological Society, the organisation that manages Zoo Negara Malaysia. This initiative, driven by our dedicated Allstars from RedQ, Kuala Lumpur, is part of a broader effort to enhance biodiversity awareness and wildlife conservation amongst the public.



In December 2024, a team of AirAsia X volunteers, led by CEO Benyamin Ismail, joined forces at Zoo Negara Malaysia for a volunteering programme. Volunteers from various departments collaborated to clean and upgrade the zoo's facilities, creating a more welcoming environment for visitors. This hands-on initiative also provided our volunteers with valuable insights into the critical role of wildlife conservation in protecting our planet's rich biodiversity.

Home to over 3,575 animals from 305 species, including numerous endangered species, Zoo Negara plays a vital role in Malaysia's conservation landscape. Regular upkeep is essential to maintain a thriving environment for the animals and the public. Our volunteers work alongside the zoo's staff to trim shrubs, paint walkway borders, wash pavements, and clear debris. These collective efforts enhance the zoo's cleanliness and support its mission to inspire and educate the public on preserving wildlife and natural habitats.



New route launch to Nairobi, Kenya, AirAsia X contributed

RM9,000

to the Malaysian Zoological Society



Home to over

3,575

animals from 305 species

CHAPTER 4: ECONOMIC

ROBUST CORPORATE GOVERNANCE

2024 PERFORMANCE OVERVIEW

[GRI 3-3]

At AirAsia X, we are committed to maintaining exemplary corporate governance and ethical business conduct. By fostering a culture of accountability and transparency, AirAsia X aims to enhance long-term value for stakeholders, allocate resources effectively, and drive sustainable business growth.



KEY POLICIES & PROCEDURES

- Anti-Bribery and Anti-Corruption Policy
- Enterprise Risk Management Policy (ISO 31000:2018 compliant)
- Code of Business Conduct
- Whistleblowing Policy
- Disciplinary Policy
- Remuneration Policy Statement
- Board Diversity Policy
- Board Charter
- Directors' Fit and Proper Policy

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS



Percentage of Allstars that completed the ABAC training
87%



Percentage of operations assessed for corruption-related risks
100%



Confirmed incidents of bribery and corruption
0

ECONOMIC



BOARD OF DIRECTORS

The Board oversees the Company's performance while offering strategic guidance to the senior management. Its primary responsibilities include reviewing and approving the Company's strategic direction, business plans, and policies and monitoring the execution of these plans. Additionally, the Board evaluates and approves major acquisitions and fundraising activities and ensures compliance with applicable laws and regulations.

Recognising the importance of sustainability, the Board also guides senior management to ensure that AirAsia X's strategic decision-making considers sustainability risks and opportunities. Henceforth, we acknowledge the importance of Board members having sufficient understanding of sustainability issues to carry out their role of sustainability governance effectively. In FYE 2024, four Directors completed their training on sustainability matters via the Mandatory Accreditation Programme Part II: Leading for Impact ("LIP"). This training will help widen their sustainability knowledge and keep them abreast of the latest regulatory developments about sustainability. In addition, all Board members attended the internal Board Sustainability Briefing by the Chief Sustainability Officer of our affiliate, which covers the cost of CORSIA compliance and SAF strategy, amongst other emerging matters.

The Board has entrusted the Nomination & Remuneration Committee ("NRC") to ensure that its members and senior management possess the necessary skills and experience, while also implementing measures for the orderly succession of both. Objective criteria, merit, and a commitment to diversity in skills, experience, age, cultural background and gender guide the Board and senior management appointments. As of FYE 2024, the Board consists of six Directors, including

four independent members and one female Director. The Board has an extensive wealth of experience that contributes to the strategic decision-making of the Company:

- Dato' Fam Lee Ee, the Chairman of the Board, brings over 30 years of legal expertise.
- Dato' Kamarudin, the co-founder of the Company, has a 30-year background in portfolio management and corporate finance background.
- Tan Sri Asmat, our Independent Non-Executive Director, has over 35 years of vast experience in various capacities in the public service sector.
- Ms Chin Min Ming, the Chairman of the Risk Management Committee, brings extensive experience in digital transformation, technology entrepreneurship, and sustainability risk management and compliance.
- Dato' Abdul Mutalib, the Chairman of the Audit Committee, is an independent financial expert with over 35 years of experience spanning the banking and government sectors.
- Dato' Sri Mohammed Shazalli, the Chairman of the Safety Review Board, has broad experience in the media and telecommunications industry.

Board Diversity by Gender		Board Diversity by Age	
Female	16.67%	Under 30 years old	0%
Male	83.33%	30-50 years old	0%
		More than 50 years old	100%

ECONOMIC

ETHICAL BUSINESS CONDUCT

[GRI 2-23, 2-24, 2-27, 205-2, 205-3]

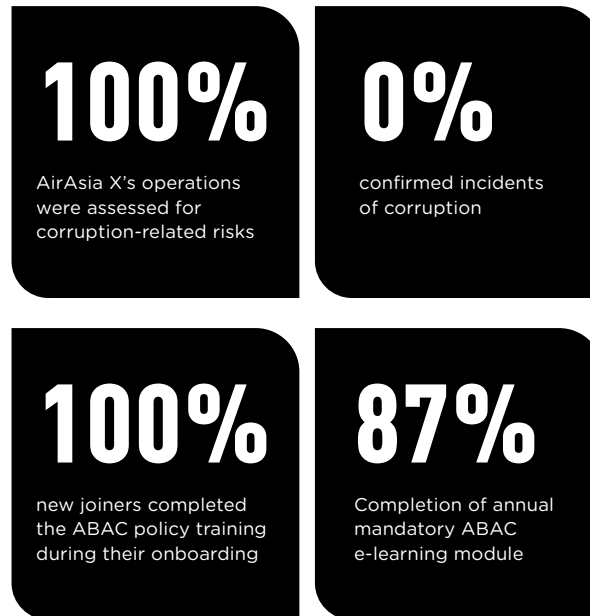
At AirAsia X, we uphold the highest standards of integrity across our Board of Directors and the entire workforce. We are steadfast in our commitment to consistently operate in compliance with all applicable laws and regulations. This commitment is reinforced by a strong foundation of internal controls, robust risk management practices, and clear policies.

Code of Business Conduct

The Code of Business Conduct guides all AirAsia X Allstars, addressing key ethical areas such as bribery, corruption, information security, whistleblowing, and conflicts of interest. This policy sets clear expectations for employees in their business and professional interactions. To stay aligned with evolving regulations, we regularly review and update the Code of Business Conduct to ensure its effectiveness. In 2024, 100% of new joiners completed live training on the Code of Business Conduct as part of their onboarding. They were also required to acknowledge that they accept and will uphold its standards.

Anti-Bribery & Anti-Corruption

AirAsia X adopts a zero-tolerance stance against fraud, bribery and corruption, which applies to interactions between AirAsia X employees and third-party vendors. All employees and directors are expected to abide by our comprehensive Anti-Bribery and Anti-Corruption (“ABAC”) policy, aligned with Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.



Employee Training and Awareness


All new Allstars are introduced to our ABAC Policy during their onboarding, with live sessions conducted by People Department, after which, they are required to acknowledge their understanding of the ABAC Policy on our Workday platform. The ABAC policy is published on the AirAsia X website to communicate our ethical standards to external stakeholders. For internal reference, it is readily accessible to all Allstars via the RedDocs intranet.

In 2024, we introduced a mandatory e-learning module on ABAC via our Outclass platform to enhance employee awareness. To complete the module, Allstars must pass an assessment with a minimum score of 80%, ensuring a solid understanding of ABAC principles. The module covers fundamental ABAC concepts, as well as Allstars' responsibilities regarding ABAC compliance, such as:

- Definition of bribery and corruption;
- Types and examples of bribery and corruption;
- The Company's stance on “No Gift” and “Zero Tolerance for Bribery and Corruption”;
- Regulatory penalties and disciplinary actions for any ABAC breaches;
- Circumstances where filling out a Gift Declaration Form is required and procedures for filling out this form.

International Anti-Corruption Day

On 9 December 2024, AirAsia X joined other global corporations in commemorating International Anti-Corruption Day for the first time. To reinforce our zero-tolerance stance on bribery and corruption, our RedQ office featured dedicated displays and distributed anti-corruption pins to Allstars as a symbol of our commitment. To further engage employees, ABAC knowledge quizzes were held at RedQ, allowing Allstars to test their understanding of anti-bribery principles. The event was also broadcast across our internal communication platform, ensuring that Allstars across all locations could participate and strengthen their awareness of ABAC practices.

 For more information, please refer to AirAsia X's Anti-Bribery and Anti-Corruption policy at https://www.airasiax.com/misc/AAX_ABAC_Policy.pdf

Whistleblowing

[GRI 2-16, 2-25, 2-26]


At AirAsia X, we prioritise open communication in maintaining ethical business conduct. We provide confidential channels for AirAsia X employees, directors and other stakeholders to report any unethical, illegal, or inappropriate business conduct. As per our Whistleblowing Policy, the whistleblowers' identities remain strictly confidential, unless compelled by judicial or other legal process, which ensures that the person is protected from any potential retaliation. We take

every report seriously and investigate thoroughly to ensure proper resolution within the company, whenever possible.

Concerns can be raised through the following channels:

-  aax_whistleblower@airasia.com
-  https://www.airasiax.com/misc/form_11012016.pdf

In 2024, 19 reports were received via the whistleblower email channel. They were reviewed following internal procedures. Upon evaluation, the content of the reports were found to be not relevant to the organisation's operations, compliance matters, or any known policies or regulations.

 For more information, please refer to AirAsia X's Whistleblowing Policy at https://www.airasiax.com/whistleblowing_channel.html

Other Grievance Mechanisms

Allstars are encouraged to report any violations of the Code of Conduct through our AI-powered chatbot in the AskPAC system. Each report is carefully reviewed by the Employee Relations ("ER") team, which assigns the appropriate personnel to investigate and address the issue. We ensure that all reports are handled with the highest level of confidentiality, reinforcing our commitment to a safe and ethical workplace. As part of our continuous improvement efforts, we remain dedicated to enhancing internal processes and upholding our zero-tolerance policy on misconduct.



Steps in Handling Misconduct

Case Received

Case reported through email, AskPAC, whistleblower or physical meeting with the ER team.

Assessment of Case Severity

An inquiry is conducted, which includes investigating and issuing a Notice to Explain ("NTE"). Appropriate disciplinary action will follow as closure resolution.

Investigation

Investigations are led by either the ER, People Department or Regional Fraud Investigation Unit or Security department depending on the type of offence/misconduct. An NTE will be issued to the employee concerned to obtain their explanation.

Resolution

Once the employee responds to the NTE, a disciplinary action will be taken depending on the severity of the misconduct. The case will be closed after the disciplinary action is taken. An appeal may be submitted depending on the disciplinary action taken, in which the said appeal will be reviewed. The employee will receive a response indicating either the acceptance or rejection of the appeal.

ECONOMIC

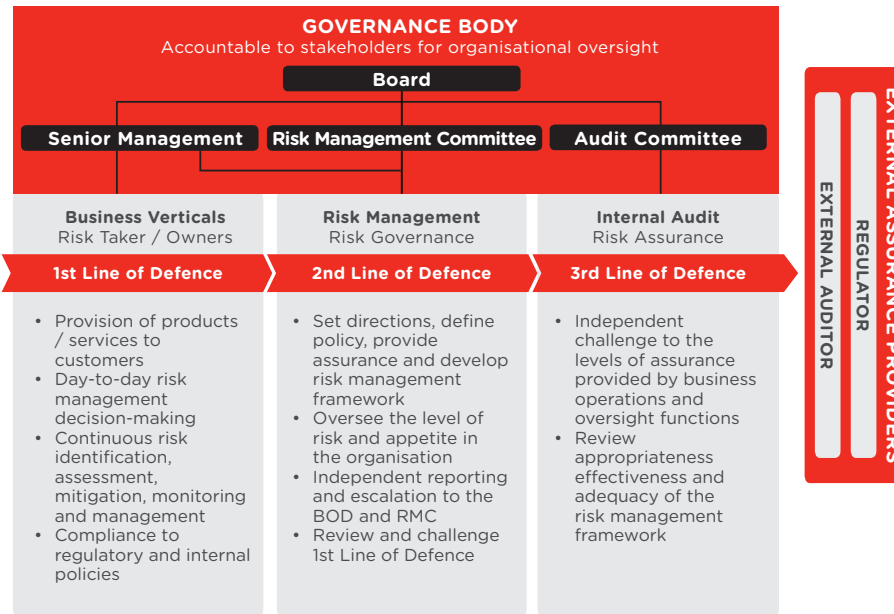
RISK MANAGEMENT

Enterprise Risk Management

Our Enterprise Risk Management (“ERM”) Policy emphasises the fostering of a strong risk culture and incorporates ESG risk categories to address material ESG risks effectively. Aligned with ISO 31000:2018 standards, our ERM policy follows a structured approach to identifying, analysing, and responding to risks, ensuring consistency across the Company. This risk management approach involves identification, analysis and response to risk, as depicted in the diagram below:



The Risk Management Committee (“RMC”) provides assurance to the Board that the Company has effective policies and processes to manage risks. The RMC convenes every quarter to shape the Company’s risk strategies, policies, and processes while ensuring our ERM framework aligns with ESG risk management. The Chairman of RMC is responsible for updating the Board on decisions and/or recommendations by the committee. To ensure sound risk management, we have three lines of defence in place:



For more information on our risk management processes and initiatives in 2024, please refer to the Statement on Risk Management & Internal Control within this Annual Report 2024 on pages 130 to 136.

Managing ESG Risk

In 2024, the Company continued to make significant progress in embedding ESG and climate-related risks into our ERM. With ESG now integrated as part of the risk categories in the RedRadar system, businesses are prompted to assess potential risks in these areas during their quarterly reviews.

Addressing Climate-Related Risks

With the growing prominence of climate change, we have evaluated the likelihood and impact of climate-related risks on our operations. Relevant departments actively identify and monitor these risks with teams such as the Network Management Centre (“NMC”) and the Sustainability and Risk department overseeing regulatory, physical, and emerging global risks. For physical risks, the NMC and Risk Department maintain a Business Continuity Plan (“BCP”) activation watchlist for natural events such as volcanic eruptions, floods, and typhoons. The TCFD table on pages 89 to 92 provides details of the identified risks.

Business Continuity Management

Business Continuity Management is vital for safeguarding operations against unexpected disruptions. At AirAsia X, the Business Impact Analysis (“BIA”) within the Business Continuity Management (“BCM”) policy assesses critical functions, including

ECONOMIC

people, processes, and systems, and identifies the potential impacts of their disruptions. Key functional heads review the BCP semi-annually. In 2024, the BCP was updated to address climate-related challenges such as heatwaves, floods, wildfires and volcanic activity, reinforcing our commitment to operational resilience.

Heatwave Preparedness



In response to the growing threat of heatwaves, we have strengthened our BCPs to safeguard our infrastructure and employee well-being. This includes providing cooling facilities and improving communication during extreme heat events, particularly for Operations.

Flood Resilience



Acknowledging the potential impact of floods, we have strengthened our flood response strategies within our BCPs. Measures include enhanced drainage systems, relocating critical equipment to higher ground, and establishing alternative operational hubs to ensure continuity during flooding.





Wildfire Contingency Plans



Our wildfire contingency plan includes early detection systems, evacuation protocols, and collaboration with local firefighting authorities to minimise disruptions and ensure operational safety in wildfire-prone areas.

Taskforce for Climate-Related Financial Disclosures

Recognising the diverse impact of climate change across the countries where we operate, we are aligned with the TCFD framework to pinpoint specific climate-related risks and opportunities.

TCFD Pillars	2024 Highlights
 <p>Governance Governance of climate-related risks and opportunities</p>	<ul style="list-style-type: none"> • Maintain Board and senior management oversight through the Risk Management Committee • Increase Board awareness via quarterly updates on ESG and climate-related matters • All Board members attended the Annual Sustainability Briefing led by the Chief Sustainability Officer of our affiliate <p><i>For more information, please refer to pg 41</i></p>
 <p>Strategy Actual and potential impacts of climate-related risks and opportunities for our businesses, strategy and financial planning</p>	<ul style="list-style-type: none"> • Developed a financial model for carbon offsetting and SAF utilisation to reach net zero • Set internal carbon price • Avoided 2,430 tCO₂ via our fuel efficiency initiatives • Working towards implementing the other three low-carbon aviation strategies, namely the latest aircraft technologies, sustainable aviation fuel and carbon offsetting <p><i>For more information, please refer to pg 50</i></p>
 <p>Risk Management Processes used to identify, assess and manage climate-related risks</p>	<ul style="list-style-type: none"> • Made significant progress in embedding ESG and climate-related risks into our Enterprise Risk Management • Integrated ESG as part of the risk categories in the RedRadar system • Monitor evolving climate-related regulations and SAF mandates for the destinations that we fly to <p><i>For more information, please refer to pg 88</i></p>
 <p>Metrics & Targets Metrics and targets used to assess and manage relevant climate-related risks and opportunities</p>	<ul style="list-style-type: none"> • Monitor scope 1, 2 and 3 emissions • Achieved a 3% reduction in carbon intensity per RPK to 76.1 gCO₂/RPK <p><i>For more information, please refer to pg 49</i></p>

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Climate-Related Risks

Risk Type		Risk Timeframe	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks	Policy and Legal	S,M,L	Imposition of new climate change regulations such as carbon taxes, emissions quotas or SAF mandates	Increase in operating costs and fares which could reduce travel demand	<p>Regular engagement with civil aviation authorities and government bodies on climate change and decarbonisation plans for the aviation industry</p> <p>Monitor emerging regulations around the world to understand the risks to our business operations</p> <p>Develop a climate strategy outlining our approach to the latest generation aircraft, operational improvements, SAF and carbon offsetting</p> <p>Commence discussions with fuel suppliers to ensure SAF supply availability in the region</p> <p>Set an internal carbon price to forecast the cost of carbon offsetting</p>
			Exposure to litigation	Due to the long-term nature of our climate strategy, litigation related to 'greenwashing' or similar accusations could arise	Communicate our sustainability strategy transparently and accurately to stakeholders
			New sustainability reporting requirements	Increase in reporting costs, including manpower expenses, measuring tools and audit fees	<p>Leverage existing technology tools to meet new reporting requirements.</p> <p>Use available internal resources to undertake internal assurance before progressing to external assurance</p>
	Technology	L	New technology developed to deliver low-carbon solutions such as zero emission aircraft may result in asset value loss of existing aircraft and equipment becoming obsolete	New investments needed to upgrade fleet and equipment	<p>Negotiate aircraft order contracts that allow for upgrades of unfulfilled deliveries</p> <p>Enhance fleet management strategy to build flexibilities in the lease contract</p>

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Risk Type		Risk Timeframe	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks (continued)	Market	S,M,L	Travellers and businesses respond to climate change by reducing their travel frequency	Lower demand for air travel will impact revenue	Communicate the Company's strategy to lower our carbon emissions transparently to passengers
		M,L	High SAF prices with low supply in the region	High SAF prices of up to 5 times of the conventional jet A1 fuel would negatively impact our operating costs.	Lobby governments to provide SAF incentives before mandates
	Reputation	S,M,L	Negative brand impact of being seen as not responding sufficiently to climate crisis	Guests may choose a competitor perceived as being more sustainable and investors may divest. Financial institutions may also impose a premium on interest rates	Invest in fuel efficiency initiatives and communicate decarbonisation efforts actively as part of the Company's communication strategy
Physical Risks	Acute	S,M, L	Increased frequency of turbulence and wind velocities Extremely high or low temperatures that can render aircraft inoperable	Increase in cost of flight delays and cancellations Increase in cost of fuel consumption due to impacted aircraft performance	Operate seasonal schedules for high-risk routes
		S,M,L	Increased frequency and severity of climate events such as typhoons, heatwaves and floods	Cost of asset damage, increase in insurance premiums and revenue loss due to travel disruption	Maintain robust business continuity plans and dynamic planning schedules at affected hubs
	Chronic	L	Longer-term changes in weather patterns that result in rising sea levels rendering some airports inoperable	Higher airport charges at new facilities built to replace at-risk airports, and lower travel demand if new airports are far from city centres	Ensure business continuity plans are effective and up to date Operate at airports adequately shielded from extreme weather events

ECONOMIC

Climate-Related Opportunities

Climate-related Opportunities	Potential Financial Impact	Mitigation Strategy
Administrative efficiency	Digitalisation strategy reduces manual paperwork and the cost of paper, printing and storage of documents	Continue to work with regulators to move towards e-documentation for regulatory record-keeping and submissions
Resource diversification	Shift to SAF diversifies fuel supply and reduces exposure to rising energy costs and growing carbon regulation	Commenced discussions with fuel suppliers to supply SAF at Malaysian airports and/or to develop SAF using locally available feedstock.
Resource efficiency	Fuel reduction via improvements in air traffic management and A321neo fleet conversion will further reduce operating costs and ensure AirAsia maintains its commercial advantage as the airline with the lowest cost/ASK and CO ₂ /ASK in the industry	Engage in regular consultations with civil aviation authorities to implement new fuel efficiency and emissions reduction measures, including proposing additional measures for the national State Action Plans on Emissions Reductions Advocate improvements to the country's air traffic management system that could lower GHG emissions
Products and services	Attract travellers keen to minimise their carbon footprint and experience sustainable travel activities. We could potentially gain from increased market share among responsible travellers and earn ancillary income from sales of sustainable travel activities	Implement a carbon offsetting programme to enable travellers to contribute to their carbon offsetting
Markets	Recognise that climate-impact-prone destinations may also be strong revenue generators in the recovery and rehabilitation phase	Resume commercial flights to affected destinations as soon as it is safe to do so to support tourism recovery
Resilience	Continue to strengthen our network connectivity in hubs with low climate risks such as klia2	Invest in climate forecasting tools and services to inform fleet planning and route planning strategies

We also acknowledge the recent announcement by the International Sustainability Standards Board and the official adoption of IFRS S1 and S2 by Bursa Malaysia for all public-listed companies. In line with the IFRS S2 framework, we are committed to conducting a climate risk assessment in the upcoming years, strengthening our climate resilience and advancing our sustainability strategies.

SUSTAINABLE SUPPLY CHAIN

2024 PERFORMANCE OVERVIEW

[GRI 3-3]

At AirAsia X, we depend on a diverse network of suppliers who are essential to our business success and sustainability goals. Via our Supplier Code of Conduct (“SCOC”), we ensure that our sourcing practices are ethical and responsible. Additionally, we collaborate closely with our suppliers to ensure timely deliveries and competitive pricing, while also investing in local businesses to strengthen the communities where we operate. Through these efforts, we aim to build a sustainable supply chain that benefits not only our partners, but also our passengers and the environment.



KEY POLICIES & PROCEDURES

- Anti-Bribery and Anti-Corruption Policy
- Environmental Policy Statement
- Supplier Code of Conduct

2024 IN NUMBERS

- ✓ Percentage of expenditure spent on local suppliers **47.57%**
- ✓ Number of active suppliers **743**
- ✓ Number of new suppliers **89**

PRIMARY UN SDGs SUPPORTED

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



Below are some of the goods that we procure within our operations:



In-Flight Catering



Technology Systems



Aviation Maintenance and Materials



Ground Handling



Aviation Fuel



Aircraft Fleet and Engineers

ECONOMIC

GOVERNING OUR SUPPLY CHAIN

AirAsia X engages with its affiliates' Group Procurement department to secure the most competitive prices for its purchases, which includes aircraft fuel, general merchandise and technology solutions. This department also streamlines and optimises sourcing needs by leveraging Oracle, a cloud-based procurement management system.

All potential suppliers of AirAsia X must register in Oracle and complete a comprehensive questionnaire covering key areas such as quality, cost competitiveness, financial health and regulatory compliance. Additionally, all suppliers must acknowledge our ABAC Policy and the SCOC, which is a mandatory prerequisite for any supplier wishing to partner with AirAsia X.

Supplier Code of Conduct

[GRI 408-1, 409-1]

The SCOC outlines clear expectations for all suppliers to operate responsibly and ethically, with zero tolerance for bribery or corruption. The policy references the International Labour Organization ("ILO") principles on human rights and addresses health and safety, sustainable procurement, and other ESG practices. The SCOC is communicated to suppliers via our affiliates' public corporate website, contracts, purchase orders and emails.

Supplier Selection Process

[GRI 204-1]

We have adopted an e-procurement system that allows suppliers to undertake the following processes efficiently:

Step 1: Request for Proposals & Quotations

Suppliers wishing to work with us must comply with our SCOC, which promotes responsible and ethical business practices. This requirement applies to all suppliers submitting a Request for Proposal ("RFP") or Request for Quotation ("RFQ").

Step 2: Supplier Assessment & Evaluation

We evaluate potential suppliers based on their capabilities, such as the quantity and quality of goods, fair pricing, and other commercial requirements. Suppliers must also demonstrate financial stability and adherence to our ethical standards, including compliance with the SCOC and ESG criteria.

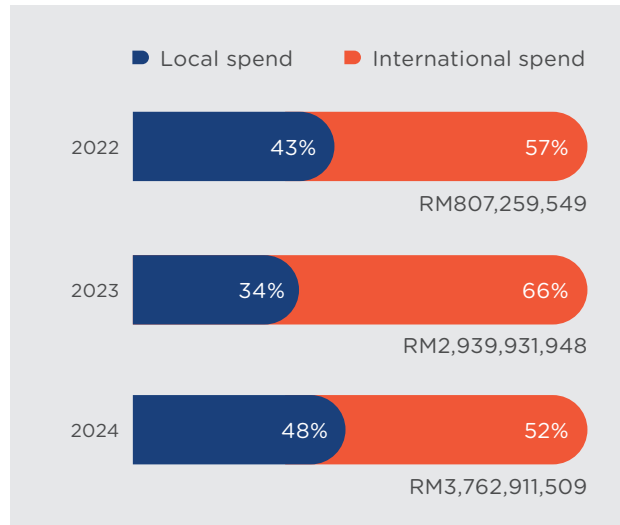


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**Step 3:
Supplier
Selection &
Award of
Contract**

After a thorough evaluation, shortlisted suppliers are reviewed and approved by the relevant procurement teams and stakeholders. Once selected, we formalise the partnership through a clear contract outlining mutual responsibilities. We also actively monitor supplier performance to ensure ongoing compliance and quality.

Supporting Local Suppliers



In 2024, we invested close to RM 3.8 billion in our supplier network. The increase in supplier spending is primarily attributed to the increase in marketing costs, especially for our new routes (Nairobi and Almaty), rise in engineering and maintenance costs, as well as upgrades to our ICT expenditure. Additionally, we onboarded 89 new suppliers, bringing the total number of active suppliers to 743.

Santan, our primary in-flight meal supplier, continues to prioritise sourcing fresh, high-quality ingredients. In 2024, Santan sourced 99% of its in-flight catering supplies domestically, reinforcing local community ties while delivering authentic and flavourful dining experiences for our passengers.

Integrating ESG Criteria in Supplier Performance Evaluations

To align with industry best practices and proactively manage ESG risks, we collaborate with our affiliate’s procurement team to integrate ESG criteria into supplier performance evaluations. This initiative ensures that our vendors adhere to sustainable and ethical business practices, reinforcing our commitment to responsible procurement.

A key improvement to our evaluation framework is the introduction of an ESG scoring system, which measures suppliers’ sustainability efforts based on factors such as target setting, strategy implementation and progress tracking. By embedding these criteria, we encourage suppliers to play an active role in building a more sustainable supply chain.

To further promote diversity and inclusion, we have also introduced a Diversity, Equity and Inclusion (“DEI”) criterion, encouraging vendors to adopt equitable hiring practices and foster inclusive workplace cultures.

Through these enhancements, we aim to strengthen supplier partnerships and drive long-term, responsible business growth.

ECONOMIC

ENHANCING GUEST EXPERIENCE

2024 PERFORMANCE OVERVIEW

[GRI 2-29, 3-3]

At AirAsia X, we prioritise exceptional guest service across every stage of the journey, from pre-flight planning to in-flight comfort and beyond. Leveraging insights from our affiliate lifestyle and travel app, airasia MOVE, we ensure that our guests' experience with us is enjoyable, seamless and hassle-free.



KEY POLICIES & PROCEDURES

- AirAsia X Complaints Handling Policy Statement
- ISO 10002:2018 Customer Satisfaction and Complaints Management

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS

- ✓ On-Time Performance **73%**
- ✓ Passenger Load Factor **83%**
- ✓ Net Promoter Score **29**
- ✓ Customer Satisfaction Score **84%**

AWARDS WON IN FYE 2024



AirAsia X continues to set the standard for long-haul low-cost carriers worldwide, securing the **World’s Leading Long-Haul Low-Cost Airline** award for the second consecutive year at the prestigious **World Travel Awards Grand Final 2024**. Beating five other global airlines, AirAsia X earned the highest votes from industry professionals, consumers and travel experts, reaffirming its position as a leader in affordable, long-haul air travel.

AirAsia X proudly received the prestigious **Best International Airline Flying to Australia** award at the **Australian Aviation Awards 2024**, held in Sydney on 30 August 2024. This honour, presented by leading aviation experts, recognises outstanding achievements across the industry through a rigorous evaluation process that blends both quantitative and qualitative measures. Award criteria include growth, business development, innovation, leadership, diversity and contributions to Australia’s aviation landscape. This recognition is especially meaningful for AirAsia X, as Australia was the airline’s very first international destination when it launched its operations in November 2007.



PRIORITISING GUEST SATISFACTION

At AirAsia X, guest engagement is at the heart of our operations, and we prioritise their feedback to continually improve our customer touchpoints. We draw insights from social media interactions, surveys, Net Promoter Score (“NPS”), Customer Satisfaction Score (“CSAT”) and customer complaints. The data gathered from these touchpoints, including customer comments, is analysed and shared with relevant stakeholders. These insights drive our efforts to enhance the guest experience and address their needs, ensuring ongoing improvements.

In 2024, feedback from over 137,753 guests helped us identify key areas for enhancement. While our NPS decreased by 3 points to 29, our CSAT saw a significant increase to 84% in 2024 from 70% the previous year. A low NPS compared to a high CSAT score for AirAsia X may reflect market sentiment and the competitive airline landscape, where passengers are satisfied with their immediate travel experience but may be less likely to recommend AirAsia X due to factors such as pricing, route availability, loyalty programme appeal or stronger offerings from competitors.

29
 NPS in 2024
 (▼ 3 from 2023)

Metric used to measure the entire customer experience from booking to the completion of the journey

84%
 CSAT in 2024
 (▲ 14% from 2023)

Metric used to assess customer satisfaction of specific touchpoints

ECONOMIC

Some of the initiatives undertaken by AirAsia X to improve its NPS and CSAT scores are summarised as follows:

Guest Satisfaction Initiatives

Wait Time Reduction



Live chat wait times have been significantly reduced, dropping from 9.8 minutes to just 2 minutes in 2024. Additionally, complaint resolution time has improved, decreasing from 10 days to 7 days, enabling us to provide faster solutions to guest feedback.

Service Recovery Options for Flight Disruption



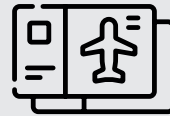
We have implemented a new, fully automated flight disruption management system that allows us to broadcast real-time flight disruption notices. This system empowers guests to manage their own service recovery through pre-defined options.

Investing in Baggage Handling and Identification



Our investments in baggage handling, tracking, tagging and identification technologies, process orientation and skilled employees help minimise mishandling of customer baggage. This has helped us in achieving a Mishandled Baggage rate of 11.9 per 10,000 pax flown for FYE 2024, which exceedingly surpasses the global average rate of 69 per 10,000 pax flown (2023).

AirAsia X, in close collaboration with its affiliates, is driving digital transformation by developing innovative and targeted solutions to enhance its guests' travel experience. Meeting the needs of millions of customers remains a top priority for AirAsia X and a key challenge as travel demand surges. As passengers return in the millions, one of the key lessons we have learnt over the past three years is the importance of leveraging the power of technology and improving our interfaces to meet our service pledge. The diagram below provides a snapshot of some of our digital initiatives for our guests, in collaboration with our affiliates:



Sharing Functionality of e-Boarding Pass

Multiple guests under the same booking can conveniently check in through the mobile app, allowing them to easily download their individual boarding passes.

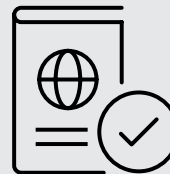
In 2024, 48% of AirAsia X passengers utilised the self check-in facilities via the website, app and the self check-in kiosks at the airport.



AskBo

AskBo is an AI chatbot that is designed to address guest queries quickly and efficiently while providing live flight status updates in multiple languages.

AskBo also delivers timely notifications to inform guests of any operational changes and automatically updates departure timings directly on their electronic boarding passes.



Enhanced Visa Check-In

Our guests are able to scan their required visas for international sectors and complete their check-in in the comfort of their own homes.

This feature went live in 2024 and has reduced the queue at the document check counters.

ECONOMIC

At AirAsia X, we continuously strive to improve our On-Time Performance (“OTP”) by ensuring timely departures and arrivals, reducing delays and minimising travel disruptions. Punctual flights help passengers avoid missed connections, enjoy a smoother airport experience and plan their schedules with confidence. To achieve this, AirAsia X has implemented several initiatives to enhance OTP, which are summarised as follows:

OTP Improvement Initiatives
Precision Timing
This approach streamlines ground operations to consistently achieve the 75-minute planned turnaround time.
Our Precision Timing has proved to be more efficient, as we are able to achieve the planned turnaround time when there are no delays caused by external factors.
Dual Aerobridge Operations
This approach uses two aerobridges (enclosed walkways connecting the terminal and aircraft) to speed up the boarding and disembarking process for passengers.
Our Dual Aerobridge Operations ensures more efficient boarding and is more cost-effective than incurring delays.
Pre-Planned Aircraft Swaps
Proactively identifying delayed flights with minimal ground time and implementing equipment swaps to maintain turnaround schedules.
While effective during planning, operational rotations and maintenance adjustments often disrupt execution on the day of operations.
Seasonal Ground and Block Time Reviews
Regularly reviewing ground and block times ensures peak efficiency by accounting for seasonal winds and projected passenger volumes.
While block time planning in 2024 has improved arrival accuracy, costs have slightly increased due to added manpower and fuel consumption.



ECONOMIC

DRIVING TECHNOLOGY, INNOVATION AND DATA SECURITY

2024 PERFORMANCE OVERVIEW

AirAsia X has made significant strides in digital transformation, focusing on scaling these efforts while fostering an innovation-driven culture. Widely adopted initiatives, such as self-check-in for guests and cloud-based systems for employees, have streamlined data management and significantly reduced paper usage and carbon emissions. Furthermore, new innovations continue to be integrated into our operations, creating added value for all stakeholders.



KEY POLICIES & PROCEDURES

- Information Security Policy
- Data Governance Policy
- Access Control Policy
- ISO/IEC 27001:2023 — Information security, cybersecurity and privacy protection — Information security management systems
- Personal Data Protection Act 2010
- Data Security and Privacy

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS



Reduction of paper wastage via digitalisation initiatives

692,035 sheets of A4 paper




ECONOMIC

TECHNOLOGY AND INNOVATION

[GRI 201-1, 3-3]

At AirAsia X, we adopt a cloud-first strategy, where we prioritise the use of cloud-based solutions for new projects, applications and IT infrastructure. It involves leveraging cloud computing services for their scalability, flexibility and cost-effectiveness over traditional on-premises solutions. This strategy aims to maximise the benefits of cloud technology, such as agility, innovation and accessibility.

Building on the momentum of our key digitalisation initiatives in 2023, we further bolstered our efforts to minimise paper wastage, and hence our Scope 3 carbon footprint in 2024, as outlined below:

Digital Trip Files (“DTF”)	
Trip files are sets of documents filed by Ground Operations to record flight arrivals, with each file containing an average of 20 sheets of A4 documents. Fully implemented in 2024, the DTF was upgraded with a user-friendly interface and cloud storage.	 591,450 sheets
Auto-Upload of Passenger Manifest	
In 2024, passenger manifests for both inbound and outbound Kuala Lumpur flights were automatically transmitted to the relevant immigration authorities within 30 minutes of the actual time of departure (“ATD”), thus enhancing operational efficiency.	 59,145 sheets
E-Manuals	
Hard copies of the Ground Operations Manual (Parts 1 and 2) and the Station Manager Manual were replaced by digital manuals.	 31,440 sheets

In 2024, we collaborated with our affiliate’s ICT department to launch the Corporate ICT Portal, a self-service platform offering a catalogue of procurement services, including software installations and hardware requests (e.g. desktops, laptops, mice).

Data Democratisation

As part of ICT’s five-year plan, we are dedicated to harnessing the full potential of our data assets, paving the way for a truly data-driven organisation. By democratising data, we enable Allstars to make faster, smarter decisions—anytime, anywhere—without depending on IT.

Why is data democratisation important?

By making data accessible to everyone, it helps to:

- **Break down barriers** — Ensures open access to data, eliminating silos
- **Empower informed decision-making** — Allows more people to use data effectively
- **Enhance accountability and transparency** — Supports data-driven strategies across teams
- **Leverage advanced technology** — Simplifies data collection, storage and analysis

2024 Initiative: Citizen Analytics Training

To enhance self-service analytics, we introduced Citizen Analytics training, designed to equip Allstars—regardless of technical expertise—to access, analyse and visualise data independently using tools such as Google’s Looker Studio. This initiative reduces reliance on IT, breaks down data silos and empowers employees to make informed, data-driven decisions.

This hands-on training, available on Outclass, provides the skills for Allstars to create custom reports, identify trends and optimise operations. The programme is structured into three progressive levels, ensuring Allstars gain practical experience at their own pace. Levels 1 and 2 are available on Outclass, while Level 3 is still under development and expected to be launched in 2025.

LEVEL 1:
Introduction to Data Democratisation

LEVEL 2:
Building and Visualising Data

LEVEL 3:
Machine Learning and Modeling

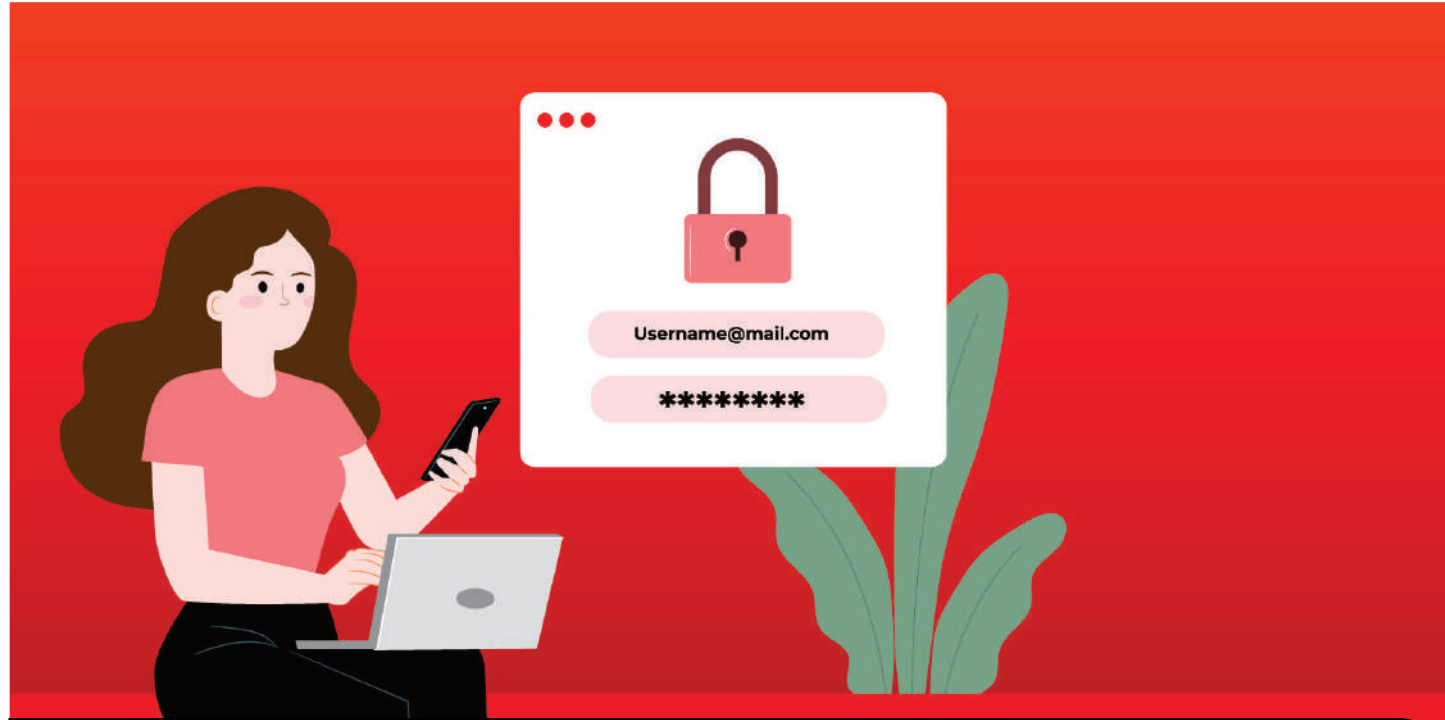
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CYBERSECURITY AND DATA PRIVACY

[GRI 418-1]

2024 PERFORMANCE OVERVIEW

AirAsia X is committed to protecting its customers' personal data and strictly adheres to applicable data protection laws, including Malaysia's Personal Data Protection Act. Recognising the importance of customer privacy, the company has implemented measures to safeguard personal information and ensures that all data is managed in compliance with relevant data protection principles.



KEY POLICIES & PROCEDURES

- Information Security Policy
- Data Governance Policy
- Server, Database and Network Hardening Policy
- Information Security Incident Response SOP
- ISO/IEC 27001:2023 – Information security, cybersecurity and privacy protection – Information security management systems
- Personal Data Protection Act 2010
- Data Security and Privacy

PRIMARY UN SDGs SUPPORTED



2024 IN NUMBERS



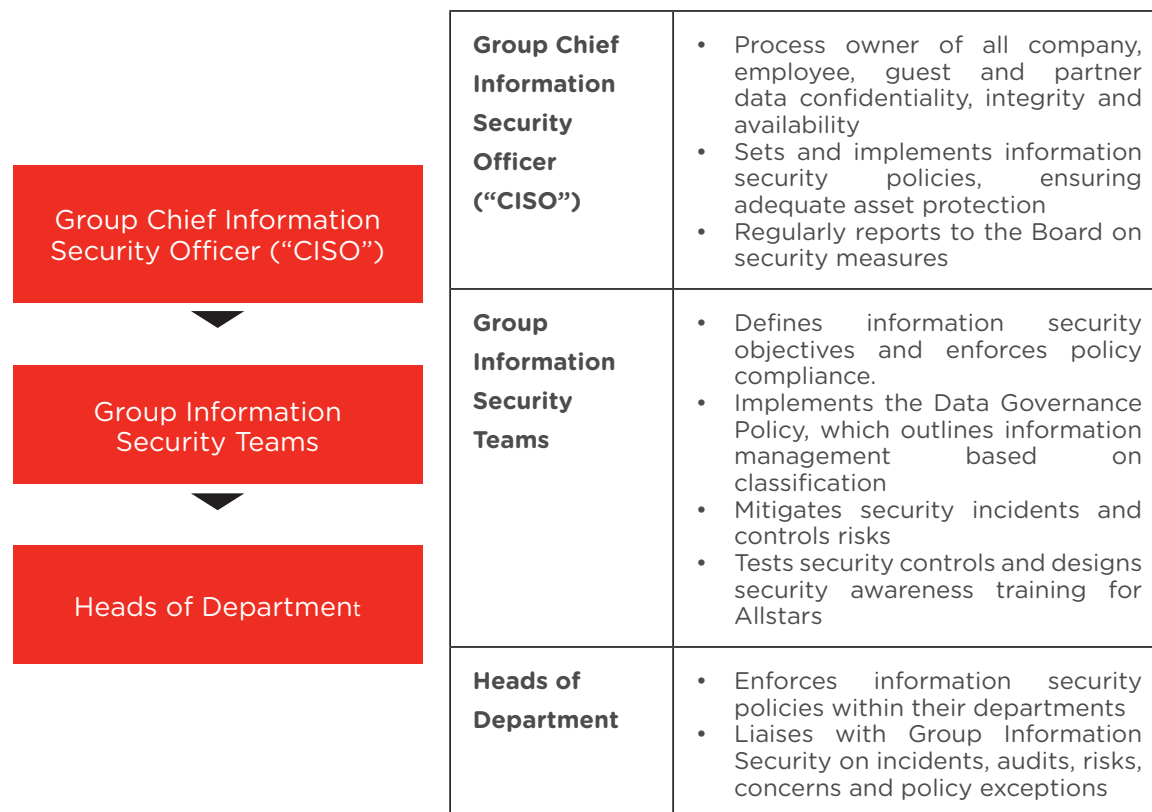
Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data

0

INFORMATION SECURITY GOVERNANCE

The Group Chief Information Security Officer oversees the information security and data privacy management across the Company, with oversight by the Board of Directors. In 2024, three Heads of Departments were appointed to the team, namely:

- Head of Cyber Risk, Policy and Assurance
- Head of Cyber Defense
- Head of Cyber Strategy and Architecture.



Information Security Policy

AirAsia X engages with our affiliate’s Information Security department to protect the Company against internal and external threats, whether intentional or unintentional, focusing on the three core principles of information security: confidentiality, integrity and availability.

The policy is built on industry-leading standards, including the Payment Card Industry Data Security Standard (PCI DSS) and ISO/IEC 27001:2022 Information Security Management System, among others. We are committed to protecting customer data and ensuring compliance with data protection laws, such as the Malaysian Personal Data Protection Act 2010, along with similar regulations across our operating jurisdictions.

Cybersecurity Strategy

AirAsia X is committed to safeguarding company, customer, and vendor data through a resilient cybersecurity infrastructure. By leveraging the same information security governance, policies, and initiatives of our affiliates, we harness the collective power of our network to safeguard all vital data and information. We expect our third-party suppliers and vendors to align with our cyber security standards as well.

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In 2024, the Information Security department was in the planning stages of several new cybersecurity strategies and policies, which are as follows:

Risk-Driven Cybersecurity Strategy

Our proactive cybersecurity strategy focuses on safeguarding critical assets, data and crown jewels to ensure cyber investments target the right areas and align with organisational risk appetite. Key workstreams include

- Cybersecurity Risk Management
- Cyber Defense
- Cybersecurity Awareness, and
- Identity and Access Management.

The Cybersecurity Strategy has been approved and will be implemented in 2025.

Unified Control Library

The Unified Control Library, based on the Standard of Good Practice (“SOGP”), consolidates cybersecurity controls across standards and regulations, including ISO 27001, Payment Card Industry Data Security Standard (PCI-DSS) and country-specific regulations for Malaysia, Thailand, China, the Philippines and Cambodia.

The Unified Control Library is targeted to be completed by 2025.

Cybersecurity Risk Management Framework

The Cybersecurity Risk Framework, based on the ISF IRAM2 standard, will incorporate business impact assessments, threat prioritisation, vulnerability scoring, likelihood evaluation, risk calculation and mitigation strategies.

The framework is set for completion by 2025.

In 2024, there were no incidents of data breaches.

0

SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF GUEST PRIVACY AND LOSSES OF GUEST DATA FOR AIRASIA X IN 2024

Some of the initiatives undertaken by AirAsia X to improve its cybersecurity measures are summarised as follows:

Cybersecurity and Data Privacy Measures

Phishing Simulation

Phishing simulations are conducted to assess employee readiness and provide targeted training for those who fail. In 2024, two phishing campaigns were carried out.

Compliance Assessment via Issue Tracking Software

The information security checklist highlights best practices from the Information Security Policy, with the security assessment in Jira now incorporating updates on data and access management.

Promoting a Cybersecurity-Aware Culture

AirAsia X is committed to increasing cybersecurity awareness and knowledge among its Allstars. We offer training and programmes designed to foster a culture of compliance with security measures and protocols. Below are some key programme tailored to specific stakeholder groups:

Information Security Awareness Training

Mandatory information security training on Outclass is provided to new joiners and existing employees, equipping them to effectively prevent and address information security breaches.

Allstars must score 80% or higher on a quiz to successfully complete the training.

In 2024, 83% of AirAsia X employees attended this online training.

Posts on Workplace

We post bi-weekly sharing of new trends, best practices and reminders on information security via our internal communications platform to ensure our Allstars stay abreast of key information security topics.

Cyber Drill (Table Top)

Tabletop exercises simulate cyber attacks on digital systems, testing security procedures and processes.

The respective teams would then respond, troubleshoot and remediate identified issues, with the results helping the information security team to identify and address gaps.



PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Corporate Governance			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	No Data Provided	76.92
Management	Percentage	0.00	87.44
Manager	Percentage	24.10	0.00
Executive	Percentage	29.94	85.49
Non-Executive	Percentage	46.51	88.82
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Community Empowerment			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,190.00	9,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	18	50,000
Labour Practices, Standards & Diversity			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	No Data Provided	0.00
Senior Management Between 30-50	Percentage	No Data Provided	61.54
Senior Management Above 50	Percentage	No Data Provided	38.46
Management Under 30	Percentage	0.00	0.48
Management Between 30-50	Percentage	66.67	68.60
Management Above 50	Percentage	33.33	30.92
Manager Under 30	Percentage	6.90	0.00
Manager Between 30-50	Percentage	72.41	0.00
Manager Above 50	Percentage	20.69	0.00
Executive Under 30	Percentage	30.60	17.75
Executive Between 30-50	Percentage	64.19	79.63
Executive Above 50	Percentage	5.21	2.62

Internal assurance

External assurance

No assurance

(*)Restated

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Non-Executive Under 30	Percentage	55.81	49.90
Non-Executive Between 30-50	Percentage	39.53	49.69
Non-Executive Above 50	Percentage	4.65	0.41
Gender Group by Employee Category			
Senior Management Male	Percentage	No Data Provided	76.92
Senior Management Female	Percentage	No Data Provided	23.08
Management Male	Percentage	77.78	91.79
Management Female	Percentage	22.22	8.21
Manager Male	Percentage	72.41	0.00
Manager Female	Percentage	27.59	0.00
Executive Male	Percentage	49.88	54.01
Executive Female	Percentage	50.12	45.99
Non-Executive Male	Percentage	72.09	35.61
Non-Executive Female	Percentage	27.91	64.39
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.33	83.33
Female	Percentage	16.67	16.67
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	No Data Provided	9
Management	Hours	358	6,884
Executive	Hours	18,580	13,215
Non-Executive	Hours	324	39,934

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	28.00	20.36
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	No Data Provided	1
Management	Number	6	12
Manager	Number	5	0
Executive	Number	30	41
Non-Executive	Number	0	103
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	3	2
Emissions & Climate-Related Strategy			
Bursa C4(a) Total energy consumption	Megawatt	3,637,620.00	4,825,756.00
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	960,280.00	1,280,601.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	206.00	235.60
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	200,795.00	266,561.00
Total energy consumption	Megajoules	-	17,372,722,776.00
Health & Safety			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.01	6.40
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,236	1,211
Supply Chain Management			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	33.84	47.57
Data Privacy & Security			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Waste Management			
Bursa C9(a) Total volume of water used	Megalitres	1.304000	4.551000
Bursa C10(a) Total waste generated	Metric tonnes	27.01	71.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.77
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	27.01	70.23

Internal assurance

External assurance

No assurance

(*)Restated


PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024
Total liquid waste generated	Kilolitres	-	15.02
Total liquid waste diverted to disposal	Kilolitres	-	15.02
Customer Service			
On-Time Performance (OTP)	Percentage	77.00	73.00
Net Promoter Score (NPS)	Number	32	29
Customer Satisfaction Score (CSAT)	Percentage	70.00	84.00

Notes:

1. The performance data table above is generated from the custom template of Bursa's ESG reporting platform.
2. For indicator C10(a) and C10(a)(ii), the number represents non-hazardous waste and solid hazardous waste only. Liquid hazardous waste is excluded as the measurement unit is in litres
3. For indicator C4(a), the measurement unit refers to Megawatt-hour.
4. For indicator C9(a) and C11(b), the data covers our operations in our head corporate office only, and excludes all hubs/stations as well as any subsidiaries, due to data limitations.
5. For indicator C11(c): Business travel data has been expanded to include air travel (flights) and hotel stays for FYE 2024. Employee commute data only covers employees that travel by car and are parking at our head corporate office only, due to data limitations.
6. For indicator C1(a), C3(a), and C6(c), the accuracy of employee data was improved in 2024 and standardised based on four employee categories. Therefore, the Leadership Team is now classified as Senior Management, whilst Manager is now classified under Management.

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks
 General Disclosure	General Disclosures				
	GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organizational details	34, 1	About This Statement Annual Report: Corporate Profile, Corporate Information, Corporate Structure	
	2-2	Entities included in the organization's sustainability reporting	34, 1	About This Statement Annual Report: Corporate Profile, Corporate Information, Corporate Structure	
	2-3	Reporting period, frequency and contact point	34	About This Statement	
	2-5	Restatements of information	-	Significant restatements of data compared to prior years are noted in the section(s) where they appear	
	2-5	External assurance	36	AirAsia X has obtained internal assurance from the Company's Internal Audit department to strengthen the credibility of the Sustainability Statement	
	Activities and workers				
	2-6	Activities, value chain and other business relationships	38	Our Sustainability Approach: We are AirAsia X Annual Report: Corporate Profile	
	2-7	Employees	106	Performance Data Table	
2-8	Workers who are not employees	-	Information unavailable/incomplete		

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks	
General Disclosure	GRI 2: General Disclosures 2021	Governance				
		2-9	Governance structure and composition	41, 6	Our Sustainability Approach: Sustainability Governance Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html
		2-10	Nomination and selection of the highest governance body	41, 6	Our Sustainability Approach: Sustainability Governance Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html
		2-11	Chair of the highest governance body	41, 6	Our Sustainability Approach: Sustainability Governance Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html
		2-12	Role of the highest governance body in overseeing the management of impacts	41, 6	Our Sustainability Approach: Sustainability Governance Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html
		2-13	Delegation of responsibility for managing impacts	41, 6	Our Sustainability Approach: Sustainability Governance Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html
		2-14	Role of the highest governance body in sustainability reporting	41	Our Sustainability Approach: Sustainability Governance	
		2-15	Conflicts of interest	84	Robust Corporate Governance: Ethical Business Conduct; Code of Business Conduct	https://www.airasiac.com/misc/AAX_Code_of_Business_Conduct.pdf
		2-16	Communication of critical concerns	84	Robust Corporate Governance: Ethical Business Conduct; Whistleblowing	https://www.airasiac.com/whistleblowing_channel.html
		2-17	Collective knowledge of the highest governance body	6	Annual Report: Directors' Profiles	https://www.airasiac.com/directors.html

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks	
General Disclosure	GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	41, 120	Our Sustainability Approach: Sustainability Governance Annual Report: Corporate Governance Overview Statement	https://www.airasiac.com/directors.html
		2-19	Remuneration policies	-	https://www.airasiac.com/misc/AAX_Remuneration_Policy_Statement.pdf	
		2-20	Process to determine remuneration	-	https://www.airasiac.com/misc/AAX_Remuneration_Policy_Statement.pdf	
		2-21	Annual total compensation ratio	120	Annual Report: Corporate Governance Overview Statement; Remuneration Annual Report: Financial Statements	
	Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	40	Our Sustainability Approach: Sustainability Framework		
	2-23	Policy commitments	84	Robust Corporate Governance: Ethical Business Conduct; Code of Business Conduct	https://www.airasiac.com/misc/AAX_Code_of_Business_Conduct.pdf	
	2-24	Embedding policy commitments	84	Robust Corporate Governance: Ethical Business Conduct; Code of Business Conduct	https://www.airasiac.com/misc/AAX_Code_of_Business_Conduct.pdf	
	2-25	Processes to remediate negative impacts	84	Robust Corporate Governance: Ethical Business Conduct; Whistleblowing	https://www.airasiac.com/whistleblowing_channel.html	
	2-26	Mechanisms for seeking advice and raising concerns	84	Robust Corporate Governance: Ethical Business Conduct; Whistleblowing	https://www.airasiac.com/whistleblowing_channel.html	
	2-27	Compliance with laws and regulations	84	Robust Corporate Governance: Ethical Business Conduct		
	2-28	Membership associations	-	Information unavailable/incomplete		


GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks
General Disclosure	GRI 2: General Disclosures 2021	Stakeholder Engagement			
		2-29	Approach to stakeholder engagement	43	Our Sustainability Approach: Stakeholder Engagement
		2-30	Collective bargaining agreements	-	Information unavailable/incomplete
	Material Topics				
	GRI 3: Material Topics 2021	3-1	Process to determine material topics	45	Our Sustainability Approach: Material Matters
3-2		List of material topics	45	Our Sustainability Approach: Material Matters	
 Economic	Corporate Governance				
	GRI 3: Material Topics 2021	3-3	Management of material topics	84	Robust Corporate Governance
	GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	84	Robust Corporate Governance: Ethical Business Conduct
		205-3	Confirmed incidents of corruption and actions taken	84	Robust Corporate Governance: Ethical Business Conduct

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Pillars	GRI Standard	Disclosure	Page	Location	Remarks
Economic	Customer Service				
	GRI 3: Material Topics 2021	3-3	Management of material topics	96	Enhancing Guest Experience
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	100	Driving Technology, Innovation and Data Security: Cybersecurity & Data Privacy
	Data Security and Privacy				
	GRI 3: Material Topics 2021	3-3	Management of material topics	100	Driving Technology, Innovation and Data Security
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	100	Driving Technology, Innovation and Data Security: Cybersecurity & Data Privacy
	Supply Chain Management				
	GRI 3: Material Topics 2021	3-3	Management of material topics	93	Sustainable Supply Chain
	GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	93	Sustainable Supply Chain: Governing our Supply Chain

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks
 Environmental	Emissions and Climate-related Strategy				
	GRI 3: Material Topics 2021	3-3	Management of material topics	48	Towards Low-Carbon Operations
	GRI 302: Energy 2016	302-1	Energy consumption within the organization	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 1 GHG Emissions
		302-2	Energy consumption outside of the organization	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 3 GHG Emissions
		302-4	Reduction of energy consumption	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 1 GHG Emissions
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 1 GHG Emissions
		305-2	Energy indirect (Scope 2) GHG emissions	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 2 GHG Emissions
		305-3	Other indirect (Scope 3) GHG emissions	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 3 GHG Emissions
		305-4	GHG emissions intensity	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 1 GHG Emissions
		305-5	Reduction of GHG emissions	48	Towards Low-Carbon Operations: Our Carbon Footprint; Scope 1 GHG Emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	48	Towards Low-Carbon Operations: Our Carbon Footprint; Other GHG Emissions	

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Pillars	GRI Standard	Disclosure	Page	Location	Remarks
Environmental	Waste Management				
	GRI 3: Material Topics 2021	3-3	Management of material topics	58	Managing our Natural Resources: Waste Management
	GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	58	Managing our Natural Resources: Water Management
	GRI 306: Waste 2020	306-1	Waste generation and significant waste- related impacts	58	Managing our Natural Resources: Waste Management; Hazardous Waste and Non-Hazardous Waste
		306-2	Management of significant waste- related impacts	58	Managing our Natural Resources: Waste Management; Hazardous Waste and Non-Hazardous Waste
		306-3	Waste generated	58	Managing our Natural Resources: Waste Management; Hazardous Waste and Non-Hazardous Waste
		306-4	Waste diverted from disposal	58	Managing our Natural Resources: Waste Management; Hazardous Waste and Non-Hazardous Waste
306-5		Waste directed to disposal	58	Managing our Natural Resources: Waste Management; Hazardous Waste and Non-Hazardous Waste	

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks	
 Social	Health and Safety					
	GRI 3: Material Topics 2021	3-3	Management of material topics	62	Safety as our Priority	
	GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	63	Safety as our Priority: Ensuring Robust Safety Governance	
		403-2	Hazard identification, risk assessment, and incident investigation	63	Safety as our Priority: Ensuring Robust Safety Governance; Hazard Identification & Safety Risk Management	
		403-3	Occupational health services	63	Safety as our Priority: Ensuring Robust Safety Governance	
		403-4	Worker participation, consultation, and communication on occupational health and safety	63	Safety as our Priority: Ensuring Robust Safety Governance	
		403-5	Worker training on occupational health and safety	68	Safety as our Priority: Embedding a Safety-First Culture; Safety Training	
		403-6	Promotion of worker health	68	Safety as our Priority: Embedding a Safety-First Culture; Safety Awareness	
		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65	Safety as our Priority: Driving Operational Safety Performance		

GRI CONTENT INDEX

Pillars	GRI Standard	Disclosure	Page	Location	Remarks	
Social	GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	63	Safety as our Priority: Ensuring Robust Safety Governance	
		403-9	Work-related injuries	65	Safety as our Priority: Driving Operational Safety Performance	
	Labour Practices, Standards & Diversity					
	GRI 3: Material Topics 2021	3-3	Management of material topics	73	Caring for Allstars	
	GRI 401: Employment 2016	401-1	New employee hires and employee turnover	106	Performance Data Table	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	78	Caring for Allstars: Talent Attraction & Retention; Investing in Allstars	
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	78	Caring for Allstars: Talent Attraction & Retention; Investing in Allstars	
		404-2	Programs for upgrading employee skills and transition assistance programs	78	Caring for Allstars: Talent Attraction & Retention; Investing in Allstars	
		404-3	Percentage of employees receiving regular performance and career development reviews	78	Caring for Allstars: Talent Attraction & Retention; Investing in Allstars	

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Pillars	GRI Standard	Disclosure	Page	Location	Remarks
Social	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	74	Caring for Allstars: Promoting Diversity, Equity and Inclusion; Workforce Diversity
		405-2	Ratio of basic salary and remuneration of women to men	74	Caring for Allstars: Promoting Diversity, Equity and Inclusion; Supporting Women at Work
	Community Empowerment				
	GRI 3: Material Topics 2021	3-3	Management of material topics	82	Uplifting our Communities
	GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	83	Uplifting our Communities

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of AirAsia X Berhad (“AirAsia X” or the “Company”) presents this Corporate Governance Overview Statement (“CG Statement”) to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board for the financial year ended 31 December 2024 (“FYE 2024”). In building a sustainable business for a leading medium-haul, low-cost airline operating across Asia-Pacific and other international markets, the Board is mindful of its accountability towards its shareholders and various stakeholders. The Board and Senior Management are committed to providing effective leadership and promoting uncompromising ethical standards in the organisation, and towards ensuring excellence in its corporate governance standards and practices throughout the Company. The explanations on each application of the recommended practices are disclosed in the Company’s Corporate Governance Report 2024 (“CG Report 2024”).

This CG Statement is prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and it is to be read together with the CG Report 2024 which is available on the Company’s website at <http://www.airasiox.com>. The CG Report 2024 provides the details on how the Company has applied each Practice as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) during the FYE 2024.

The Board presents this CG Statement to provide an insight into the corporate governance practices of the Company under the leadership of the Board with reference to three (3) key corporate governance principles:

PRINCIPLE A:

Board leadership and effectiveness;

 Please refer to pg 121-128


PRINCIPLE B:

Effective audit and risk management

 Please refer to pg 128

PRINCIPLE C:

Integrity in corporate reporting and meaningful relationship with stakeholders

 Please refer to pg 129

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is responsible for overseeing the overall management of the Company and its subsidiaries (“Group”) and retains full and effective control over the business and affairs of the Group. The Board reviews the Group’s key policies, business plans and strategies, actively overseeing the conduct, management and business affairs of the Company and monitoring Senior Management’s performance. The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustaining long-term shareholder value while safeguarding the interests of all the stakeholders. It works closely with Senior Management to ensure that the operations of the Group are conducted prudently within the framework of relevant laws and regulations.

The Directors have independent access to the advice and dedicated support services of the Company Secretary (who is legally qualified to act as Company Secretary under the Companies Act, 2016) to ensure effective functioning of the Board. The Directors may seek advice from Senior Management and independent professionals on issues pertaining to their respective jurisdiction in discharging their duties.

The Board recognises that having established clearly defined roles and responsibilities of the

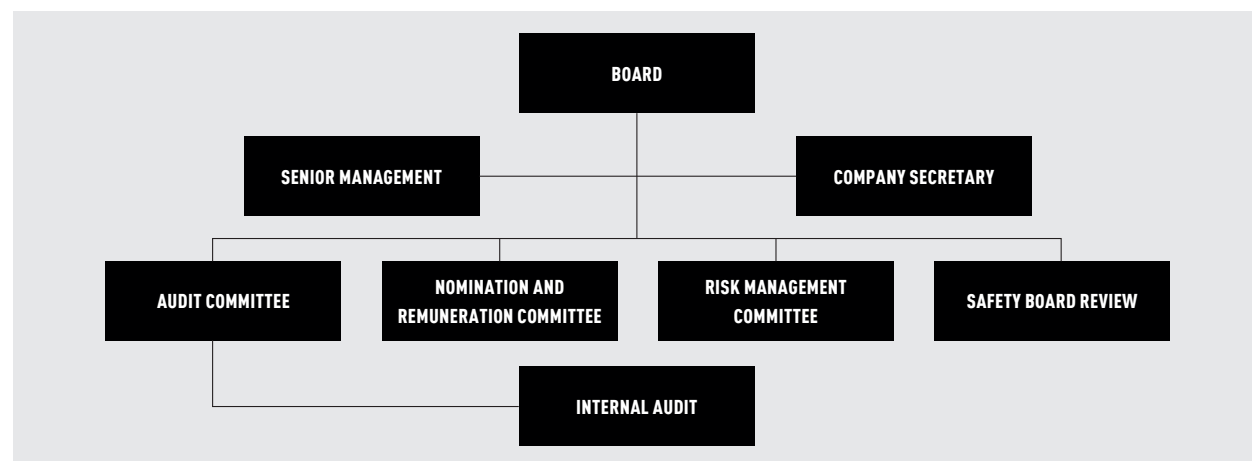
Board and Senior Management is important to strike a reasonable balance between the strategy foundation and policy-making on the one hand, and the conformance roles of executive supervision and accountability on the other.

Delegation of the Board’s authority to the Senior Management is subject to defined limits of authority and monitoring by the Board. However, as the Board has the overall responsibility to manage and supervise the affairs of the Company in accordance with the applicable law and Company’s policies, there are matters which are reserved for the Board’s consideration as set out in the Board Charter which is available on the Company’s website at <http://www.airasiac.com>.

There is a clear separation of the positions and roles between the Chairman and the Chief

Executive Officer (“CEO”) to promote greater accountability to enhance checks and balances. The positions of the Chairman and the CEO are held by two (2) different individuals. Their respective roles are also described in the Board Charter.

The Board has delegated certain functions to its Committees it established to assist in the execution of its responsibilities. The Committees operate under clearly defined Terms of Reference which are also available on the Company’s website at <http://www.airasiac.com>. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their Terms of Reference. The Chairs of the respective Committees report to the Board on the discussions and outcome of their Committee meetings. The governance structure of the Board is as follows:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

i) Board

Our Board is collectively responsible for the effective oversight of the Company and its businesses by actively overseeing the conduct and directing the management of the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of meeting the goals of the Company, realising long term shareholder value and safeguarding the interests of stakeholders. The Board sets the risk appetite and determines the principal risks for the Company and takes the lead in areas such as safeguarding the reputation of the Company and its financial policy, as well as maintaining a sound system of internal control and risk management.

The Chairman oversees the Board in the effective discharge of its role and to instil good corporate governance practices, leadership and effectiveness of the Board. He monitors the workings of the Board and the conduct of Board meetings to ensure all relevant issues for the effective running of the Company's business are on the agenda for the Board meetings. The Chairman ensures that quality information to facilitate decision-making is delivered to Board members on a timely basis, to encourage all Directors to play an active role in Board activities, including leading Board meetings and discussions, encouraging active participation and allowing dissenting views to be freely

expressed. The Chairman manages the interface between the Board and the Management and ensures that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole, and to chair general meetings of shareholders.

ii) Senior Management

The CEO leads the Senior Management of the Company and provides directions for the management and implementation of the strategies and business plans approved by the Board and the overall management of the business operations group-wide.

iii) Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to Board policies, rules and procedures, and advocate adoption of corporate governance best practices. The Directors always have access to the advice and services of the Company Secretary, especially relating to procedural and regulatory requirements such as the Companies Act, 2016, MMLR and MCGG.

iv) Audit Committee ("AC")

The AC assists the Board in fulfilling its oversight functions in relation to internal controls and financial reporting of the Company. The AC provides the Board with

assurance on the quality and reliability of the financial information reported by the Company whilst promoting efficiency and good governance practices to ensure the proper conduct and safeguarding of the Company's and the Group's assets.

v) Nomination and Remuneration Committee ("NRC")

The NRC was established to assist the Board in discharging its responsibilities in the determination of the remuneration and compensation of the Directors and Senior Management of the Company. The NRC recommends to the Board the remuneration policy for the Non-Executive Directors and Senior Management of the Company (as defined in its Terms of Reference). The NRC also reviews the Performance Scorecard of the CEO and recommends the rating of the scorecard to the Board for its approval and oversees the development of a succession management plan for the CEO. The NRC is also responsible for assessing the performance of the Board and its Committees, as well as making recommendations on the nomination policy, succession planning framework, talent management, training programmes and any related matters for Directors and Senior Management and overseeing succession planning for the Chairman of the Board and Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

vi) Risk Management Committee (“RMC”)

The RMC was established to oversee the risk, sustainability and information security management frameworks of the Company and the Group. It supports the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group. The RMC is also responsible for reviewing and recommending appropriate sustainability strategies, policies, principles, and practices for the Group. It provides oversight of the Group’s overall sustainability initiatives, particularly in relation to economic, environmental, social, and governance matters, to ensure alignment with the Group’s long-term strategy, regulatory expectations, and risk appetite. The RMC also oversees the effective governance of data protection and information security by monitoring system implementation, reviewing cyber-risk reports and ensuring adequate resources for cybersecurity functions.

vii) Safety Review Board (“SRB”)

The SRB provides oversight into the effective and efficient implementation of the Group’s Safety Policy within the overall Group Safety Management System.

The members of the Board and its Committees have discharged their roles and responsibilities in respect of the FYE 2024, through their attendance at the meetings of the Company as set out in the table on the right:

Directors	Board	AC	NRC	RMC	SRB
Dato’ Fam Lee Ee (Non-Independent Non-Executive Chairman) <ul style="list-style-type: none"> Resigned as NRC member on 23 January 2024 Resigned as RMC member on 23 January 2024 	10/10		1/1		4/4
Datuk Kamarudin bin Meranun (Redesignated from Non-Independent Non-Executive Director to Non-Independent Executive Director on 2 May 2024)	9/10				
Tan Sri Asmat bin Kamaludin (Independent Non-Executive Director) <ul style="list-style-type: none"> Resigned as AC member on 23 January 2024 	9/10		5/5		
Ms Chin Min Ming (Independent Non-Executive Director) <ul style="list-style-type: none"> Appointed as NRC member on 23 January 2024 	10/10	7/7	4/4	4/4	
Dato’ Sri Mohammed Shazalli bin Ramly (Independent Non-Executive Director) <ul style="list-style-type: none"> Appointed as RMC member on 23 January 2024 Appointed as AC member on 23 January 2024 Appointed as SRB Chairman on 23 January 2024 	10/10	7/7		4/4	4/4
Dato’ Abdul Mutalib bin Alias (Independent Non-Executive Director) <ul style="list-style-type: none"> Appointed as NRC member on 23 January 2024 Appointed as RMC member on 23 January 2024 Appointment as AC Chairman on 23 January 2024 	10/10	7/7	4/4	4/4	

2. Board Composition

During the FYE 2024, the Board comprised one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Executive Director and four (4) Independent Non-Executive Directors. More than half (1/2) of the Board comprised Independent Non-Executive Directors, which is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities and in adherence to Practice 5.2 of the MCGG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The size, balance and composition of the Board support its role that drives the long-term direction and strategy of the Company. A key function of the Board is to create value for shareholders and track the progress of each milestone that meets its business objectives. The Board also ensures that the Company upholds a high level of corporate governance while meeting its other obligations with its shareholders and other stakeholders. The Company has implemented procedures for the nomination and election of Directors through the NRC. The NRC assesses candidates against the skills, knowledge and experience required by the Company. The Company recognises the benefits of having a diverse Board.

In line with the Company's Board Diversity Policy, the selection of candidates to join the Board is in part dependent on the pool of candidates with the necessary skills, knowledge, and experience. The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve effective stewardship and in turn, to retain its competitive advantage. In this respect, the Board, through its NRC, conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with elements of independence that fit the Company's objectives and strategic goals.

The profile of each Director can be found on pages 6 to 9 of the Annual Report 2024. The Company's diverse Board includes and makes good use of differences in skills, regional and

industry experience, background, race, gender, ethnicity, age and other attributes of the Directors. The Company currently has one (1) woman director on the Board. The NRC and the Board are actively seeking new directors to join the Company. The selection of candidates will be based on suggestions from existing Board members, Senior Management, major shareholders, external search firms or other independent sources. The ultimate decision on the appointment of a candidate as a Director of the Company will be based on merit in the context of the skills and experience and contributions the chosen candidate will bring to the Board.

The Constitution of the Company provides that an Independent Director may remain as Independent Director after serving a cumulative term of nine (9) years, provided that the Board recommends this upon concrete justification and after seeking its shareholders' approval at a general meeting via a two-tier voting process.

During the FYE 2024, the Board through its NRC had assessed the independence of all its Independent Non-Executive Directors and was satisfied that they have fulfilled the criteria under the definition of independent director as stated in the MMLR of Bursa Securities and were able to provide objective and independent judgment in deliberation of the Board's agenda. Based on the Board's assessment, the Board had recommended the retention of Tan Sri

Asmat bin Kamaludin as Independent Non-Executive Director which was approved by the shareholders via two-tier voting process at the Company's Seventeenth Annual General Meeting ("AGM") held on 6 June 2024.

The Constitution of the Company provides that at least one-third of the Directors are subject to retirement by rotation at every AGM such that each Director shall retire from office once in every three (3) years and are eligible to offer themselves for re-election. The Constitution also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment. During FYE 2024, Tan Sri Asmat bin Kamaludin, Dato' Sri Mohammed Shazalli bin Ramly, Dato' Abdul Mutalib bin Alias and Ms Chin Min Ming were subjected to retirement pursuant to the Constitution and all of them had been re-elected as Directors of the Company at the Seventeenth AGM held on 6 June 2024.

The names of the Directors seeking re-election at the forthcoming Eighteenth AGM are disclosed in the Notice of AGM dated 30 April 2025.

3. NRC

During the FYE 2024, the NRC comprised three (3) Independent Non-Executive Directors. Tan Sri Asmat bin Kamaludin served as the Chairman, while Ms Chin Min Ming and Dato' Abdul Mutalib

CORPORATE GOVERNANCE OVERVIEW STATEMENT

bin Alias were members. The Terms of Reference of the NRC are available for reference at <http://www.airasiac.com>.

In respect of the FYE 2024, the following activities were undertaken by the NRC:

- (a) Reviewed and recommended to the Board the re-election of Directors who retire pursuant to the Company's Constitution.
- (b) Reviewed the performance of the Board, Committees and individual Directors, including an assessment of the independence of the Independent Directors.
- (c) Reviewed the fees and benefits payable to Non-Executive Directors and Key Senior Management and made recommendations to the Board.
- (d) Reviewed the composition of the Board and its Committees.

4. Board Effectiveness Evaluation

The Chairman of the NRC oversaw the overall performance evaluation and remuneration proposal process while the responses were reviewed and analysed by the NRC before the assessment and recommendations were tabled to the Board. During the assessment, each Director who is interested in his/her own evaluation and remuneration abstained from deliberations and voting. Overall, the Board was satisfied with the commitment of the Directors and the time contributed by each of them.

5. Professional Development of Directors

In line with Paragraph 15.08 of the MMLR, the Directors recognise the importance and value of continuous professional development to keep themselves abreast with the changes in the aviation industry, as well as

new statutory and regulatory requirements. The Directors attended and participated in training programmes, conferences and seminars that covered the areas of corporate governance, finance, global business developments and relevant industry updates, which enabled them to discharge their duties effectively. The details of training programmes, conferences and seminars attended by the Directors during FYE 2024 are outlined below:

Names	Programmes
<p>Dato' Fam Lee Ee (Non-Independent Non-Executive Chairman)</p>	<ul style="list-style-type: none"> • 16th Malaysia – China Joint Business Council Meeting, 30 January 2024 • Malaysia – China Commentative Forum, 7 May 2024 • Malaysia – China Summit 2024 – Network Engagement Series, 16 May 2024 • Tencent Cloud Day Singapore: Accelerate your Business with AI Innovation, 27 June 2024 • Board of Directors' Sustainability Briefing, 25 July 2024 • 2024 Inclusion Conference, 5 September 2024 • 2024 Tencent Global Digital Ecosystem Summit, 6 September 2024 • Safety Day, 25 September 2024 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 4 & 5 November 2024 • 5th Belt & Road Malaysia – China Business Dialogue, 13 December 2024
<p>Datuk Kamarudin bin Meranun (Non-Independent Executive Director)</p>	<ul style="list-style-type: none"> • Board of Directors' Sustainability Briefing, 25 July 2024 • Cyber Resilience Training by Phished Academy (Passed for silver level), 10 August 2024 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 4 & 5 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Names	Programmes
Tan Sri Asmat bin Kamaludin (Independent Non-Executive Director)	<ul style="list-style-type: none"> Board of Directors' Sustainability Briefing, 25 July 2024
Ms Chin Min Ming (Independent Non-Executive Director)	<ul style="list-style-type: none"> COP28 Debrief, 1 March 2024 What is ESG? A Mapping Across Southeast Asia!, 9 March 2024 Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape, 11 March 2024 Modernising Data Governance - What Should Board Focus on Now?, 3 April 2024 Being Sued as an INED - A Personal Journey, 10 May 2024 Sustainability Trends Watch: How can Businesses Build Sustainable Supply Chains?, 20 June 2024 Anti-Corruption and Good Governance in Asian Supply Chains, 2 July 2024 Accelerating ESG Adoption & Implementation: Navigating the Imperative for Sustainable Practices, 9 July 2024 Directors' Masterclass - Latest Developments in Climate: Aligned Executive Compensation, 17 July 2024 Board of Directors' Sustainability Briefing, 25 July 2024 Board Risk Management Committee Dialogue: Insights Across Borders: Thriving in the Bermuda Triangle of Technology, Risk and Talent, 1 August 2024 Newer Heights with AI-Driven Innovations, 15 August 2024 Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 18 & 19 September 2024 Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight, 17 December 2024

Names	Programmes
Dato' Sri Mohammed Shazalli bin Ramly (Independent Non-Executive Director)	<ul style="list-style-type: none"> BLESS Talk & Biznetwork: Edisi Raya 2024, 2 May 2024 XCL Educational Leadership Conference: Innovate, Inspire, Lead, 9 & 10 May 2024 Board of Directors' Sustainability Briefing, 25 July 2024 Catalyst Series Summit: Transforming the Global Digital Economy with Generative AI, 30 July 2024 Khazanah Megatrends Forum 2024: Pursuit of Potatoes, 7 & 8 October 2024 Next-Gen Empowerment: Accelerating Growth with 5G and AI, 24 October 2024 Penjana Capital Talk: Stories Revisited with Dato' Sri Shazalli Ramly (Fireside Chat), 31 October 2024 Assurance Management Meeting: Risk Ethics and Leadership, 22 November 2024
Dato' Abdul Mutalib bin Alias (Independent Non-Executive Director)	<ul style="list-style-type: none"> Post Listing Obligations - Director's Duties and Responsibilities, 18 March 2024 Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 3 & 4 July 2024 Board of Directors' Sustainability Briefing, 25 July 2024 Prolintas Cybersecurity Awareness, 4 September 2024 A Comprehensive Introduction to Corporate Governance: Role of the Board and Senior Management, 23 October 2024 Prolintas Integrity Day 2024 - Sustainable Progress, Ethical Practices: Integrating Integrity into Corporate DNA, 19 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

6. Remuneration

The Board has established a formal and transparent process for approving the remuneration of the Board and its Committees, and the Senior Management of the Company. The NRC is responsible for formulating and reviewing the remuneration policies for the Board and its Committees as well as the Senior Management of the Company to ensure the same remain competitive, appropriate, and alignment with the prevalent market practices. The Company's remuneration policy is available on the Company's website at <http://www.airasiac.com>.

The following table sets out the remuneration of the Directors and CEO of the Company and the Group for FYE 2024:

COMPANY AND GROUP						
Name	Fees ⁽²⁾ (RM'000)	Other Fees (RM'000)	Salaries (RM'000)	Bonuses (RM'000)	Allowance ⁽²⁾ (RM'000)	Total (RM'000)
Directors						
Dato' Fam Lee Ee (Non-Independent Non-Executive Director)	188	-	-	-	15	203
Datuk Kamarudin bin Meranun (Non-Independent Executive Director) ⁽¹⁾	27	-	797	-	-	824
Tan Sri Asmat bin Kamaludin (Independent Non-Executive Director)	97	-	-	-	14	111
Ms Chin Min Ming (Independent Non-Executive Director)	143	-	-	-	25	168
Dato' Sri Mohammed Shazalli bin Ramly (Independent Non-Executive Director)	142	-	-	-	25	167
Dato' Abdul Mutalib bin Alias (Independent Non-Executive Director)	144	-	-	-	25	169
Chief Executive						
En Benjamin bin Ismail (Chief Executive Officer)	-	-	1,260	158	-	1,418

Notes:-

⁽¹⁾ Resigned from Non-Independent Non-Executive Director to Non-Independent Executive Director on 2 May 2024.

⁽²⁾ Directors' Fees and Allowances:

- Non-Executive Directors' Fees – Chairman (RM165,000 per annum), Members (RM65,000 per annum)
- Audit Committee Fees – Chairman (RM40,000 per annum), Members (RM30,000 per annum)
- Other Committees' Fees – Chairman (RM30,000 per annum), Members (RM20,000 per annum)
- Board/Committees' Meeting Allowance – RM1,000 per attendance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Limits of Authority

The Company has a Limits of Authority, which defines the decision-making limits of each level of Management within the Group. It provides a framework of authority and accountability within the Company and facilitates decision-making at the appropriate level in the organisation's hierarchy. The Limits of Authority clearly outlines matters over which the Board reserves authority and those delegated to Senior Management. These limits cover, amongst others, authority over payments, investment, capital expenditure, operating expenditure, borrowings, as well as authority over non-financial matters.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The AC comprises three (3) Independent Non-Executive Directors. It is chaired by Dato' Abdul Motalib bin Alias, who is not the Chairman of the Board.

The Company has a policy which requires a former key audit partner to observe a cooling off period of at least two (2) years before being appointed as a member of the AC. During FYE 2024, no member of the AC was a former key audit partner.

In the annual assessment of the suitability, objectivity and independence of the external

auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR as well as the Company's External Auditor Independence Policy. Upon assessment of their performance, the AC will recommend their decision on whether to retain their services to the Board after which shareholders' approval will be sought at the AGM.

The term of office and performance of the AC and each of its members is reviewed annually to ensure the Chairman and members of the AC are financially literate and are able to carry out their duties in accordance with the Terms of Reference of the AC. The AC members are expected to update their knowledge continuously and enhance their skills.

The Board is satisfied that the Chairman and members of the AC have discharged their responsibilities effectively. The AC Report is set out on pages 137 to 138 of the Annual Report 2024.

2. Risk Management Committee

The RMC of the Company comprises three (3) Independent Non-Executive Directors, chaired by Ms Chin Min Ming. The RMC enables the Board to undertake and evaluate key areas of risk exposures. The primary responsibilities of the RMC are as follows:

- To oversee and recommend the Enterprise Risk Management ("ERM") strategies, frameworks, policies and procedures in identifying and managing risks within the Group;

- To review and recommend appropriate sustainability strategies, policies, principles and practices to the Group; and
- To review and monitor information security on cyber-risks and data protection of the Group

The Group has established a structured process for risk management and reporting within the ERM framework as follows:

- The first line of defence is provided by Management and departments which are accountable for identifying and evaluating risks under their respective areas of responsibilities.
- The second line of defence is provided by the RMD and RMC which are responsible for facilitating and monitoring risk management processes and reporting.
- The third line of defence is provided by the IAD which provides assurance on the effectiveness of the ERM framework.

Based on the performance evaluation for the RMC, the Board is satisfied that the Chairman and members of the RMC have discharged their responsibilities effectively.

The Statement on Risk Management and Internal Control is set out on pages 130 to 136 of the Annual Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Effective Communication with Shareholders and Investors

The Company is committed to communicating openly and regularly with shareholders, investors and public through platforms including the Company's website, annual reports, quarterly results, announcements, circulars and conferences. The Investor Relations section on its website is updated regularly to provide stakeholders with all relevant information on the Company to enable them to make an informed decision. The Company has a dedicated Investor Relations team which supports Senior Management in their active participation in investor relations activities, including road shows, conferences and quarterly investor briefings locally and globally with financial analysts, institutional investors and fund managers. The Company continues to fulfil its disclosure obligations in accordance with the MMLR. All disclosures of material corporate information are disseminated in an accurate, clear and timely manner via announcements.

2. General Meetings

The general meetings serve as an important forum for interaction with shareholders.

During FYE 2024, the Company convened and held one (1) AGM and one (1) Extraordinary General Meeting ("EGM") on a virtual basis with sufficient notices served to the shareholders of the Company as summarised below:

Meeting Date	Type of Meeting	Notice Date	Notice Period
6 June 2024	Seventeenth AGM	30 April 2024	36 days
16 October 2024	EGM	24 September 2024	21 days

The digital copy of the Annual Report 2023 and Circular to Shareholders in respect of the above general meetings were provided to the shareholders in a timely manner.

The votings at the Seventeenth AGM and EGM were conducted through an electronic poll voting system and scrutinised by an independent scrutineer. All Directors, Chairmen of Committees, Senior Management, Principal Advisers and/or External Auditors had attended the general meetings to respond to the shareholders' and proxies' questions.

This CG Overview Statement was approved by the Board of the Company on 23 April 2025.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

As part of our commitment to corporate governance and adherence to best practices, AirAsia X Berhad (“AirAsia X” or the “Company”) and its subsidiaries (the “Group”) are dedicated to maintaining a comprehensive and effective risk management and internal control system. The Board of Directors (the “Board”) of AirAsia X is guided by the requirements outlined in Paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLR”) set by Bursa Malaysia Securities Berhad (“Bursa Malaysia”), as well as the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia. This statement outlines the nature and scope of the Group’s internal controls and risk management framework.

RESPONSIBILITIES OF THE BOARD

The Board is committed to implementing and maintaining a robust risk management practices and internal control system for good corporate governance with the objective of safeguarding shareholders’ investment. The Board acknowledges that the risk management and internal control systems are designed to manage and minimise risks as it may not be possible to totally eliminate the occurrence of unforeseeable circumstances or losses.

AUDIT COMMITTEE

The Audit Committee (“AC”) monitors the adequacy and effectiveness of the system of internal controls through a review of the results of work performed by the Internal Audit Department (“IAD”) and External Auditors and discussions with Senior Management.

The AC, established by the Board, comprises three (3) Independent Non-Executive Directors. The AC Report is disclosed on pages 137 to 138 of this Annual Report.

The duties and responsibilities of the AC are set out in its Terms of Reference which is available on AirAsia X’s corporate website at https://www.airasiax.com/misc/AAX_TOR_AC_2023.pdf

RISK MANAGEMENT COMMITTEE

The Board has delegated the governance of the Group’s risk to the Risk Management Committee (“RMC”). The RMC of the Company comprised three (3) Independent Non-Executive Directors.

The RMC enables the Board to undertake and evaluate key areas of risk, sustainability and cyber security exposures. The primary responsibilities of the RMC are as follows:

- To oversee and recommend the Enterprise Risk Management (“ERM”) strategies, frameworks, policies and procedures in identifying and managing risks within the Group;
- To review and recommend appropriate sustainability strategies, policies, principles and practices to the Group; and
- To review and monitor information security on cyber-risks and data protection of the Group.

The duties and responsibilities of the RMC are set out in its Terms of Reference which is available on AirAsia X’s corporate website at https://www.airasiax.com/misc/2023_AAX_RMC_TOR.pdf

In fulfilling its responsibilities in risk management, the RMC is assisted by the Risk Management Department (“RMD”), Sustainability Department and Group Information Security Department.

THE MANAGEMENT

The management team is responsible for ensuring the effective implementation of risk management and internal control. The management is also accountable for identifying, evaluating, and monitoring the risks that may impede the Group’s goals and objectives.

RISK MANAGEMENT DEPARTMENT (“RMD”)

RMD assists the RMC in discharging risk management responsibilities. The RMD develops risk policies, provides guidance on risk related matters, and coordinates risk management activities with other departments. The RMD is also responsible to identify, monitor and inform RMC of critical risks faced by the Group. Training and workshop is a continuous initiative by RMD to educate employees on risk management.

INTERNAL AUDIT DEPARTMENT (“IAD”)

The IAD regularly reviews the AirAsia X’s systems of internal controls and evaluates the adequacy and effectiveness of the controls, risk management and governance processes implemented by Management. It integrates a risk-based approach in determining the auditable areas and frequency of audits. The annual audit plan for AirAsia X is reviewed and approved by the AC.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

IAD is guided by its Internal Audit Charter that provides independence and reflects the roles, responsibilities, accountability and scope of work of the department. For any significant gaps identified in the governance processes, risk management processes and controls during the engagements, IAD provides recommendations to Management to improve their design and effectiveness of controls where applicable. The IAD’s functions are disclosed in the AC Report on pages 137 to 138 of this Annual Report.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The ERM framework provides a standardised and systematic approach for the process of identifying, evaluating, monitoring and reporting risks faced by the Group for the Financial Period. The Framework is aligned with the ISO 31000:2018 Risk Management Guidelines. The Framework also enables the Management to effectively deal with uncertainties and opportunities, enhancing the capacity to build value to the stakeholders.

The Group has established a structured process for risk management and reporting within the ERM framework as follows:

- The first line of defence is provided by Management and departments which are accountable for identifying and evaluating risks under their respective areas of responsibilities
- The second line of defence is provided by the RMD which are responsible for facilitating and monitoring risk management process and reporting
- The third line of defence is provided by the IAD which provides assurance on the effectiveness of the ERM framework

Our risk governance structure facilitates risk identification and escalation whilst providing assurance on the risks and controls to the Board. It delineates and assigns distinct roles and responsibilities across all lines of defence, facilitating the integration of the Enterprise Risk Management (ERM) Framework.



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

A universally accepted risk management process has been established to ensure a standardised and consistent approach to risk management activities across the Group. This involves the application of policies and procedures to identify, analyse, and respond to risks in order to minimise uncertainties and maximise opportunities. The risk management process in the Group is depicted in the diagram below, aligned with ISO 31000 Standards.



KEY RISKS

Effective risk management can help mitigate uncertainties and enhance stakeholder confidence. By embedding the risk management process within the organisation, the Group is better equipped to navigate uncertainties and enhance stakeholder trust and assurance.

For FYE 2024, the key risks that the AirAsia X continues to track closely are as follows:

RISK	MITIGATION
Financial risk	
The Group’s operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, cash flow and liquidity risk.	AirAsia X actively monitors and manages its exposure to fuel price volatility and imposes fuel surcharges based on the length of flight hours.
	Currency exposures are managed through natural hedges that arise when payments in foreign currency are matched against receivables denominated in the same foreign currency, or whenever possible, by intra-group arrangements and settlements.
	Cash flow is managed through daily bank balance monitoring and weekly cash flow reviews and projections.

RISK	MITIGATION
Cyber security risk	
The risk of cyber security within the organisation is continuously increasing due to several factors. These include changes or increases in cyber security regulations and violations, the expansion of organisational resources such as digital systems, employees, and third-party partners, and the growth in market presence through online sales, publicity campaigns, and travel agencies. Additionally, the evolving nature of datasets and the handling of personal data, along with greater activity and complexity in the cyber security threat landscape, contribute to the rising risks faced by the organisation.	The Cyber Security team has developed a proactive strategy to protect the organisation’s crown jewels, critical assets, and sensitive data, organised into four main workstreams: <ol style="list-style-type: none"> i. Cyber Security Risk Management Workstream, which includes conducting business impact assessments based on cyber threat scenarios, evaluating risk postures, and providing assurance for third parties; ii. Cyber Defence Workstream, focused on 24/7 monitoring for threats using a Security Information and Event Management (SIEM) solution and ensuring timely incident responses to minimise business disruptions; iii. Cyber Security Behavior Workstream, which establishes a Cyber Security Awareness Curriculum, conducts phishing awareness training, and publishes engaging materials to promote security practices; and iv. Identity and Access Management Workstream, aimed at improving tracking and governance of access and accounts while implementing the principle of least privilege and segregation of duties.
Business recovery risk	
Intensified competition among airlines may lead to unpredictable demand patterns as the Group competes for market share through pricing strategies and service enhancements. Concurrently, economic fluctuations, including GDP growth and employment rates, can directly influence consumer travel behaviours.	AirAsia X strengthening its route network, focusing on the most popular historically proven routes and expanding into greenfield markets to achieve “first entrant” incentives e.g., lower airport charges and strong time slots to deliver competition and secure market share by adding frequencies where there is solid demand and by offering competitive fares on routes through dynamic pricing.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK	MITIGATION
<p>Operational disruption risk</p> <p>The supply chain issue on aircraft components and parts could potentially lead to aircraft being grounded and affect the aircraft availability.</p> <p>Failure in airport services such as airport fuelling systems, baggage handling systems or customs, immigration and quarantine processing may lead to significant delays and business disruption.</p>	<p>On the supply chain issue, engagement and negotiation with the suppliers are crucial to secure the components and parts.</p> <p>AirAsia X mitigates failure in airport services by monitoring and communicating any potential service disruption to service providers to prevent or ensure minimal disruption to operations.</p> <p>A business continuity plan is in place to ensure operations will continue during unforeseen disruption, essential functions are maintained, and recovery is swift.</p>
<p>Sustainability risk</p> <p>The aviation sector is facing growing pressure to reduce its environmental impact, as regulatory authorities introduce stricter sustainability requirements and call for the implementation of clear and comprehensive sustainability roadmap in response to the escalating climate emergency.</p>	<p>AirAsia X ensures compliance with all environmental regulatory requirements, including managing the potential impact of environmental-related schemes such as the Carbon Offsetting & Reduction Scheme for International Aviation (“CORSA”).</p> <p>Implement a low-carbon transition plan with four main strategies namely operational efficiency, aircraft technologies, sustainable aviation fuel (“SAF”) and carbon offsetting.</p>
<p>Reputation and branding risks</p> <p>Reputational damage stemming from adverse media publicity or social networks that serve as platforms for airing consumer grievances or anti-organisation campaigns.</p>	<p>AirAsia X reduces this risk by performing ongoing real-time media monitoring, social media monitoring, and customer sentiment analysis to enable swift action and responses across all stakeholder communication channels. This is aimed at mitigating any potential threats to the brand and its reputation.</p>

RISK	MITIGATION
<p>Security (country threat) risk</p> <p>Political instability, civil unrest, and other threats in countries the Group plans to expand could pose significant challenges to the network expansion efforts, which aim to improve connectivity between regions.</p>	<p>The Security team performs a quarterly assessment of country threats and continuously monitors military activities using surveillance systems and intelligence gathering to track and analyse movements, operations, and developments across various regions.</p>
<p>People risk</p> <p>Talent retention and recruitment present significant risks given the reliance on skilled crew members for safe and efficient Group operations. The shortage or turnover of pilots, cabin crew, ground staff and nominated post holders can disrupt operations, jeopardising safety standards and customer satisfaction.</p>	<p>All nominated post holders must be approved by CAAM. These employees are responsible for managing and supervising different areas within a commercial airline.</p> <p>To ensure efficient operations, manpower planning is conducted annually. Measures for talent retention are taken through employee engagement activities, such as town hall meetings, dialogues with employees, and peer support programs.</p>
<p>Health and safety risks</p> <p>Increasing exposure to operational safety hazards and risks as AirAsia X grows its routes, flights and passenger volume.</p>	<p>AirAsia X Safety Review Board (“SRB”) oversees safety performance, through quarterly meetings, to ensure safety targets are met and that the highest safety and quality standards are upheld across the Group.</p> <p>AirAsia X’s Corporate Safety Department established a standardised process to manage the risk to an As Low As Reasonably Practicable (“ALARP”) level via robust Safety Management System.</p> <p>Established a comprehensive safety programme to promote a safety culture among employees, with tailored awareness initiatives across the Group.</p> <p>The Corporate Safety Department is also subject to routine mandatory audits by local civil aviation authorities which issue operating licences to airline operating companies.</p>

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK	MITIGATION
<p>Regulatory and compliance risks</p> <p>Litigation risk arising from potential breach of local laws and regulations, contracts, industry guidelines and regulator / consumer authority requirements in multiple jurisdictions.</p> <p>Compliance with Anti-bribery and anti-corruption Malaysian Anti-Corruption Act 2009 (MACC Act 2009).</p>	<p>AirAsia X mitigates this risk by maintaining a high level of engagement with local regulators and authorities to ensure any new regulatory requirement is understood and swiftly adhered to.</p> <p>The Group also constantly monitors the local regulatory landscape for new or amended regulations affecting the Group.</p> <p>The Group has put in place Anti-Bribery and Anti-Corruption Policy, which has been disseminated to all internal and to all external parties that conduct business transactions with the Group. All internal need to acknowledge their awareness of this policy.</p> <p>The policy is available on AirAsia X's corporate website: https://www.airasiax.com/misc/AAX_ABAC_Policy.pdf</p>

INTERNAL CONTROL FRAMEWORK

The following key internal control structures (including the AC and the IAD disclosed above) are in place to assist the Board to maintain a proper internal control system:

Board Governance

The Board has governance over the Group's operations. The Board is kept updated on the Group's activities and operations on a timely and regular basis through Board meetings with a formal agenda on matters for discussion. The Board of AirAsia X has established four (4) committees, namely the AC, RMC, Nomination and Remuneration Committee and SRB, to assist it in executing its governance responsibilities. Further information on the various Board Committees is provided in the Corporate Governance Overview Statement from pages 120 to 129 of this Annual Report.

Senior Management Responsibilities

Regular management and operations meetings are conducted by Senior Management, which comprises the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Heads of Department.

The Board of our associated company includes our representatives. Information on the financial performance of our associated company is provided regularly to the Management and Board of AirAsia X via regular management reports and presentations at Board meetings.

In respect to the joint venture entered into by the Group, the Management of the joint venture, which consists of representatives from the Group and other joint venture partners, are responsible to oversee the administration, operation and performance of the joint venture. Financial and operational reports of the joint venture are provided regularly to the Management of AirAsia X.

Culture

The Board believes that good governance reflects the culture of an organisation. This is more significant than any written procedures. The Group aims at all times to act ethically and with integrity, and to instil this behaviour in all its employees by example from the Board down.

As provided in AirAsia X's **Code of Business Conduct**, AirAsia X is committed to uphold high standards of business ethics in all aspects of its business and expects the same within its relationships with all those with whom it engages and does business with.

AirAsia X also has a **Code of Conduct ("the Code")** which governs the conduct of its employees, officers and directors. The Code sets out the standards and ethics that they are expected to adhere to. It highlights AirAsia X's expectations on their professional conduct which includes:

- The environment inside and outside of workplace
- The working culture
- Conflict of interest
- Confidentiality and disclosure of information
- Good practices and controls
- Duty and declaration

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Code also sets out the circumstances in which an employee, officer and director would be deemed to have breached the Code after due inquiry and disciplinary actions that can be taken against them if proven guilty.

Segregation of Duties

Segregation of duties is embedded in the key business processes. The Group has in place a system to ensure there are adequate risk management, financial and operational policies and procedures.

Internal Policies and Procedures

Policies, procedures and processes governing the Group's businesses and operations are documented and readily made available to employees across the Group on the AirAsia X's intranet portal. These policies, procedures and processes are reviewed and updated by the business and functional units through a structured and standardised process of review. This is to ensure that appropriate management controls are in place to manage risks arising from changes in legal and regulatory requirements as well as the business and operational environment.

Financial Budgets

A detailed budgeting process has been established requiring all Heads of Department to prepare budgets and business plans annually for deliberation and approval by the Board. In addition, AirAsia X has a reporting system on actual performance against the approved budgets, which requires explanations for significant variances and plans by Management to address such variances.

Human Resource Management

AirAsia X acknowledges that a robust risk management and internal control system is dependent on its employees applying responsibility, integrity and good judgement to their duties. As such, AirAsia X has in place policies and procedures that govern its recruitment, appointment, performance management, compensation and reward mechanisms as well as policies and procedures that govern discipline, termination and dismissal of employees and ensures compliance of the same with all applicable laws and regulations.

Limits of Authority

AirAsia X documented its Limits of Authority ("LOA") clearly defining the level of authority and responsibility in making operational and commercial business decisions. Approving authorities cover various levels of Management and the Board. The LOA is reviewed regularly and any amendments made must be tabled to and approved by the Board.

Insurance

The Group maintains adequate insurance and physical safeguards on assets to ensure these are sufficiently covered against any incident that could result in material losses. Specifically, AirAsia X maintains its Aviation Insurance which provides coverage for the following:

- Aviation Hull and Spares All Risks and Liability
- Aviation Hull and Spares War and Allied Perils (Primary and Excess)
- Aircraft Hull and Spares Deductible
- Aviation War, Hijacking and other Perils Excess Liability (Excess AVN52)

AirAsia X also maintains adequate general insurance to mitigate other risks and financial losses arising from fire, burglary, employee fidelity, public liability, and loss of cash in transit.

Information Security

The Group Information Security Department is the process owner of all assurance activities related to Confidentiality, Integrity, and Availability of the company, employee, customer, business partners, and the business information; in line with the company's objectives by establishing the information security policies for the entire group.

The team is working on a unified control library which is based on Standard of Good Practice (SOGP), that consolidate Cybersecurity controls across various Cyber Security industry standards, country-specific regulations, compliance obligation (e.g., PCI DSS), and fulfil all six (6) NIST Cybersecurity Framework (NIST CSF) functions as below:

- 1) Govern: Establish, communicate, and monitor the organisation's cybersecurity risk management strategy, expectations, and policy
- 2) Identify: Determine cyber security risk relating to systems, people, assets, data and capabilities

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

- 3) Protect: Implement appropriate safeguards to ensure delivery of critical services
- 4) Detect: Implement appropriate activities to ensure timely discovery of a cyber security event
- 5) Respond: Implement appropriate action to contain the impact of a cyber security incident
- 6) Recover: Restore capabilities of services that were impaired due to a cyber security incident

Whistleblowing Policy

AirAsia X has in place a Whistleblowing Policy which provides a platform for employees or third parties to report instances of unethical behaviour, actual or suspected fraud or dishonesty, or a violation of AirAsia X's Code of Conduct. It provides protection for the whistle-blowers from any reprisals as a direct consequence of making such disclosures. It also covers the procedures for disclosure, investigations and the respective outcomes of such investigations. AirAsia X expects its employees to act in AirAsia X's best interests and to maintain high principles and ethical values. AirAsia X will not tolerate any irresponsible or unethical behaviour that would jeopardise its good standing and reputation.

Anti Bribery and Anti Corruption Policy

AirAsia X maintains a zero-tolerance stance against any form of fraud, bribery or corruption. As a testament all employees are mandatory to complete Anti Bribery and Anti Corruption e-learning module and attestation to ensure maintain and refresh their knowledge of the policy on an annual basis.

Conclusion

The Board has received assurance from the CEO and CFO of AirAsia X that AirAsia X's risk management and internal control system are operating adequately and effectively in all material aspects. For areas which require improvement, action plans are being developed with implementation dates being monitored by the respective Heads of Department. The Board also receives updates on key risk management and internal control matters through its Board Committees. Based on assurance received from Management and updates from the Board Committees, the Board is of the

view that the Group's risk management and internal control systems were operating adequately and effectively during the Financial Year and up to the date of approval of this statement. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

AirAsia X's associate company is in the process of fully adopting AirAsia X's risk management and internal controls. The disclosure in this statement does not include the risk management and internal control practices of AirAsia X's material joint venture.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for the financial year ended 31 December 2024, in compliance with paragraph 15.23 of the Listing Requirements in accordance with guidelines issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention to cause them to believe that the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, or that the statement is factually inaccurate. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is in accordance with the resolution of the Board of Directors of AirAsia X on 30 April 2025.

AUDIT COMMITTEE (“AC”) REPORT

This report outlines the activities of the AC of AirAsia X Berhad (“AirAsia X” or the “Company”) for the financial year ended 31 December 2024 (“FYE 2024”).

This report has been reviewed by the AC and approved by the Board of Directors (the “Board”) of AirAsia X on 23 April 2025, for inclusion in this Annual Report.

The AC assists the Board in fulfilling its duties with respect to its oversight responsibilities over AirAsia X and the subsidiaries of AirAsia X (the “Group”). The AC is committed to its role of ensuring the integrity of the financial reporting process; the management of risks and systems of internal controls, external and internal audit processes and compliance with legal and regulatory matters; and the review of related party transactions and other matters that may be specifically delegated to the AC by the Board. The AC’s responsibility for the internal audit of the Group is fulfilled through reviews of the quarterly and other reports of the Internal Audit Department (“IAD”).

A. Composition of AC

The AC is established by the Board and comprises (3) Independent Non Executive Directors, including the Chairman and none of them are an alternate director. Dato’ Abdul Mutalib bin Alias was appointed as the Chairman of AC on 23 January 2024. Dato’ Abdul Mutalib holds a Bachelor of Science in Accountancy and a Master in Business Administration. Further, he has more than 35 years of experience in the banking sector and government sector. Therefore, the Company meets the Para 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).

The duties and responsibilities of the AC are set out in its Terms of Reference, which is published on AirAsia X’s corporate website at www.airasiax.com

B. Attendance of Meetings

A total of seven (7) meetings were held during the FYE 2024 with full attendance by all AC members

The Head of Internal Audit of AirAsia X attended the AC meetings to present the audit and investigation reports. Representing the senior management team, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”)

were invited to attend all the AC meetings to facilitate deliberations as well as to provide clarification on the audit issues. Where required, the management of the audit subjects was also invited to provide an explanation to the AC on specific control lapses and issues arising from the relevant audit reports.

C. Activities of the AC for FYE 2024

In discharging its duties and responsibilities, the AC is guided by the AC Terms of Reference, which was approved by the Board and aligned with the provisions of the MMLR, Malaysian Code on Corporate Governance and other best practices. A summary of the work of the AC during the Financial Period is as set out below:

Financial Reporting

- Reviewed and deliberated on all quarterly financial results and annual audited financial statements for recommendation to the Board for approval.
- The AC’s review focused on any change in Accounting Policies and Practices, and the implementation of such changes; significant and unusual events; significant adjustments arising from the Audit; litigation that could affect the results materially; the going concern assumption; compliance with Accounting standards, other legal requirements and regulatory requirements; review and ensure corporate disclosure policies and procedures of the Group (as they pertain to accounting, audit and financial matters) comply with the disclosure requirements as set out in the MMLR.

External Audit

- Reviewed the external auditor’s overall work plan and recommended to the Board their remuneration, terms of engagement and considered in detail the results of the audit, external auditor’s performance and independence and the effectiveness of the overall audit process.
- Kept updated by the External Auditors on changes in the Malaysian Financial Reporting Standards and the International Financial Reporting Standards to ensure the Group’s readiness to implement the necessary and to understand the implications, if any, on the Group’s Financial Statements.
- Updated continuously by the external auditors on changes to the relevant guidelines on the regulatory and statutory requirements.

AUDIT COMMITTEE (“AC”) REPORT

- Deliberated and reported the results of the annual audit for recommendation to the Board.
- Met with the external auditors without the presence of the Management to discuss any matters that they may wish to present.

Internal Audit

- Deliberated and approved the Internal Audit Plan for the Financial Period to ensure adequate scope and comprehensive coverage of audit as well as to ensure the audit resources are sufficient to enable AC to discharge its functions effectively.
- Deliberated on the investigation reports and after having understood the case in detail, directed the Management to implement controls to strengthen the control environment and prevent recurrence.
- Reviewed the quarterly status reports on audit finding and deliberated on the rectification actions and timeline taken by the Management to ensure the control lapses are addressed and resolved promptly.
- Reviewed the results of operational audit reports.
- Providing assistance to the appointed external auditor in all oversight of the operational audits on each quarterly review.

Related Party Transactions

- Reviewed the related party transactions entered into by the Company and its affiliates with conformity to the established procedures in adherence to the MMLR.

Annual Report

- Reviewed the Statement on Risk Management and Internal Control and the Corporate Governance Overview Statement prior to their inclusion in the Company’s Annual Report.
- Further information on the summary of the AC activities in discharging its functions and duties for the Financial Period and how it has met its responsibilities are provided in the Corporate Governance Report in accordance with Practice 8.5 of The Malaysian Code on Corporate Governance (“MCCG”).

D. Internal Audit Function and Summary of Work

AirAsia X has an in-house Internal Audit Department (“IAD”) to assist the AC in carrying out its functions. IAD is guided by its Internal Audit Charter approved

by AC that provides independence & reflects the function and responsibilities of the department. IAD carries out its audits which are closely guided by the International Professional Practices Framework issued by the Institute of Internal Auditors.

IAD reports functionally to AC and administratively to the CEO. IAD executives declare yearly that they are free from any conflict of interest, which could impair their objectivity and independence.

The principal responsibility of IAD is to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively. IAD adopts a risk-based methodology to develop its audit plans by determining the priorities of the internal audit activities.

The audits cover the review of the adequacy of risk management, the strength and effectiveness of internal controls, compliance to internal statutory requirements, governance and management efficiency, among others.

The audit reviews conducted during financial year ended 31 December 2024 were based on a risk-based Internal Audit Plan approved by the AC. The main focus of the internal audit activities during the FYE 2024 was on high risk areas and auditable areas that were critical to the Group’s business performances. The main audited areas during the financial year ended 31 December 2024 include revenue and cost control related procedures, station control assessment and review of the company’s approach to managing outsourcing activities.

The audit reports which provide the results of the audit conducted, as well as key control issues and recommendations are highlighted and submitted to the AC for review and execution. The Management is to ensure that corrective actions are implemented within the required time frame.

The AC reviews and approves the Internal Audit’s human resource requirements to ensure that the function is adequately resourced with a competent and proficient internal auditor. The IAD has a team of an assistant manager and an audit executive. The Head of Internal Audit Department, Ms Wong Ooi Ling was appointed in November 2020. She is a Chartered Accountant of Malaysian Institute of Accountants.

Total operational costs of the IAD for the FYE 2024 were RM695,072.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the financial year ended 31 December 2024 (“FYE 2024”) for AirAsia X Berhad (“AirAsia X” or the “Company”).

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

There were no proceeds raised from corporate proposals during FYE 2024.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

Save as disclosed below, there were no other material contracts entered into by the Group involving the interests of its Directors and Major Shareholders, either still subsisting at the end of FYE 2024, or entered into since the end of the previous financial year.

On 25 April 2024, our Company had entered into a conditional internal reorganisation agreement with AirAsia Group Berhad (“AAG”) for the implementation of a proposed internal reorganisation by way of a members’ scheme of arrangement under Section 366 of the Companies Act 2016 (“Proposed Internal Reorganisation”) comprising the following (“Internal Reorganisation Agreement”):-

- (i) proposed exchange of all Shares with new ordinary shares in AAG on the basis of 1 new ordinary share in AAG for every 1 existing Share held by the entitled Shareholders on an entitlement date to be determined by our Board and announced later; and
- (ii) proposed assumption by AAG of the listing status of AirAsia X and the admission of AAG to, and the withdrawal of AirAsia X from, the Official List with the listing and quotation of the entire enlarged issued share capital of AAG on the Main Market of Bursa Securities.

The Proposed Internal Reorganisation was proposed to be undertaken for the purposes of streamlining our Group’s corporate structure, segregating the listed entity from the operating entities under our Group as well as to establish a new holding company to house all the airline entities operating under the “AirAsia” brand (including “AirAsia X” brand) and the aviation-related businesses currently undertaken by AirAsia X Group, AirAsia Aviation Group Limited (“AAAGL”) Group and AirAsia Berhad (“AAB”) Group (collectively referred to as “New Aviation Group”) following the completion of the proposed acquisition of 100% equity interest in AAAGL held by Capital A Berhad (“Capital A”) (“Proposed AAAGL Acquisition”) and proposed acquisition of 100% equity interest in AirAsia Berhad (“AAB”) held by Capital A (“Proposed AAB Acquisition”) (collectively referred to as the “Proposed Acquisitions”).

On even date, AAG (as purchaser) had entered into respective conditional share sale and purchase agreements, both dated 25 April 2024, with Capital A (as vendor) for the Proposed AAAGL Acquisition (“AAAGL SSPA”) and Proposed AAB Acquisition (“AAB SSPA”). The Proposed Acquisitions are deemed to be related party transactions pursuant to Paragraph 10.08 of the MMLR in view of the interests of our interested Directors and interested Major Shareholders (as described below) in the Proposed Acquisitions.

In order to expedite the implementation and completion of the Proposals (inclusive of Proposed Acquisitions and also the Proposed Issuance of Free Warrants, Proposed Private Placement, and Proposed Share Capital Reduction, all of which are detailed in the Circular to Shareholders dated 24 September 2024 (“Circular”)), the Board of AirAsia X had on 26 July 2024 decided to abort the Proposed Internal Reorganisation and to undertake the Proposals and Proposed Granting of Subscription Options (as detailed in the Circular) under AirAsia X instead of AAG as initially proposed in the announcement dated 25 April 2024. Accordingly, AirAsia X and AAG had on 26 July 2024 mutually terminated the Internal Reorganisation Agreement.

In addition, on 26 July 2024, AirAsia X (as new purchaser), AAG (as original purchaser) and Capital A (as vendor) had on even date entered into supplemental agreements to the respective AAAGL SSPA and AAB SSPA.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the supplemental agreements dated 26 July 2024, AirAsia X had assumed the rights, benefits, titles, interests, obligations and liabilities of AAG to the AAAGL SSPA and AAB SSPA as the purchaser in respect of the Proposed AAAGL Acquisition and Proposed AAB Acquisition respectively.

The purchase consideration for the Proposed AAAGL Acquisition is RM3,000.00 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new ordinary shares in AirAsia X at an issue price of RM1.30 each. The purchase consideration for the Proposed AAB Acquisition is RM3,800.00 million to be satisfied entirely via the Debt Settlement (assumption by AirAsia X of an amount of RM3,800.00 million owing by Capital A to AAB).

Further, on 4 September 2024, AirAsia X and Capital A had on even date entered into the second supplemental agreements to the respective AAAGL SSPA and AAB SSPA. Pursuant to the second supplemental agreements dated 4 September 2024, the approvals and/or consents of lenders / financiers of the AAAGL Group and AAB Group for the release and/or discharge of any corporate guarantee and/or security provided by the Capital A Group post disposal (i.e. Capital A and its group of companies (excluding the

AAAGL Group and AAB Group) in favour of lenders / financiers of the AAAGL Group and AAB Group shall be obtained before the date of completion of the Proposed AAAGL Acquisition and Proposed AAB Acquisition respectively.

Save as disclosed below, none of the Directors, Major Shareholders, chief executive of AirAsia X and/or persons connected with them have any interest, direct or indirect, in the Proposed Acquisitions:-

- (a) Tan Sri Anthony Francis Fernandes (“Tan Sri Tony Fernandes”), a Major Shareholder of AirAsia X, is deemed interested in the Proposed Acquisitions by virtue of him being the Non-Independent Executive Director and Chief Executive Officer and a major shareholder of Capital A, being the vendor for the Proposed Acquisitions;
- (b) Dato’ Fam Lee Ee, the Non-Independent Non-Executive Chairman of AirAsia X, is deemed interested in the Proposed Acquisitions by virtue of him being the Senior Independent Non-Executive Director of Capital A, being the vendor for the Proposed Acquisitions;
- (c) Datuk Kamarudin bin Meranun (“Datuk Kamarudin”), a Non-Independent Executive Director and a Major

Shareholder of AirAsia X, is deemed interested in the Proposed Acquisitions by virtue of him being the Non-Independent Executive Chairman and a major shareholder of Capital A, being the vendor for the Proposed Acquisitions;

- (d) AAB, a Major Shareholder of our Company, is deemed interested in the Proposed Acquisitions by virtue of it being a wholly-owned subsidiary of Capital A, being the vendor for the Proposed Acquisitions. For the avoidance of doubt, AAB is the target company under the Proposed AAB Acquisition. Prior to the completion of the Proposed AAB Acquisition, AAB will sell and transfer its entire shareholding in AirAsia X to Capital A;
- (e) Capital A, a Major Shareholder of AirAsia X, is deemed interested in the Proposed Acquisitions by virtue of it being the vendor for the Proposed Acquisitions; and
- (f) Tune Group Sdn Bhd (“Tune Group”), a Major Shareholder of AirAsia X, is deemed interested in the Proposed Acquisitions by virtue of it being a person connected with Tan Sri Tony Fernandes and Datuk Kamarudin who hold more than 20% equity interest in Tune Group Sdn Bhd.

ADDITIONAL COMPLIANCE INFORMATION

In view that the gross proceeds to be raised from the Proposed Private Placement are mainly intended to be used as additional funds for the aviation businesses of the New Aviation Group, as well as the conditionality of the Proposals, the abovementioned persons are also deemed interested in the Proposed Private Placement.

The shareholders of AirAsia X had at the Extraordinary General Meeting held on 16 October 2024 (“EGM”) approved the Proposals and Proposed Granting of Subscription Options.

All interested Directors and interested Major Shareholders and persons connected to them had abstained themselves from all deliberations and voting on the Proposed Acquisitions and Proposed Private Placement, at both Board of Directors’ Meetings and EGM.

3. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees of the Company and its Group for FYE 2024 as below are also disclosed in Note 9 to the Financial Statements on page 47 of this Annual Report:

Audit Fees	Group RM'000	Company RM'000
Audit fees paid to the External Auditors for the FYE 2024	747	700
Non-Audit Fees	Group RM'000	Company RM'000
Non-audit fees paid to the External Auditors for the FYE 2024 in connection with advisory related work	0	0

ADDITIONAL COMPLIANCE INFORMATION

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Seventeenth Annual General Meeting (“AGM”) held on 6 June 2024, the Company had obtained a shareholders’ mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature (“RRPT”).

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR of Bursa Securities, details of the RRPT entered into during the FYE 2024 are as follows:

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
Expenses				
1.	Capital A	Provision of the following shared services by AAB, AirAsia SEA, AAAGL, Airasia Aviation Management Services and AirAsia SEA TH/IHQ to AirAsia X: <ul style="list-style-type: none"> (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; (d) Refunds; (e) Customer Support; (f) Facilities; (g) Procurement; (h) Network management center, safety, operational quality assurance and ground operations; (i) Airline strategy, fleet, network, scheduling and regulatory affairs; (j) Airport partnerships and incentives; (k) Information security; and (l) Supply chain 	Interested Directors Datuk Kamarudin Dato’ Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM 5,751,241

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
2.	Rokki Sdn. Bhd. ("Rokki")	Supply of in-flight entertainment system, hardware, software, content and updates by Rokki.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
3.	BIGLIFE Sdn. Bhd. ("BIGLIFE")	Purchase of loyalty points from BIGLIFE, which operates and manages a loyalty program branded as the BIG Loyalty Program.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 2,379,969
4.	Tune Insurance Malaysia Berhad ("Tune Insurance")	Payment to Tune Insurance of insurance premiums collected on its behalf pursuant to our Company's role as a corporate agent of Tune Insurance for the provision of AirAsia Insure, a travel protection plan which provides coverage for losses arising from, amongst others, personal accident, medical and evacuation, emergency medical evacuation and mortal remains repatriation, travel inconvenience such as flight cancellation or loss or damage to baggage and personal effects, flight delay and on-time guarantee.	<p>Interested Directors</p> <p>Datuk Kamarudin</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 9,334,910

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
5.	Ormond Group (“Ormond”)	Provision of food catering and hospitality services to AirAsia X.	<p>Interested Directors</p> <p>Datuk Kamarudin</p> <p>Interested Major Shareholders</p> <p>Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 989,000
6.	Ground Team Red Sdn. Bhd. (“GTR”)	Provision of ground handling services at airports to AirAsia X.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 35,982,395
7.	AirAsia (Guangzhou) Aviation Service Limited Company (“AirAsia (Guangzhou)”)	Provision of operational services by AirAsia (Guangzhou) to AirAsia X in China.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 4,861,911

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
8.	Move Travel Sdn. Bhd. (fka AirAsia Com Travel Sdn. Bhd.) (“Move Travel”)	Appointment of Move Travel as preferred agent for flight and ancillary on airasia.com website and applications, where Move will provide platform development, technology maintenance, branding, digital marketing on flights promotion through online platform, and providing revenue and sales relevant reports and dashboard to AirAsia X.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 36,528,625
9.	AirAsia Digital Engineering Sdn. Bhd. (“ADE”)	Provision of resources to ensure the smooth operations of aircraft maintenance which include manpower, tooling and store.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 25,562,628
10.	Santan Food Services Sdn. Bhd. (fka Santan Restaurant Sdn. Bhd.) (“Santan”)	Provision on inflight food, beverage, merchandise and duty free products and services to AirAsia X flights.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 25,520,089

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
11	Ikhlas Com Travel Sdn. Bhd. (“Ikhlas”)	Provision of sales and distribution services for seats sold in Saudi Arabia routes from Ikhlas to AirAsia X	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 2,943,983
12	Move Travel	Media service and advertising consultant for AirAsia X Berhad for inflight catalogue ads and ambient ads from Move Travel to AirAsia X	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
13	Brand AA Sdn. Bhd. (“Brand AA”)	Rights granted by AAB to our Company to operate air services under the “AIRASIA” trade name and livery in respect of mid-haul air services.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato’ Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 9,127,613

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
14.	BigPay Malaysia Sdn. Bhd. ("BigPay")	BigPay will act as an acquirer for all. BigPay credit card transactions of AirAsia X and responsible for including but not limited to, acquiring, servicing, billing to, collecting from, setting the payment gateway rates and authorising of BigPay Card transactions made via BigPay card.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 59,191
15	Asia Aviation Capital Limited ("AACL")	Provision of aircraft leasing services to AirAsia X.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 38,268,636
Revenue				
1.	Tune Insurance	Receipt of commission income of 25% on all insurance premiums received by Tune Insurance pursuant to our Company's role as a corporate agent of Tune Insurance for the provision of AirAsia Insure, a travel protection plan which provides coverage for losses arising from, amongst others, personal accident, medical and evacuation, emergency medical evacuation and mortal remains repatriation, travel inconvenience such as flight cancellation or loss or damage to baggage and personal effects, flight delay and on-time guarantee.	<p>Interested Directors</p> <p>Tan Sri Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 2,331,610

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
2.	Philippines AirAsia, Inc. ("PAA")	Provision of the following commercial services by AirAsia X to PAA, including but not limited to: <ol style="list-style-type: none"> 1. Airport management and group handling; and 2. Government and regulatory liaison 	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM 474,874
3.	Thai AirAsia Company Limited ("TAA")	Provision of the following commercial services by AirAsia X to TAA, including but not limited to: <ol style="list-style-type: none"> 1. Airport management and group handling; and 2. Government and regulatory liaison 	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM658,436
4.	PT Indonesia AirAsia ("IAA")	Provision of the following commercial services by AirAsia X and AirAsia X Service Pty. Ltd. (Company No. 141 326 463) to IAA, including but not limited to: <ol style="list-style-type: none"> 1. Airport management and group handling; and 2. Government and regulatory liaison 	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM 1,799,249

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
5.	BIGLIFE	Revenue from ticket sales and/or other ancillary sales arising from redemption of loyalty points from BIGLIFE which operates and manages a loyalty program branded as the BIG Loyalty Program.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 2,181,119
6.	Teleport Everywhere Pte Ltd. ("Teleport Everywhere")	Novation of the Master General Cargo Sales Agent cum Management Services Agreement entered into between AirAsia X and Teleport Commerce Malaysia Sdn Bhd ("Teleport Malaysia") on 27 Jun 2018, for Teleport Malaysia to purchase cargo transportation capacity on routes operated by AirAsia X, to Teleport Everywhere.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 210,795,349
7.	Ikhlas	Engagement with IKHLAS as a travel agent for sale of routes that AirAsia X is operating, except for Jeddah and Madinah.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM 103,287

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2024 to 31 December 2024
8.	AAB	In order to improve efficiency of the parties, wet lease arrangements are to utilise the excess aircraft of AirAsia X for AAB to operate those high demand routes by using A330s with a seat capacity of 377, with the same flight frequency.	<p>Interested Directors</p> <p>Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders</p> <p>AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

The shareholdings of the interested Directors and interested Major Shareholders in our Company as at 31 December 2024 are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Datuk Kamarudin	37,070,993	8.29	131,033,136 ⁽¹⁾	29.31
Dato' Fam	-	-	-	-
<u>Interested Major Shareholders</u>				
AAB	57,072,850	12.77	-	-
Tune Group	73,960,286	16.54	-	-
Tan Sri Tony Fernandes	11,158,722	2.50	131,033,136 ⁽¹⁾	29.31
Datuk Kamarudin	37,070,993	8.29	131,033,136 ⁽¹⁾	29.31

Notes:

⁽¹⁾ Deemed interested via his interests in AAB and Tune Group, being the Major Shareholders of our Company pursuant to Section 8 of the Companies Act 2016.

Please refer to the notes of Section 2.3 of the Circulars to Shareholders dated 30 April 2024 on the directorships and shareholdings of the interested Directors and interested Major Shareholders in the transacting parties as stated above.

ANALYSIS OF SHAREHOLDINGS

AS AT 15 APRIL 2025

DISTRIBUTION OF SHAREHOLDINGS

Total Number of Issued Shares : 447,072,803
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per Ordinary Share

Size of Shareholdings	Shareholders		Shareholding	
	No. of Holders	%	No. of Shares Held	%
Less than 100	4,250	11.959	134,281	0.030
100 to 1,000	16,112	45.337	7,910,637	1.769
1001 to 10,000	12,180	34.273	45,324,103	10.138
10,001 to 100,000	2,678	7.536	76,500,343	17.111
100,001 to less than 5% of issued shares	316	0.889	207,980,278	46.520
5% and above of issued shares	2	0.006	109,223,161	24.431
TOTAL	35,538	100.00	447,072,803	100.00

SUBSTANTIAL SHAREHOLDERS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tune Group Sdn. Bhd.	73,960,286	16.543	-	-
AirAsia Berhad	57,072,850	12.766	-	-
Datuk Kamarudin bin Meranun	38,170,993	8.538	131,033,136 ⁽¹⁾	29.309
Tan Sri Anthony Francis Fernandes	11,158,722	2.496	131,033,136 ⁽¹⁾	29.309

Note:

⁽¹⁾ Deemed interested by virtue of his interests in AirAsia Berhad and Tune Group Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

(AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Fam Lee Ee	-	-	-	-
Datuk Kamarudin bin Meranun	38,170,993	8.538	131,033,136 ⁽¹⁾	29.309
Tan Sri Asmat bin Kamaludin	-	-	12,000 ⁽²⁾	0.003
Ms Chin Min Ming	-	-	-	-
Dato' Abdul Mutalib bin Alias	-	-	-	-
Dato' Sri Mohammed Shazalli bin Ramly	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in AirAsia Berhad and Tune Group Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ Deemed interest by virtue of Section 59(1)(c) of the Companies Act, 2016 held through his spouse and child.

TOP 30 SECURITIES ACCOUNT HOLDERS

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

No	Name of Shareholders	No. of shares	Percentage %
1	AirAsia Berhad	57,072,850	12.765
2	RHB Capital Nominees (Tempatan) Sdn. Bhd. RHB Islamic Bank Berhad Pledged Securities Account for Tune Group Sdn. Bhd.	52,150,311	11.664
3	Kamarudin bin Meranun	19,143,098	4.281
4	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - UBS AG, Singapore Branch for Kamarudin bin Meranun	19,027,895	4.256
5	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (7006233)	16,809,975	3.760
6	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Anthony Francis Fernandes (7006493)	11,130,372	2.489
7	Santraprise Sdn. Bhd.	8,922,133	1.995
8	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (7006821)	5,000,000	1.118
9	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (UOB AMM6939-406)	4,365,000	0.976
10	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN For Citibank New York (Norges Bank 14)	4,023,700	0.900
11	Maybank Nominees (Tempatan) Sdn. Bhd. MTrustee Berhad for Ethereal-Alpha EQ Fund (445329)	3,267,700	0.730
12	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (UOB AM SEC EQ)	3,165,000	0.707
13	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Areca Equitytrust Fund (211882)	3,000,000	0.671
14	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for USB AG Singapore (Foreign)	2,950,000	0.659
15	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad for Malaysian Timber Council (OF-EQ)	2,770,500	0.619

TOP 30 SECURITIES ACCOUNT HOLDERS

AS AT 15 APRIL 2025

No	Name of Shareholders	No. of shares	Percentage %
16	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG	2,445,534	0.547
17	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN For Bank Julius Baer & Co. Ltd. (Singapore Bch)	2,387,027	0.533
18	CIMB Group Nominees (Tempatan) Sdn. Bhd. AHAM Asset Mgt Bhd for Tokio Marine Life Insurance Malaysia Bhd (Tomarhct)	2,326,000	0.520
19	Universal Trustee (Malaysia) Berhad TA Dana Fokus	2,285,600	0.511
20	Citigroup Nominees (Tempatan) Sdn. Bhd. Generali Life Insurance Malaysia Berhad for Active Balanced Fund	2,149,000	0.480
21	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chiew Chieng Siew (MK0111)	2,095,200	0.468
22	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Tan Kiang Ann (7004213)	2,066,200	0.462
23	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Theresa Lee Sook Fun (E-TSA)	1,823,000	0.407
24	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt AN For Astute Fund Management Berhad (EPF SHA Nvgtor)	1,664,100	0.372
25	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Astute Dana Al-Sofi-I (ADAS-I) (410325)	1,509,000	0.337
26	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Astute Dana Al-Faiz-I (ADAF-I) (410324)	1,352,000	0.302
27	Maybank Nominees (Tempatan) Sdn. Bhd. MTrustee Berhad for Ethereal Capital Sdn. Bhd. (Growth Fund) (445788)	1,256,300	0.281
28	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Mybk AmSc E)	1,250,000	0.279
29	Maybank Nominees (Tempatan) Sdn. Bhd. National Trust Fund ESG (IFM UOBAM) (447644)	1,180,000	0.263
30	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tay Moy Koh (MY3164)	1,159,400	0.259
Total		239,746,895	53.625

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth (“18th”) Annual General Meeting (“AGM”) of AirAsia X Berhad [Registration No. 200601014410 (734161-K)] (the “Company”) will be held at the Mövenpick Hotel & Convention Centre KLIA, Kompleks TH Sepang, Jalan Masjid KLIA, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 18 June 2025 at 10.30 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A.

2. To approve the directors’ fees, allowances and benefits payable to Non-Executive Directors of the Company as set out in the explanatory note for the period from 19 June 2025 until the next AGM of the Company to be held in the year 2026.

(Ordinary Resolution 1)

Please refer to Explanatory Note B.

3. To re-elect the following Directors of the Company who retire by rotation pursuant to Rule 119 of the Company’s Constitution and who being eligible had offered themselves for re-election:-

- (a) Dato’ Fam Lee Ee; and
- (b) Datuk Kamarudin bin Meranun.

**(Ordinary Resolution 2)
(Ordinary Resolution 3)**

Please refer to Explanatory Note C.

4. To note the voluntary retirement of Tan Sri Asmat bin Kamaludin as a Director of the Company with effect from the conclusion of the 18th AGM of the Company.

Please refer to Explanatory Note D.

5. To appoint BDO PLT, as Auditors of the Company in place of the retiring Auditors, Ernst & Young PLT, and to hold office until the conclusion of the next AGM of the Company to be held in the year 2026 at a remuneration to be determined by the Directors.

(Ordinary Resolution 4)

Please refer to Explanatory Note E.

NOTICE OF 18TH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (“ACT”) AND WAIVER OF PRE-EMPTIVE RIGHTS

“**THAT** pursuant to Sections 75 and 76 of the Act and subject always to the approval of all the relevant governmental and/or regulatory authorities, the Board of Directors of the Company be and is hereby authorised to allot and issue from time to time such number of shares of the Company at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being (“**Mandate**”).

(Ordinary Resolution 5)

THAT pursuant to Section 85 of the Act read together with Rule 16 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of such new shares pursuant to the Mandate.

THAT the Board of Directors of the Company be exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate.

AND THAT the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company after the approval was given or at the expiry of the period within which the next AGM is required by law to be held after the approval was given or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting of the Company, whichever is the earliest”.

Please refer to Explanatory Note F.

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED MANDATE”)

“**THAT** pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“**Group**”) to enter into the RRPTs of a

(Ordinary Resolution 6)

NOTICE OF 18TH ANNUAL GENERAL MEETING

revenue or trading nature with the related parties as set out in the circular to shareholders of the Company dated **30 April 2025 (“Circular”)**, which are necessary for the Group’s day-to-day operations in the ordinary course of business, made on an arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;

THAT such authority shall:

- (a) commence immediately upon the passing of this resolution in relation to the RRPTs set out in Sections 2.3A and 2.3C of the Circular;
- (b) commence immediately upon the completion of the Proposed Acquisitions, as defined and detailed in the Circular, in relation to the RRPTs set out in Section 2.3B of the Circular,

and shall continue to be in force until:

- (i) the conclusion of the next annual general meeting (**“AGM”**) of the Company following the Eighteenth AGM at which this ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (**“Act”**) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever is the earliest;

THAT the Directors be and are hereby authorised to do all such acts and things and take all such steps and to execute all such transactions, deeds, agreements, arrangements, undertakings and any relevant documents as the Directors in their discretion deem fit, necessary, expedient and/or appropriate in the interest of the Company in order to implement, finalise and give full effect to the Proposed Mandate and such transactions as authorised by this ordinary resolution with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities.

NOTICE OF 18TH ANNUAL GENERAL MEETING

AND THAT the estimates given for the RRPTs specified in Sections 2.3A, 2.3B and 2.3C of the Circular being provisional in nature, the Directors of the Company and/or any one (1) of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.6 of the Circular.”

Please refer to Explanatory Note G.

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 18th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Rule 72 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as of 11 June 2025 to determine the members who shall be entitled to attend the 18th AGM or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

CYNTHIA GLORIA LOUIS

MAICSA 7008306

(SSM PC No. 201908003061)

Company Secretary
Selangor Darul Ehsan
30 April 2025

SUBMISSION OF QUESTIONS BEFORE AND DURING THE MEETING

1. A member may submit questions in relation to the agenda items for the 18th AGM prior to the meeting via TIIH Online at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit them electronically not later than **10.30 a.m. on Monday, 16 June 2025**. The responses to these questions will be shared at the 18th AGM.
2. During the 18th AGM, members who are physically present at the venue of the AGM will be able to ask questions in person. The Board and senior management will be in attendance at the AGM venue to provide responses accordingly.

NOTICE OF 18TH ANNUAL GENERAL MEETING

APPOINTMENT OF PROXY

1. A member must be registered in the Record of Depositors at 5.00 p.m. on 11 June 2025 (**“General Meeting Record of Depositors”**) in order to attend and vote at the 18th AGM. A depositor shall not be regarded as a member entitled to attend the 18th AGM and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors. Any changes in the entries on the Record of Depositors after the abovementioned date and time shall be disregarded in determining the rights of any person to attend and vote at the 18th AGM.
2. Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company’s Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the General Meeting Record of Depositors to be used for the forthcoming 18th AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the 18th AGM.
3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies (or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Companies Act, 2016) to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy(ies).
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**“omnibus account”**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. As approved by the Board of Directors with reference to Rule 95 of the Company’s Constitution, the Form of Proxy shall be deposited or submitted to the Company in the following manner not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. **Faxed copies of the duly executed Form of Proxy are not acceptable.**
 - (ii) By electronic means
The Form of Proxy can be lodged electronically via **TIIH Online** at <https://tiih.online>. Kindly refer to the Administrative Details for the procedures on electronic lodgement of the Form of Proxy via TIIH Online.
7. Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
8. Last date and time for lodging the Form of Proxy, whether in hard copy form or by electronic means, is **Monday, 16 June 2025 at 10.30 a.m.**
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF 18TH ANNUAL GENERAL MEETING

10. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 18th AGM will be put to vote by way of poll.

EXPLANATORY NOTES:

A. Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon

This Agenda item is meant for discussion only in accordance with Section 340(1) of the Companies Act 2016 (**“the Act”**). The audited financial statements do not require the formal approval of shareholders and therefore, the matter will not be put forward for voting.

B. Non-Executive Directors’ remuneration and benefits (Ordinary Resolution 1)

The Nomination and Remuneration Committee (**“NRC”**) recommended and the Board of Directors (**“Board”**) affirmed for an increase in the Non-Executive Directors’ Remuneration, as follows:-

- (i) The Non-Executive Chairman’s fee from RM165,000 per annum to RM300,000 per annum;
- (ii) The basic Board fee per Non-Executive Director from RM65,000 per annum to RM218,000 per annum;
- (iii) The Audit Committee (**“AC”**) Chairman fee from RM40,000 per annum to RM83,000 per annum;
- (iv) The AC Member fee per Non-Executive Director from RM30,000 per annum to RM57,000 per annum;
- (v) The NRC, Safety Review Board (**“SRB”**) and Risk Management Committee (**“RMC”**) Chairman fees from RM30,000 per annum to RM42,000 per annum respectively;
- (vi) The NRC, SRB and RMC Member fees per Non-Executive Director from RM20,000 per annum to RM27,000 per annum and
- (vii) The meeting allowance from RM1,000 to RM2,000 per attendance by each Non-Executive Director at each Board and/or Committee meeting,

for the period from 19 June 2025 until the next Annual General Meeting (**“AGM”**) of the Company to be held in the year 2026. The remuneration and benefits structure for the Non-Executive Directors proposed for shareholders’ approval at the Eighteenth AGM (**“18th AGM”**) of the Company is as follows:-

Non-Executive Directors’ Fees (per annum)	Non-Executive Chairman (RM)	Non-Executive Deputy Chairman (RM)	Per Non- Executive Director/Per Committee Member (RM)
Board	300,000	115,000	218,000
AC	83,000	-	57,000
NRC	42,000	-	27,000
SRB	42,000	-	27,000
RMC	42,000	-	27,000

NOTICE OF 18TH ANNUAL GENERAL MEETING

Non-Executive Directors' Benefits (per attendance by each Non-Executive Director at each Board and/or Committee meeting)		
	Board (RM)	Committees (RM)
Meeting allowance	2,000	2,000
Other Non-Executive Directors' Benefits		
Insurance premiums on medical coverage, and other claimable expenses incurred in the course of carrying out their duties.	Up to a total amount of RM100,000 for all Non-Executive Directors.	

The shareholders' approval being sought under **Ordinary Resolution 1** is for the payment of the remuneration to the Non-Executive Directors of the Company for the period commencing 19 June 2025 until the next AGM of the Company to be held in the year 2026 in accordance with the remuneration structure as set out above, and to authorise the Directors to disburse the fees and meeting allowances on a monthly basis and/or as and when required.

C. Re-election of Directors (Ordinary Resolutions 2 and 3)

In accordance with Rule 119 of the Company's Constitution, Dato' Fam Lee Ee and Datuk Kamarudin bin Meranun ("**retiring directors**") are due to retire by rotation, and being eligible, had offered themselves for re-election at the 18th AGM.

For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the 18th AGM and in accordance with Practice 6.1 of the Malaysian Code on Corporate Governance 2021 ("**MCCG**"), the Board, through its NRC, had conducted an assessment of the Directors of the Company based on (i) performance and level of contribution to Board deliberation through their skills and experience; and (ii) level of objectivity, impartiality and their abilities to act in the best interest of the Company. The Board had endorsed the NRC's recommendation that the retiring directors are eligible to stand for re-election based on the satisfactory findings of the last Board performance evaluation.

Pursuant to Practice 5.7 of the MCCG, the profile of the Directors seeking re-election are set out in the Company's Annual Report 2024 and on its corporate website at <https://www.airasiac.com/>

D. Voluntary Retirement of Director

Tan Sri Asmat bin Kamarudin ("**Tan Sri Asmat**") has served the Board of AAX for over twelve (12) years. As part of the Board's renewal process and after considering his personal plans, Tan Sri Asmat decided to voluntarily retire with effect from the conclusion of the 18th AGM. The Board places on record its appreciation for Tan Sri Asmat's valuable contributions during his tenure.

E. To appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration (Ordinary Resolution 4)

The Company received a Notice of Nomination from Datuk Kamarudin bin Meranun, a substantial shareholder of the Company, for the appointment of BDO PLT ("**BDO**") as Auditors of the Company in place of Ernst & Young PLT who will be retiring as Auditors at the forthcoming 18th AGM of the Company.

The Board reviewed the recommendation of the AC and recommended the appointment of BDO as Auditors of the Company to be tabled for approval at the forthcoming 18th AGM of the Company.

BDO's appointment is subject to their consent to act as Auditors of the Company and the approval of shareholders at the 18th AGM. A copy of the Notice of Nomination from Datuk Kamarudin bin Meranun marked as "Appendix A" is attached in the Company's Annual Report 2024.

F. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act and Waiver of Pre-Emptive Rights (Ordinary Resolution 5)

The Company had at its Seventeenth AGM held on 6 June 2024, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may, in

NOTICE OF 18TH ANNUAL GENERAL MEETING

their absolute discretion, deem fit provided that the aggregate number of shares issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time (“**10% General Mandate**”). The 10% General Mandate would expire at the conclusion of the forthcoming 18th AGM. As at the date of this notice, the Company has not issued any new shares under the 10% General Mandate which will lapse at the conclusion of the upcoming 18th AGM.

The proposed **Ordinary Resolution 5** has been proposed for the purpose of renewing the general mandate for allotment and issuance of shares by the Company pursuant to Sections 75 and 76 of the Act read together with Section 85 of the Act and Rule 16 of the Company’s Constitution.

The proposed **Ordinary Resolution 5**, if passed, will empower the Directors of the Company authority to allot and issue ordinary shares in the Company at their discretion without having to first convene another general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company at any point of time (“**Renewed General Mandate**”). This Renewed General Mandate, if granted at the 18th AGM, unless revoked or varied by the Company in a general meeting, would expire upon the conclusion of the next AGM to be held in the year 2026 after the approval was given or at the expiry of the period within which the next AGM is required by law to be held after the approval was given, whichever is earlier.

The Renewed General Mandate, if granted, will provide the flexibility to the Company for any future fund raising activities, including but not limited to further placing of shares for the purposes of funding future investment project(s), repayment of bank borrowing(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).

G. Proposed Renewal of Existing Shareholders’ Mandate and New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Mandate”) (Ordinary Resolution 6)

The proposed **Ordinary Resolution 6**, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party

transactions of a revenue or trading nature as set out in the Circular to Shareholders of the Company dated 30 April 2025 which are necessary for its day-to-day operations. The Proposed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company to be held in the year 2026, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier. Please refer to the Circular to Shareholders dated 30 April 2025 for further information.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Eighteenth Annual General Meeting (“**18th AGM**”) and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees and undertakes that the member shall indemnify the Company and/or to keep the Company fully indemnified and save the Company harmless against all and/or any actions, demands, claims, losses, costs, proceedings and damages (including all legal fees and costs) which the Company may suffer or incur in any manner howsoever arising from or as a result of the member’s breach of the aforementioned warranty.

Appendix A**DATUK KAMARUDIN BIN MERANUN**

27, Jalan Setiabakti 6
Bukit Damansara
50490 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Date: 20 March 2025

The Board of Directors
AIRASIA X BERHAD
RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur
64000 KLIA, Selangor

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

I, being a shareholder of AirAsia X Berhad, hereby give notice pursuant to Section 271(4) of the Companies Act 2016 of my nomination of Messrs. BDO PLT as auditors of the Company in place of the retiring auditors, Messrs. Ernst & Young PLT and propose that the following resolution be tabled at the forthcoming Annual General Meeting:-

“**THAT**, Messrs. BDO PLT be and are hereby appointed as auditors of the Company in place of the retiring auditors, Messrs Ernst & Young PLT, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration.”

Yours faithfully,



DATUK KAMARUDIN BIN MERANUN

STATEMENT ACCOMPANYING NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”)

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. No individual is seeking election as a Director of the Company (excluding the Directors who are standing for re-election under Ordinary Resolutions 2 and 3) at the 18th AGM.
2. Details of the general mandate to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in proposed Ordinary Resolution 5 and Explanatory Note F of the Notice of 18th AGM.

FINANCIAL STATEMENTS

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DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), the International Financial Reporting Standards ("IFRS"), and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Director ensures that the Management has:

- adopted appropriate accounting policies and applied them consistently
- made judgments and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose that financial statements position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activity of the Company is that of providing long haul air transportation services.

The principal activities of the subsidiaries, an associate and a joint venture companies are disclosed in Notes 17, 18 and 19 to the financial statements.

Financial results

	Group RM'000	Company RM'000
Profit for the financial year, representing profit attributable to owners of the Company	207,125	201,492

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Issue of shares and debentures

The Company did not issue any new shares and debentures during the financial year.

Share options

No option was granted by the Company to any parties to take up unissued shares of the Company during the financial year.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS' REPORT

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Kamarudin bin Meranun
 Tan Sri Asmat bin Kamaludin
 Dato' Fam Lee Ee
 Chin Min Ming
 Dato' Abdul Mutalib bin Alias
 Dato' Sri Mohammed Shazalli bin Ramly

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Benyamin bin Ismail
 Jean Marc Kin Voon Likamtin
 Deans Tommy Lo Seen Chong
 Kanoosingh Ashive

Directors' benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 36 to the financial statements.

The Directors' benefits are as follows:

	Group and Company RM'000
2024	
Fees	741
Emoluments and other allowances	104
	<hr/> 845 <hr/>

DIRECTORS' REPORT

Indemnity and insurance for Directors and officers

The Directors and officers of the Company and its subsidiaries are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of RM10 million against any legal liability, if incurred by the Directors and officers of the Company and its subsidiaries in the discharge of their duties while holding office for the Company and its subsidiaries. The insurance premium paid by the Company was RM288,436.

Directors' interests

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company or its related corporations during and at the end of the financial year are as follows:

	Number of ordinary shares			31.12.2024
	1.1.2024	Share consolidation	Disposed	
The Company				
Datuk Kamarudin bin Meranun				
Direct interest	37,070,993	-	-	37,070,993
Indirect interest *	131,033,136	-	-	131,033,136
Tan Sri Asmat bin Kamaludin				
Indirect interest **	12,000	-	-	12,000

* Deemed interest by virtue of their shareholding interests in AirAsia Berhad and Tune Group Sdn Bhd pursuant to Section 8A of the Companies Act 2016.

** Pursuant to Section 59(11)(c) of the Companies Act 2016, the interests of spouse and children of Tan Sri Asmat bin Kamaludin in the shares of the Company shall also be treated as the interest of Tan Sri Asmat bin Kamaludin.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in these financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Auditors

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Total statutory audit fees	747	700

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been paid to indemnify Ernst & Young PLT during the financial year and since the end of the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 April 2025.

Dato' Fam Lee Ee

Director

Kuala Lumpur, Malaysia

Dato' Abdul Mutalib bin Alias

Director

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	3,261,520	2,527,096	3,260,293	2,526,653
Operating expenses					
- Staff costs	5	(277,197)	(204,071)	(272,242)	(200,121)
- Depreciation	6	(206,070)	(184,395)	(206,070)	(184,395)
- Aircraft fuel expenses	7(a)	(1,512,315)	(1,256,429)	(1,512,315)	(1,256,429)
- Maintenance and overhaul	7(b)	(537,284)	(351,045)	(537,284)	(351,045)
- User charges	7(c)	(324,841)	(247,619)	(324,841)	(247,619)
- Aircraft operating lease expenses		(28,100)	(72,158)	(28,100)	(72,461)
- Other operating expenses	9	(149,861)	(195,249)	(159,222)	(181,381)
- Reversal of additional loss in the investment in IAAX		-	223,245	-	223,245
Other income	10	82,087	239,592	82,087	224,087
Operating income		307,939	478,967	302,306	480,534
Finance income	11(a)	2,084	2,702	2,084	2,702
Finance costs	11(b)	(105,289)	(112,601)	(105,289)	(112,601)
Net operating income		204,734	369,068	199,101	370,635
Net foreign exchange gain/(loss)	11(c)	29,781	(25,295)	29,781	(25,295)
Share of results of an associate	18	-	-	-	-
Share of results of a joint venture	19	-	-	-	-
Profit before taxation		234,515	343,773	228,882	345,340
Taxation					
- Current taxation income/(expense)	12	144	(1,936)	144	(1,936)
- Deferred taxation	12	(27,534)	(10,332)	(27,534)	(10,332)
		(27,390)	(12,268)	(27,390)	(12,268)
Profit for the financial year		207,125	331,505	201,492	333,072
Earnings per share (sen)					
- Basic	13	46.3	74.2		
- Diluted	13	46.3	74.2		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year	207,125	331,505	201,492	333,072
<u>Other comprehensive income/(loss)</u>				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation differences	5,545	(5,596)	-	-
Other comprehensive income/(loss) for the financial year, net of tax	5,545	(5,596)	-	-
Total comprehensive income for the financial year	212,670	325,909	201,492	333,072

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Group			
Assets			
Non-current assets			
Property, plant and equipment	14	45,324	35,295
Right-of-use assets	15	1,184,206	1,306,448
Deferred tax assets	16	574,374	601,908
Investment in an associate	18	-	-
Investment in a joint venture	19	-	-
Amount due from an associate	22	26,208	32,641
Trade and other receivables	21	736,780	436,266
Amount due from related parties	24	-	21,935
		2,566,892	2,434,493
Current assets			
Inventories	20	8,693	6,968
Trade and other receivables	21	185,802	224,610
Amount due from related parties	24	421,606	413,615
Tax recoverable		940	198
Deposits, cash and bank balances	28	174,771	57,689
		791,812	703,080
Total assets		3,358,704	3,137,573

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONT'D.)

	Note	2024 RM'000	2023 RM'000
Group (Cont'd.)			
Equity and liabilities			
Current liabilities			
Sales in advance	33	543,751	612,296
Trade and other payables	29	333,441	360,232
Amount due to an associate	25	19,128	4,603
Amount due to related parties	27	115,371	41,401
Lease liabilities	30	191,248	152,392
Provision for aircraft maintenance	32	103,497	57,747
Other provisions	31	10,000	13,000
		1,316,436	1,241,671
Net current liabilities		(524,624)	(538,591)
Non-current liabilities			
Sales in advance	33	39,253	55,320
Trade and other payables	29	2,632	-
Lease liabilities	30	1,222,711	1,359,633
Provision for aircraft maintenance	32	434,827	331,774
Other provisions	31	14,000	33,000
		1,713,423	1,779,727
Total liabilities		3,029,859	3,021,398
Net assets		328,845	116,175
Equity attributable to equity holders of the Company			
Share capital	34	51,029	51,029
Currency translation reserve		(37)	(5,582)
Retained earnings		277,853	70,728
Total equity		328,845	116,175

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONT'D.)

	Note	2024 RM'000	2023 RM'000
Company			
Assets			
Non-current liabilities			
Property, plant and equipment	14	45,324	35,295
Right-of-use assets	15	1,184,206	1,306,448
Deferred tax asset	16	574,374	601,908
Investments in subsidiaries	17	4	4
Investment in an associate	18	-	-
Investment in a joint venture	19	-	-
Trade and other receivables	21	736,780	436,266
Amount due from subsidiaries	23	29,146	32,261
Amount due from related parties	24	-	21,935
		2,569,834	2,434,117
Current assets			
Inventories	20	8,693	6,968
Trade and other receivables	21	184,244	222,867
Amount due from subsidiaries	23	3,021	569
Amount due from related parties	24	420,899	413,478
Tax recoverable		940	198
Deposits, cash and bank balances	28	174,359	57,113
		792,156	701,193
Total assets		3,361,990	3,135,310

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONT'D.)

	Note	2024 RM'000	2023 RM'000
Company (Cont'd.)			
Equity and liabilities			
Current liabilities			
Sales in advance	33	543,751	612,296
Trade and other payables	29	323,025	326,916
Amount due to subsidiaries	26	6,040	11,809
Amount due to an associate	25	19,128	4,603
Amount due to related parties	27	115,371	41,401
Lease liabilities	30	191,248	152,392
Provision for aircraft maintenance	32	103,497	57,747
Other provisions	31	10,000	13,000
		1,312,060	1,220,164
Net current liabilities		(519,904)	(518,971)
Non-current liabilities			
Sales in advance	33	39,253	55,320
Trade and other payables	29	2,228	-
Lease liabilities	30	1,222,711	1,359,633
Provision for aircraft maintenance	32	434,827	331,774
Other provisions	31	14,000	33,000
		1,713,019	1,779,727
Total liabilities		3,025,079	2,999,891
Net assets		336,911	135,419
Equity attributable to equity holders of the Company			
Share capital	34	51,029	51,029
Retained earnings		285,882	84,390
Total equity		336,911	135,419

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

Company	Note	<----- Attributable to equity holders of the Group -----> <----- Non-Distributable ----->			
		Number of shares '000	Share capital RM'000	Distributable retained earnings RM'000	Total equity RM'000
At 1 January 2024					
Total comprehensive income for the financial year		447,073	51,029	84,390	135,419
		-	-	201,492	201,492
At 31 December 2024		447,073	51,029	285,882	336,911
At 1 January 2023					
Total comprehensive income for the financial year		414,815	1,534	(248,682)	(247,148)
Issuance of ordinary shares	34	32,258	49,495	-	49,495
		-	-	333,072	333,072
At 31 December 2023		447,073	51,029	84,390	135,419

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before taxation		234,515	343,773	228,882	345,340
Adjustments for:					
Property, plant and equipment and right-of-use assets					
- Depreciation	6	206,070	184,395	206,070	184,395
(Reversal of)/allowance for impairment loss:					
- Trade and other receivables	9	(14,812)	16,854	(14,812)	16,854
- Amount due from an associate	9,10	2,808	(37,940)	-	-
- Amount due from subsidiaries	9,10	-	-	2,808	(38,268)
- Amount due from related parties	9	(3,284)	498	(3,284)	498
Reversal of additional loss in the investment in IAAX		-	(223,245)	-	(223,245)
Reversal of provision for profit sharing	10	(22,000)	-	(22,000)	-
Finance income	11	(2,084)	(2,702)	(2,084)	(2,702)
Finance costs	11	99,326	97,391	99,326	97,391
Loss on lease remeasurement and modification	15,30	24,226	105	24,226	105
Net gain of discounting effect on financial instruments	11	5,963	15,210	5,963	15,210
Net unrealised foreign exchange (gain)/loss	11	(17,134)	63,998	(17,134)	63,998

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (Cont'd.)					
Operating gain before working capital changes		513,594	458,337	507,961	459,576
Changes in working capital:					
Inventories		(1,725)	2,222	(1,725)	2,222
Trade and other receivables		(252,279)	(241,241)	(252,279)	(355,639)
Amounts due from/(to) subsidiaries, related parties and associate		96,059	(249,180)	91,608	(238,889)
Trade and other payables		126,402	58,942	133,026	160,048
Sales in advance		(84,612)	(75,896)	(84,612)	(75,896)
Cash flows generated from/(used in) operations		397,439	(46,816)	393,979	(48,578)
Finance costs paid		(3,903)	(1,420)	(264)	(1,420)
Interest received		2,084	2,702	2,084	2,702
Tax paid		(583)	(191)	(598)	(482)
Net cash generated from/(used in) operating activities		395,037	(45,725)	395,201	(47,778)
Cash flows from investing activities					
Additions of property, plant and equipment	14	(18,616)	(15,254)	(18,616)	(15,254)
Deposits with licensed banks with maturity period of more than 3 months	28	(12,196)	-	(12,196)	-
Net cash used in investing activities		(30,812)	(15,254)	(30,812)	(15,254)
Cash flows from financing activities					
Repayment of lease liabilities	30	(261,795)	(112,005)	(261,795)	(112,005)
Proceeds from issuance of shares		-	49,495	-	49,495
Net cash used in financing activities		(261,795)	(62,510)	(261,795)	(62,510)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net increase/(decrease) in cash and cash equivalents		102,430	(123,489)	102,594	(125,542)
Effect of movement in foreign exchange rate		2,456	4,468	2,456	6,282
Cash and cash equivalents at beginning of the financial year		57,689	176,710	57,113	176,373
Cash and cash equivalents at end of the financial year	28	162,575	57,689	162,163	57,113
Add:					
Deposits with licensed banks with maturity period of more than 3 months		12,196	-	12,196	-
Deposits, cash and bank balances at end of the financial year	28	174,771	57,689	174,359	57,113

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office and principal place of business of the Company is located at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan.

The principal activity of the Company is that of providing long haul air transportation services. The principal activities of the subsidiary companies are disclosed in Note 17.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 April 2025.

2. Summary of material accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis except otherwise disclosed in this summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgment in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgment are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.2 Changes in accounting policies

On 1 January 2024, the Group and the Company adopted the following new and amended MFRSs and IC interpretation mandatory for annual financial periods beginning on or after 1 January 2024:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Disclosure of Supplier Finance Arrangements

The adoption of the above new standards, amendments to published standards and interpretations did not have any material impact on the financial performance or position of the Group and of the Company.

2.3 Standards issued but not yet effective

The following standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) will become effective in future financial reporting periods and have not been adopted by the Group and/or the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity

Annual Improvements to MFRS Accounting Standards

Effective for annual periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Effective for a date yet to be confirmed

Amendments to MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.3 Standards issued but not yet effective (Cont'd.)

The Group and the Company are expected to apply the abovementioned amendments to MFRSs and MFRSs above beginning from the respective dates the standards become effective. The initial application of the abovementioned amendments to MFRSs and MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company, except as mentioned below:

MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 introduces key new requirements as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.

(ii) Statement of Cash Flows

The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and the optionality around classification of cash flows from dividends and interest are removed.

(iii) Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation

The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2.4 Basis of consolidation

The consolidated financial statements include the Company's and its subsidiaries' financial information as of 31 December 2024. Control over a subsidiary is established when the Group has the power to influence variable returns and direct the subsidiary's relevant activities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.4 Basis of consolidation (Cont'd.)

Typically, a majority of voting rights implies control. However, when the Group holds less than the majority, it assesses various factors to determine control. These factors include the Group's voting rights relative to others, contractual arrangements, and past voting patterns.

Control is reassessed if circumstances change. Consolidation of a subsidiary begins when control is obtained and ends when control is lost. Assets, liabilities, income, and expenses of a subsidiary are included in the consolidated financial statements from acquisition until cessation of control.

Profits, losses, and other comprehensive income ("OCI") are attributed to the parent company's equity holders and non-controlling interests, even if this results in the non-controlling interest in having a deficit balance. When necessary, adjustments are made to align the subsidiary's accounting policies with the Group's. All intra-group transactions are eliminated.

Changes in subsidiary ownership without loss of control are treated as equity transactions. When control is lost, all related assets, liabilities, and equity components are derecognised, with any remaining investment valued at fair value. If the Group loses control over a subsidiary, any remaining investment is measured at fair value. The difference between the carrying amount and fair value is recognised in profit or loss.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is the sum of the consideration paid and any non-controlling interests in the acquired entity.

Upon acquisition, the Group evaluates the financial assets and liabilities assumed to ensure proper classification and designation. Any contingent consideration is recognised at fair value at the acquisition date. If classified as equity, it's not remeasured. If classified as a financial instrument, it's measured at fair value with subsequent changes recognised in profit or loss.

Goodwill is initially measured as the excess of consideration paid over the net identifiable assets acquired and liabilities assumed. If the fair value of net assets acquired exceeds the consideration, the Group reassesses its identification of assets and liabilities. Any remaining excess is recognised as a gain in profit or loss.

Goodwill is measured at cost less any accumulated impairment losses. It's allocated to cash-generating units for impairment testing, regardless of other assets or liabilities. If the goodwill is part of a cash-generating unit being disposed of, the associated goodwill is included in the carrying amount of the disposed operation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.6 Investment in associates and joint ventures

The Group holds interests in an associate and a joint venture as disclosed in Note 18 and Note 19 respectively.

An associate is an entity over which the Group has significant influence, allowing participation in financial and operating decisions.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group uses the equity method for its investments in associates and joint ventures reports the share of profit or loss from associates separately in the profit or loss.

Investments in associates and joint ventures are initially recorded at cost. The carrying amount is adjusted for changes in the Group's share of the associate's or joint venture's net assets. Goodwill related to associates or joint ventures is included in the investment's carrying amount and are not separately tested for impairment.

In the Company's separate financial statements, investments in associates and joint ventures are stated at cost less accumulated impairment losses.

Results from associates and joint ventures are included in the Group's profit or loss and OCI. Unrealised gains and losses from transactions with associates and joint ventures are eliminated to the extent of the Group's interest. The financial statements of associates and joint ventures are aligned with the Group's reporting period and accounting policies, when necessary.

The Group assesses for impairment at each reporting date and such impairment losses are recognised in profit or loss.

If the Group loses significant influence over an associate or joint control over the joint venture, any remaining investment is measured at fair value. The difference between the carrying amount and fair value is recognised in the profit or loss.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where significant parts of an item of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts in the carrying amount of the property, plant and equipment as a replacement when it is probable that future economic benefits associated with the parts will flow to the Group and the Company and the cost of the parts can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.7 Property, plant and equipment (Cont'd.)

The useful lives for this purpose are as follows:

Aircraft service potential of engines and airframe	6 or 12 years
Aircraft spares	10 years
Aircraft fixtures and fittings	Useful life of aircraft or remaining lease term of aircraft, whichever is shorter
Motor vehicles	5 years
Office equipment, furniture and fittings	5 years

Assets not yet in operation are stated at cost and are not depreciated until the assets are ready for their intended use. Useful lives of assets are reviewed and adjusted if appropriate, at the financial position date.

Residual values, where applicable, are reviewed annually against prevailing market values at the financial position date for equivalent aged assets, and depreciation rates are adjusted accordingly on a prospective basis.

The costs of upgrades to leased assets are capitalised and amortised over the shorter of the expected useful life of the upgrades or the remaining life of the aircraft.

Pre-delivery payments on aircraft purchase are included as part of the cost of the aircraft and are depreciated from the date that the aircraft is ready for its intended use.

2.8 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses.

2.9 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether any indication exists that an asset may be impaired. If so, or when annual impairment testing is required, the Group and the Company estimate the asset's recoverable amount. Recoverable amount is the higher of its fair value less costs of disposal and its value in use ("VIU").

The Group and the Company estimate VIU using projected future cash flows to their present value using a pre-tax discount rate. In determining fair value less costs of disposal, market transactions and appropriate valuation models are used. Impairment calculations are based on the Group's and the Company's most recent budgets and forecasts, covering a period of five years. A long-term growth rate is applied to project future cash flows beyond the fifth year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.9 Impairment of non-financial assets (Cont'd.)

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset. For assets excluding goodwill, the Group and the Company assess at each reporting date whether previously recognised impairment losses no longer exist or have decreased. Reversals are recognised in the profit or loss to the extent that such reversal do not exceed the previous impairment less amortisation or depreciation of the asset had the asset was not impaired. Goodwill is tested for impairment annually and when circumstances indicate potential impairment. Impairment is determined by comparing the recoverable amount of the cash-generating unit (CGU) to which the goodwill relates with its carrying amount.

Intangible assets with indefinite useful lives are tested for impairment annually or when indications of impairment arise.

Climate risks, including physical and transition risks, are assessed for their potential impact. If significant, these risks are factored into cash-flow forecasts when assessing value-in-use amounts.

2.10 Maintenance and overhaul

(i) Owned aircraft

The accounting for the cost of major airframe and certain engine maintenance checks for own aircraft is described in the accounting policy in Note 2.7 for property, plant and equipment.

(ii) Leased aircraft

Where the Group and the Company have a commitment to maintain aircraft held under operating leases, a provision is made during the lease term for the rectification obligations contained within the lease agreements. The provisions are based on estimated future costs of major airframe, certain engine maintenance checks and one-off costs incurred at the end of the lease by making appropriate charges to the profit or loss calculated by reference to the number of flying hours, flying cycles operated during the financial period and calendar months of the components used.

2.11 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities and right-of-use ("ROU") assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.11 Leases (Cont'd.)

Group and Company as a lessee (Cont'd.)

(i) ROU assets

Upon lease commencement, the Group and the Company recognise ROU assets, initially recognising them at cost and subsequently adjusting them for accumulated depreciation and impairment losses, if any. The asset's cost includes lease liabilities, initial direct costs, and lease payments made less incentives received. Depreciation is applied on a straight-line basis over the shorter of the lease term or asset's useful life as follows:

Aircraft and engines	2 to 14 years
Office	2 to 20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The ROU assets are also subject to impairment.

(ii) Lease liabilities

Upon lease commencement, the Group and the Company recognise lease liabilities, measured at the present value of lease payments over the lease term. These payments include fixed payments, less any lease incentives received, variable payments dependent on an index or rate, amounts under residual value guarantees, and purchase option exercise prices or termination penalties.

Variable payments not tied to an index or rate are expensed when triggered.

The present value of lease payments is calculated using the incremental borrowing rate at lease commencement, if the lease's implicit interest rate is not easily determinable. Over time, lease liabilities increase for interest accrual and decrease for payments made. Additionally, they are remeasured for modifications, changes in lease terms or payments, or revised assessments of purchase options.

Lease liabilities are reported within interest-bearing loans and borrowings.

(iii) Short-term leases and leases of low-value assets

For leases with a term of 12 months or less and lacking a purchase option, the Group and the Company apply a short-term lease recognition exemption. Similarly, leases of deemed low value also qualify for exemption.

Lease payments for these short-term and low-value asset leases are expensed evenly over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.12 Inventories

Inventories comprising consumables used internally for repairs and maintenance and in-flight merchandise, are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business, less all applicable variable selling expenses. In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

2.13 Fair value measurement

The Group and the Company measure financial instruments at fair value at each reporting date. Fair value is the price at which an asset could be sold or a liability transferred in an orderly transaction between market participants at the measurement date.

Fair value is determined based on the presumption that the transaction occurs in either the principal market or, if not available, the most advantageous market accessible to the Group and the Company. The measurement considers assumptions that market participants act in their economic best interest.

When measuring fair value for non-financial assets, it accounts for their potential economic benefits in their highest and best use.

The Group uses appropriate valuation techniques, maximising observable inputs and minimising unobservable ones, with fair value measurements categorised into three levels based on the significance of inputs:

Level 1: Quoted market prices in active markets.

Level 2: Valuation techniques with observable inputs.

Level 3: Valuation techniques with unobservable inputs.

Transfers between levels are assessed at each reporting period. Classes of asset and liability are determined for fair value disclosures based on their nature, characteristics, risks, and their level within the fair value hierarchy.

2.14 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, demand deposits, bank overdrafts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.15 Provisions

Provisions are recognised when the Group has a present obligation due to a past event, and it's probable that resources will be needed to settle it, with the amount being able to be estimated reliably. If certain portion of the provision is reimbursable, it is recognised as a separate asset only when the reimbursement is virtually certain. The expense is recognised in the profit or loss net of any reimbursement.

If time value of money is significant, provisions are discounted using a current pre-tax rate reflecting specific liability risks. The increase in the provision due to time passage is recognised as a finance cost when discounting is applied.

2.16 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Income taxes

(i) Current tax

Current income tax assets and liabilities are measured based on the expected amounts to be paid to or recovered from taxation authorities. This calculation uses enacted or substantively enacted tax rates and laws applicable at the reporting date in the countries where the Group operates and generates taxable income.

For items recognised directly in equity, current income tax is recognised in equity, not in the profit or loss. Management periodically reviews tax return positions, particularly in cases where tax regulations are open to interpretation, and establishes provisions as necessary.

(ii) Deferred tax

Deferred tax is recognised using the liability method based on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except for:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.17 Income taxes (Cont'd.)

(ii) Deferred tax (Cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, subject to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date, with adjustments made based on the probability of future taxable profits.

Deferred tax assets and liabilities are measured using expected future tax rates, based on rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items outside profit or loss is recognised accordingly, either in OCI or directly in equity.

Tax benefits acquired as part of a business combination are recognised subsequently if new information about facts and circumstances changes.

The Group and the Company offset deferred tax assets and liabilities if they have a legally enforceable right to set off current tax assets and liabilities and certain other conditions are met.

2.18 Revenue recognition

(a) Revenue from contracts with customers

(i) Scheduled flights

Revenue from scheduled passenger flights is recognised upon the rendering of transportation services net of discounts. The revenue of seats sold for which services have not been rendered is included in current liabilities as sales in advance.

(ii) Charter flights

Revenue from charter flights is recognised upon the rendering of transportation services.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.18 Revenue recognition (Cont'd.)

(a) Revenue from contracts with customers (Cont'd.)

(iii) Ancillary revenue

Ancillary revenue including fuel surcharge, insurance surcharge, administrative fees, assigned seat, change fees, convenience fee, baggage fee, connecting fee, cancellation, documentation and other fees, and on-board sale of meals and merchandise are recognised upon the completion of services rendered net of discounts.

(iv) Freight services

Freight revenue is a distinct performance obligation and recognised upon the completion of services rendered net of discounts.

(v) Management fee

Management fees, incentives and commission income are recognised on an accrual basis.

2.19 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

When the Group engages in transactions denominated in foreign currencies, the initial recording is done at the spot exchange rate of the functional currency at the time of recognition.

For monetary assets and liabilities in foreign currencies, they are translated at the spot exchange rates at the reporting date. Any differences arising from settlement or translation of these monetary items are then recognised in the Group's profit or loss. However, if a monetary item is designated as part of a hedge of the Group's net investment in a foreign operation, any differences are initially recognised in OCI until the net investment is disposed of, at which point they are reclassified to profit or loss.

Additionally, for transactions involving advance consideration, the spot exchange rate used for derecognition of non-monetary assets or liabilities is determined based on the date of the initial recognition of the asset or liability. This ensures that the appropriate exchange rate is applied for accurate recording of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.19 Foreign currencies (Cont'd.)

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

2.20 Financial assets

(i) Initial recognition and measurement

Financial assets are categorised at initial recognition based on their contractual cash flow characteristics and the Group's business model for managing them. This classification determines how the assets are subsequently measured: amortised cost, fair value through OCI, or fair value through profit or loss.

Trade receivables without significant financing components or for which the Group applies a practical expedient are measured at the transaction price. For other financial assets, the initial measurement includes their fair value plus transaction costs, except for those classified at fair value through profit or loss.

To be classified and measured at amortised cost or fair value through OCI, a financial asset's cash flows must be 'solely payments of principal and interest' ("SPPI") on the outstanding principal. This is assessed at the instrument level. Assets failing the SPPI test are measured at fair value through profit or loss regardless of the business model.

The Group's business model for managing financial assets determines how it generates cash flows from those assets, whether through collecting contractual cash flows, selling assets, or both. Financial assets held to collect contractual cash flows are classified at amortised cost, while those held to collect cash flows and sell are classified at fair value through OCI.

Transactions involving financial assets requiring delivery within a specific time frame, as regulated by the market, are recognised on the trade date when the Group commits to purchase or sell the asset.

(ii) Subsequent measurement

Subsequent measurement of financial assets involves classification into four categories and their respective treatment:

Financial assets at amortised cost (debt instruments):

These assets are measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss upon derecognition, modification, or impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.20 Financial assets (Cont'd.)

(ii) Subsequent measurement (Cont'd.)

Financial assets at fair value through OCI (debt instruments):

Interest income, foreign exchange revaluation, and impairment losses or reversals are recognised in profit or loss. Remaining fair value changes are recognised in OCI, and upon derecognition, the cumulative fair value change in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Equity investments that meet the criteria and are not held for trading can be classified irrevocably as equity instruments designated at fair value through OCI. Gains and losses are not recycled to profit or loss, and dividends are recognised as other income unless they recover part of the asset's cost, in which case, gains are recorded in OCI.

These assets are not subject to impairment assessment.

Financial assets at fair value through profit or loss:

Carried at fair value with net changes recognised in profit or loss.

This category includes derivative instruments and listed equity investments not classified as fair value through OCI.

Dividends on listed equity investments are recognised as other income.

Embedded derivatives in hybrid contracts are separated and accounted for separately if certain conditions are met, with changes in fair value recognised in profit or loss.

(iii) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. In such cases, the Group and the Company evaluate whether they have transferred substantially all the risks and rewards of the asset, or if they have neither transferred nor retained substantially all the risks and rewards but have transferred control of the asset.

If the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they assess the extent to which they have retained the risks and rewards of ownership. If they haven't transferred or retained substantially all risks and rewards, nor transferred control of the asset, they continue to recognise the transferred asset to the extent of their continuing involvement. In this scenario, the Group and the Company also recognise an associated liability, and both are measured based on the rights and obligations retained.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.20 Financial assets (Cont'd.)

(iii) Derecognition (Cont'd.)

Continuing involvement, such as a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group or the Company could be required to repay.

(iv) Impairment

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. These ECLs are based on the difference between the contractual cash flows due and all the cash flows expected to be received, discounted at an approximation of the original effective interest rate. Expected cash flows include those from collateral sale or other credit enhancements integral to the contract terms.

ECLs are recognised in two stages:

- For credit exposures without a significant increase in credit risk since initial recognition, ECLs cover credit losses possible within the next 12 months.
- For exposures with a significant increase in credit risk, a loss allowance covers credit losses expected over the remaining exposure life, regardless of default timing.

For trade receivables and contract assets, a simplified approach calculates ECLs based on lifetime ECLs at each reporting date, using a provision matrix grounded in historical loss experience adjusted for forward-looking factors.

A financial asset is considered in default when payments are 90 days past due, or when information suggests full recovery is unlikely, considering any credit enhancements held. Financial assets are written off when full contractual cash flow recovery is improbable.

2.21 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are categorised at initial recognition as either financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as effective hedging instruments.

Upon initial recognition, all financial liabilities are recorded at fair value, with loans and borrowings and payables recognised net of directly attributable transaction costs.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss upon initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Summary of material accounting policies (Cont'd.)

2.21 Financial liabilities (Cont'd.)

(ii) Subsequent measurement (Cont'd.)

Financial liabilities at fair value through profit or loss (Cont'd.)

Financial liabilities held for trading include those incurred for the purpose of repurchasing in the near term, as well as derivative financial instruments not designated as hedging instruments. Embedded derivatives are also classified as held for trading unless designated as effective hedging instruments.

Gains or losses on these liabilities are recognised in the statement of profit or loss.

Financial liabilities designated at fair value through profit or loss upon initial recognition are designated at the inception date if they meet the criteria outlined in MFRS 9.

Financial liabilities at amortised cost (loans and borrowings)

Interest-bearing loans and borrowings, the most relevant category to the Group and the Company, are subsequently measured at amortised cost using the effective interest rate (EIR) method after initial recognition. Gains and losses are recognised in profit or loss upon derecognition of the liabilities, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition, as well as fees or costs integral to the effective interest rate. The amortisation of the effective interest rate is recorded as finance costs in the profit or loss.

This category primarily encompasses interest-bearing loans and borrowings.

(iii) Derecognition

A financial liability is derecognised when the obligation it represents is discharged, cancelled, or expires. Additionally, if an existing financial liability is replaced by another from the same lender with substantially different terms, or if the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. Any difference in the respective carrying amounts is recognised in the profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Chief Executive Officer ("Group CEO") that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Significant accounting estimates and judgements

3.1 Critical judgements made in applying accounting policies

There are no significant areas of critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Deferred tax assets

Deferred tax assets primarily stem from unutilised tax incentives, unabsorbed capital allowances, and tax loss carryforwards. These assets are recognised to the extent that future taxable profits are probable, which involves significant assumptions. These assumptions pertain to regulatory approvals for prospective routes, aircraft delivery, fares, load factors, fuel prices, maintenance costs, and currency movements. They are based on past performance adjusted for non-recurring circumstances and a reasonable growth rate. Management believes that these projections indicate the utilisation of temporary differences, leading to the recognition of deferred tax assets as of the reporting date. Significant changes to the estimates of base fare, load factor and foreign exchange rates will result in variation in the carrying amount of deferred tax assets recognised.

(ii) Provision for aircraft maintenance

The Group and the Company have contractual obligations to maintain leased aircraft throughout the lease period and to return them to lessors at lease-end under specific pre-agreed conditions. Management estimates and accrues costs for overhaul, restoration, and redelivery over the lease term. These estimates hinge on factors like anticipated aircraft utilisation rates, including flying hours and cycles leading up to the next overhaul, projected costs from routine and non-routine checks, and the timing of maintenance work. However, actual results may diverge considerably from these estimates due to variations in aircraft utilisation and the timing of maintenance activities.

Further details of provisions balances recognised is disclosed in Note 32.

(iii) Impairment assessment of financial assets

The Group and the Company utilise the simplified approach under MFRS 9 to gauge expected credit losses, employing a lifetime expected loss allowance for all receivables, including balances with intercompany and related parties. At each reporting date, the Group and the Company evaluate credit risk, assessing whether there have been significant increase since initial recognition. Impairment provisions for receivables are founded on assumptions regarding default risk and anticipated loss rates. In making these assumptions and selecting inputs for impairment calculations, judgment is exercised, drawing from the Group's and the Company's historical data, prevailing market conditions, and forward-looking estimates tailored to individual debtors and/or group of debtors at the close of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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3. Significant accounting estimates and judgements (Cont'd.)

3.2 Key sources of estimation uncertainty (Cont'd.)

(iv) Recoverability of amounts owing by subsidiary companies, associated company and related parties

During the current financial year, the Group and the Company conducted assessments of the credit risks associated with amounts owed by an associated company, certain subsidiary companies, and related parties. Using the ECL model, these evaluations were performed individually for each debt at each reporting date. The objective was to ascertain whether there had been any significant increase in credit risk since the initial recognition of these financial assets. This approach allows the Group and the Company to stay informed about the financial health of these entities and make informed decisions regarding the recoverability of these amounts.

The amounts owing by associated company, subsidiary companies and related parties are disclosed in Note 22, Note 23 and Note 24 respectively.

(v) Contract liability for travel voucher

The Group and the Company have committed to issue travel vouchers to compensate passengers affected by flight cancellations during the Covid-19 pandemic. These vouchers typically have an average expiry date of 5 years from the date of issuance.

Management estimated the liability required based on the historical redemption rate of the travel vouchers. Actual utilisation may still vary significantly from these estimates.

Further details of contract liability for travel voucher balances recognised is disclosed in Note 33.

(vi) Provision for profit-sharing

Under the scheme of arrangement with scheme creditors sanctioned by the High Court of Malaya on 16 March 2022 on the proposed debt restructuring, Class A and Class B scheme creditor will be entitled to an annual profit-sharing mechanism, calculated based on the pro-rating of the payout pool, which equates to 20% of the excess over RM300 million of adjusted earnings before interest, taxes, depreciation, amortisation and lease rentals ("EBITDAR") for the financial years ending 2023 to 2026 ("applicable financial year"). The profit-sharing mechanism has no prejudice to the scheme and without limiting or affecting the debt settlement and waiver, Class A and Class B creditors shall received a portion of the Company's profits subject to and based on the terms of the profit-sharing mechanism.

Management has estimated the provision of profit sharing for scheme creditor based on possible scenarios of the forecast projected EBITDAR for financial year 2025 to financial year 2026. Actual payout of the profit share will deviate if actual results deviate significantly against the forecast.

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4. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers	3,260,293	2,526,653	3,260,293	2,526,653
Management fee	1,227	443	-	-
	3,261,520	2,527,096	3,260,293	2,526,653
<u>Revenue from contracts with customers</u>				
Type of goods or services				
Scheduled flights	2,035,048	1,673,926	2,035,048	1,673,926
Charter flights	1,531	18,796	1,531	18,796
Freight services	210,795	151,673	210,795	151,673
Ancillary revenue	1,012,919	682,258	1,012,919	682,258
	3,260,293	2,526,653	3,260,293	2,526,653
Timing of revenue recognition				
At a point of time	3,260,293	2,526,653	3,260,293	2,526,653

Ancillary revenue includes baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sale of meals and merchandise.

Salient terms of revenue from contracts with customers:

- | | |
|------------------------|--|
| i) Scheduled flights | - Normally settled by cash and refunds for airport tax are claimable up to 6 months period of travel date. |
| ii) Charter flights | - Full upfront payment before the flight. |
| iii) Freight services | - Credit term of 30 days (2023: 30 days) from invoice date. |
| iv) Ancillary services | - Normally settle by cash and generally no refunds. |

Unsatisfied performance obligations represented by sales in advance is disclosed in Note 33. Contract balances, represented by trade receivables and amount due from related parties are disclosed in Note 21 and Note 24 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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5. Staff costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries, bonuses and allowances	254,816	187,499	249,861	183,549
Defined contribution retirement plan	22,381	16,572	22,381	16,572
	277,197	204,071	272,242	200,121

Included in staff costs are Directors' remunerations as disclosed in Note 8.

6. Depreciation

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment (Note 14)	8,587	21,807	8,587	21,807
Right-of-use assets (Note 15)	197,483	162,588	197,483	162,588
	206,070	184,395	206,070	184,395

7. Aircraft fuel expenses, Maintenance and overhaul and User charges

(a) Aircraft fuel expenses

Aircraft fuel expenses include the cost of fuel consumed by the aircraft during flight operations.

(b) Maintenance and overhaul

Maintenance and overhaul include routine and non-routine maintenance of the aircraft airframe, engines, landing gear, wheels and other consumable spares.

(c) User charges

User charges include airport related charges and ground operational charges.

NOTES TO THE FINANCIAL STATEMENTS

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8. Directors' remuneration

Details of remunerations paid to Directors are as follows:

	Group and Company		
	Fees RM'000	Emoluments/ Other allowances RM'000	Total RM'000
2024			
Non-Executive Directors:			
Datuk Kamarudin bin Meranun	27	-	27
Dato' Fam Lee Ee	188	15	203
Tan Sri Asmat bin Kamaludin	97	14	111
Chin Min Ming	143	25	168
Dato' Sri Mohammed Shazalli bin Ramly	142	25	167
Dato' Abdul Mutalib bin Alias	144	25	169
Total Non-Executive Directors	741	104	845

	Group and Company		
	Fees RM'000	Emoluments/ Other allowances RM'000	Total RM'000
2023			
Non-Executive Directors:			
Datuk Kamarudin bin Meranun	85	507	592
Dato' Fam Lee Ee	207	18	225
Tan Sri Asmat bin Kamaludin	172	14	186
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	204	13	217
Ahmad Al Farouk bin Ahmad Kamal	131	15	146
Chin Min Ming	116	18	134
Dato' Sri Mohammed Shazalli bin Ramly	22	2	24
Dato' Abdul Mutalib bin Alias	24	2	26
Total Non-Executive Directors	961	589	1,550

NOTES TO THE FINANCIAL STATEMENTS

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8. Directors' remuneration (Cont'd.)

Further analysis of remuneration paid to the Directors are as follows:

	Group and Company Number of Directors	
	2024	2023
Non-executive Directors:		
Less than RM100,000	1	2
RM100,001 to RM150,000	1	2
RM150,001 to RM200,000	3	1
RM200,000 to RM592,001	1	3

9. Other operating expenses

The following items have been charged/(credited) in arriving at other operating expenses:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Management fee	-	-	4,721	3,458
Rental of land and buildings (Note 15)	1,147	2,861	1,147	2,861
Auditors' remuneration				
- Statutory audit	747	817	700	680
- Non-audit fees	-	2,500	-	2,500
Rental of equipment (Note 15)	17	8	17	8
Credit card charges	20,597	28,464	20,597	28,464
In-flight meal expenses	15,845	8,282	15,845	8,282
Insurance expenses	23,756	18,457	23,756	18,457
(Reversal of)/allowance for expected credit losses on:				
- Trade and other receivables (Note 21)	(14,812)	16,854	(14,812)	16,854
- Amount due from an associate (Note 22)	2,808	-	-	-
- Amount due from subsidiaries (Note 23)	-	-	2,808	-
- Amount due from related parties (Note 24)	(3,284)	498	(3,284)	498

NOTES TO THE FINANCIAL STATEMENTS

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10. Other income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Insurance claim	8,021	-	8,021	-
Aircraft operating lease income:				
Asia Aviation Capital Limited (AACL)	5,860	-	5,860	-
Reversal of provision for profit sharing	22,000	-	22,000	-
Reversal of provision for travel voucher	41,883	185,819	41,883	185,819
Reversal of impairment loss on amount due from an associate (Note 22)	-	37,940	-	-
Reversal of impairment loss on amount due from subsidiaries (Note 23)	-	-	-	38,268
Reversal of provision for doubtful debt	-	15,833	-	-
Others	4,323	-	4,323	-
	82,087	239,592	82,087	224,087

11. Finance income/(costs) and net foreign exchange gain

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Finance income:				
Interest income from deposits with licensed bank	2,084	2,583	2,084	2,583
Other interest income	-	119	-	119
	2,084	2,702	2,084	2,702
(b) Finance costs:				
Interest expense on lease liabilities (Note 30)	(99,062)	(94,571)	(99,062)	(94,571)
Bank facilities and other charges	(264)	(2,820)	(264)	(2,820)
	(99,326)	(97,391)	(99,326)	(97,391)
Impact of discounting effect on financial instruments	(5,963)	(15,210)	(5,963)	(15,210)
	(105,289)	(112,601)	(105,289)	(112,601)
(c) Net foreign exchange gain/(loss):				
Realised	12,647	38,703	12,647	38,703
Unrealised	17,134	(63,998)	17,134	(63,998)
	29,781	(25,295)	29,781	(25,295)

NOTES TO THE FINANCIAL STATEMENTS

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12. Taxation

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current taxation:				
Malaysian income (credit)/tax	(144)	1,936	(144)	1,936
Deferred taxation:				
Relating to origination and reversal of temporary differences	27,534	10,332	27,534	10,332
Total income tax expense	27,390	12,268	27,390	12,268

The Group and the Company are subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group and of the Company are domiciled and operate.

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the period.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation	234,515	343,773	228,882	345,340
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	56,284	82,506	54,932	82,882
Expenses not deductible for tax purposes	14,450	12,070	15,802	11,694
Income not subject to tax	(12,600)	(71,076)	(12,600)	(71,076)
Utilisation of previously unrecognised temporary differences	(30,744)	(11,232)	(30,744)	(11,232)
Total tax expense	27,390	12,268	27,390	12,268

Deferred tax assets not recognised in respect of the following items:

	Group and Company	
	2024 RM'000	2023 RM'000
Other temporary differences	-	128,100
	-	128,100

Effective from the year of assessment 2019 in accordance to the Income Tax Act 1967, any unutilised tax losses of the Company as at 30 June 2021 for the year of assessment 2021 will only be made available for utilisation for ten (10) consecutive years of assessment, i.e. from the year of assessment 2021 until the year of assessment 2031. Any unutilised tax losses after year of assessment 2031 shall be disregarded. Unabsorbed capital allowances, unutilised investment tax allowances and other deductible temporary differences do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

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12. Taxation (Cont'd.)

Year of expiry of unutilised tax losses is analysed as follow:

	Group and Company	
	2024	2023
	RM'000	RM'000
Expiring in 2031	1,299,583	717,291

Estimating the future taxable profits involves significant assumptions, especially in respect of fares, load factor, fuel price, maintenance costs and currency movements. These assumptions have been built based on past performance and adjusted for non-recurring circumstances and a reasonable growth rate.

13. Earnings per share (sen)

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Earnings for the financial year (RM'000)	207,125	331,505
Weighted average number of ordinary shares in issue ('000)	447,073	447,073
Earnings per share (sen)	46.3	74.2

(b) Diluted earnings per share

The diluted earnings per share of the Group is identical to the basic earnings per share as the Group has no dilutive potential ordinary shares as at the end of the reporting date. There has been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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14. Property, plant and equipment

	Aircraft engines, airframes and service potential RM'000	Aircraft spares RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Group and Company				
2024				
Net book value				
At 1 January 2024	1,101	34,102	92	35,295
Additions	64	18,514	38	18,616
Depreciation (Note 6)	(1,048)	(7,460)	(79)	(8,587)
At 31 December 2024	117	45,156	51	45,324
2023				
Net book value				
At 1 January 2023	2,815	38,273	760	41,848
Additions	-	15,254	-	15,254
Depreciation (Note 6)	(1,714)	(19,425)	(668)	(21,807)
At 31 December 2023	1,101	34,102	92	35,295

NOTES TO THE FINANCIAL STATEMENTS

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14. Property, plant and equipment (Cont'd.)

The reconciliation of the gross carrying amount and the accumulated depreciation at the beginning and end of the reporting period is as follows:

	Aircraft engines, airframes and service potential RM'000	Aircraft spares RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Group and Company					
2024					
Cost	9,848	189,376	2,778	18,086	220,088
Accumulated depreciation	(9,731)	(144,220)	(2,778)	(18,035)	(174,764)
	117	45,156	-	51	45,324
2023					
Cost	9,784	170,862	2,778	18,185	201,609
Accumulated depreciation	(8,683)	(136,760)	(2,778)	(18,093)	(166,314)
	1,101	34,102	-	92	35,295

NOTES TO THE FINANCIAL STATEMENTS

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15. Right-of-use assets

The Group and the Company lease various aircraft and engines used in their operations. Leases of aircraft and engines generally have lease terms between 1 to 14 years. The Group's and the Company's obligations under these leasing arrangement are secured by the lessors' title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Aircraft and engines RM'000
Group and Company	
As at 1 January 2024	1,306,448
Modification	60,453
Remeasurement	14,788
Depreciation expense (Note 6)	(197,483)
As at 31 December 2024	1,184,206
As at 1 January 2023	1,044,312
Additions	414,063
Remeasurement	3,914
Depreciation expense (Note 6)	(162,588)
Discounting effect	6,747
As at 31 December 2023	1,306,448

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation on right-of-use assets (Note 6)	197,483	162,588	197,483	162,588
Rental expense (Note 9)	1,164	2,869	1,164	2,869
Total amount recognised in profit or loss	198,647	165,457	198,647	165,457

NOTES TO THE FINANCIAL STATEMENTS

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16. Deferred tax assets

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	(601,908)	(612,240)	(601,908)	(612,240)
Recognised in profit or loss (Note 12)	27,534	10,332	27,534	10,332
At 31 December	(574,374)	(601,908)	(574,374)	(601,908)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(862,556)	(915,149)	(862,556)	(915,149)
Deferred tax liabilities	288,182	313,241	288,182	313,241
	(574,374)	(601,908)	(574,374)	(601,908)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised tax losses, investment allowances and capital allowances RM'000	Sales in advance RM'000	Total RM'000
At 1 January 2024	(754,921)	(160,228)	(915,149)
Recognised in profit or loss	32,286	20,307	52,593
At 31 December 2024	(722,635)	(139,921)	(862,556)

Deferred tax liabilities of the Group:

	Others RM'000	Total RM'000
At 1 January 2024	313,241	313,241
Recognised in profit or loss	(25,059)	(25,059)
At 31 December 2024	288,182	288,182

NOTES TO THE FINANCIAL STATEMENTS

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16. Deferred tax assets (Cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Company:

	Unutilised tax losses, investment allowances and capital allowances RM'000	Sales in advance RM'000	Total RM'000
At 1 January 2024	(754,921)	(160,228)	(915,149)
Recognised in profit or loss	32,286	20,307	52,593
At 31 December 2024	(722,635)	(139,921)	(862,556)

Deferred tax liabilities of the Company:

	Others RM'000	Total RM'000
At 1 January 2024	313,241	313,241
Recognised in profit or loss	(25,059)	(25,059)
At 31 December 2024	288,182	288,182

Deferred tax assets are mainly originating from unutilised tax incentives, unabsorbed capital allowances and tax losses carry forward. As disclosed in Note 3.2 (i), deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Estimating the future taxable profits involves significant assumptions, especially in respect of regulatory approvals for prospective routes, aircraft delivery, fares, load factors, fuel price, maintenance cost and currency movements. These assumptions have been built based on past performance and adjusted for non-recurring circumstances and a reasonable growth rate. Based on these projections, management believes that these temporary differences will be utilised and has recognised the deferred tax assets as at reporting date.

17. Investments in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Unquoted investments, at cost	4	4

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17. Investments in subsidiaries (Cont'd.)

The details of the subsidiaries are as follows:

Name	Country of incorporation/ Principal place of business	Group's effective equity interest		Principal activities
		2024 %	2023 %	
AirAsia X Services Pty Ltd.*	Australia	100	100	Provision of management logistical and marketing services
AAX Mauritius One Limited*	Mauritius	100	100	Provision of aircraft leasing facilities
AAX Aviation Capital Ltd.*	Malaysia	100	100	Holding company of leasing entities
AAX Leasing One Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Two Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Five Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Eight Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Ten Ltd.*	Malaysia	100	100	Struck-off
AAX Leasing Eleven Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Twelve Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Thirteen Ltd.*	Malaysia	100	100	Struck-off
AAX Leasing Fourteen Ltd.*	Malaysia	100	100	Struck-off
AAX Leasing Fifteen Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Sixteen Ltd.*	Malaysia	100	100	Struck-off
AAX Leasing Seventeen Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Eighteen Ltd.*	Malaysia	100	100	Provision for aircraft leasing facilities
AAX Leasing Nineteen Ltd.*	Malaysia	100	100	Struck-off

* Audited by a firm other than Ernst & Young PLT.

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18. Investment in an associate

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted investments, at cost	21,122	21,122	21,122	21,122
Group's share of post-acquisition losses	(21,122)	(21,122)	-	-
Accumulated impairment loss	-	-	(21,122)	(21,122)
	-	-	-	-

Details of the associate are as follows:

Name	Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
Thai AirAsia X Co., Ltd ("TAAX")*	Thailand	49	49	Commercial air transport services

* Audited by a member of Ernst & Young Global.

TAAX is an operator of commercial air transport services which is based in Thailand. This associated company is a strategic investment of the Group and forms an essential part of the Group's growth strategy. It provides access to a wider geographical market and network coverage in the provision of air transport services across the ASEAN region. TAAX underwent a financial rehabilitation plan, which was approved by the Central Bankruptcy Court of Thailand in September 2023. Under the debt rehabilitation plan, certain debts were waived, and the gain arising from the waiver was recognised in the profit and loss for the previous financial year.

Set out below is the summarised financial information for the associate which is accounted for using the equity method:

Summarised statement of financial position

	TAAX	
	2024 RM'000	2023 RM'000
<u>Current:</u>		
Cash and cash equivalents	40,028	42,716
Other current assets	290,015	504,127
Total current assets	330,043	546,843
<u>Non-current:</u>		
Assets	1,183,255	769,028

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18. Investment in an associate (Cont'd.)

Set out below is the summarised financial information for the associate which is accounted for using the equity method (Cont'd.):

Summarised statement of financial position (Cont'd.)

	TAAX	
	2024 RM'000	2023 RM'000
<u>Current:</u>		
Financial liabilities	(1,015,654)	(805,158)
Other current liabilities	(8,859)	(240,186)
Total current liabilities	(1,024,513)	(1,045,344)
<u>Non-current:</u>		
Liabilities	(1,033,486)	(872,520)
Net liabilities	(544,701)	(601,993)

Summarised statement of comprehensive income

	TAAX	
	2024 RM'000	2023 RM'000
Revenue	1,678,873	1,487,624
Gain arising from debt rehabilitation	25,223	1,629,282
Other income	34,702	15,585
Net foreign exchange gain	33,401	13,653
Other expenses	(1,645,793)	(976,526)
Finance income	118	-
Finance cost	(68,782)	(52,134)
Profit before tax	57,742	2,117,484
Taxation	3,055	(5,960)
Profit after tax	60,797	2,111,524
Other comprehensive loss	(15,861)	-
Total comprehensive income	44,936	2,111,524

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18. Investment in an associate (Cont'd.)

Set out below is the summarised financial information for the associate which is accounted for using the equity method (Cont'd.):

Reconciliation of summarised financial information

	TAAX	
	2024 RM'000	2023 RM'000
Opening net liabilities at 1 January	(601,994)	(2,627,822)
Total comprehensive income for the financial year	44,936	2,111,524
Effect on foreign exchange translation	12,357	(85,695)
Closing net liabilities at 31 December	(544,701)	(601,993)
Cumulative unrecognised share of losses as at 1 January	(273,855)	(1,266,511)
Share of gain for the financial year	22,019	1,034,647
Effect on foreign exchange translation	6,055	(41,991)
Cumulative unrecognised share of losses as at 31 December	(245,781)	(273,855)

The Group has discontinued recognition of its share of losses of TAAX because the share of losses of TAAX has exceeded the Group's interest in TAAX. As such, during the current financial year, the Group did not recognise its share of the current financial year net profit of TAAX amounting to RM22,019,000 (2023: RM1,034,647,000) and the Group's cumulative unrecognised share of losses of TAAX amounted to RM245,781,000 (2023: RM273,855,000).

19. Investment in a joint venture

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted investments, at cost	53,888	53,888	53,888	53,888
Group's share of post-acquisition losses	(53,888)	(53,888)	-	-
Accumulated impairment loss	-	-	(53,888)	(53,888)
	-	-	-	-

The details of the joint venture are as follows:

Name	Country of incorporation	Group's effective equity interest		Principal activities
		2024 %	2023 %	
PT Indonesia AirAsia Extra ("IAAX")*	Indonesia	49	49	Dormant

* Audited by a firm other than Ernst & Young PLT.

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19. Investment in a joint venture (Cont'd.)

IAAX is a private company for which there is no quoted market price available for its shares.

The contingent liabilities relating to the Group's investment in IAAX is disclosed in Note 40.

IAAX is an operator of commercial air transport services which is based in Indonesia. This joint venture company is a strategic investment of the Company and forms an essential part of the Company's growth strategy. It provides access to a wider geographical market and network coverage in the provision of air transport services across the ASEAN region.

In 2022, impairment losses were recognised due to the continuous losses incurred by the joint venture. Additional losses were recognised during the financial period ended 31 December 2022. In the previous financial year, the Group had reversed the entire provision for the additional loss in its investment in IAAX, amounting to RM223.2 million, as detailed in Note 40, due to the matters discussed therein.

Set out below is the summarised financial information for the joint venture which is accounted for using the equity method:

Summarised statement of financial position

	IAAX	
	2024 RM'000	2023 RM'000
<u>Current:</u>		
Total current assets	133,518	133,518
<u>Non-current:</u>		
Assets	3,008	3,008
<u>Current:</u>		
Other current liabilities, representing total current liabilities	(624,733)	(624,733)
<u>Non-current:</u>		
Liabilities	7,121	7,121
Net liabilities	(481,086)	(481,086)

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19. Investment in a joint venture (Cont'd.)

Set out below is the summarised financial information for the joint venture which is accounted for using the equity method (Cont'd.):

Summarised statement of comprehensive income

	IAAX	
	2024 RM'000	2023 RM'000
Cost of sales	-	-
Other operating expenses	-	-
Net foreign exchange gain	-	-
Profit after tax	-	-
Other comprehensive profit	-	-
Total comprehensive profit	-	-
Dividend received from joint venture	-	-

Reconciliation of summarised financial information

	IAAX	
	2024 RM'000	2023 RM'000
Opening net liabilities at 1 January	(481,086)	(481,086)
Total comprehensive loss for the financial year	-	-
Foreign exchange translation	-	-
Closing net liabilities at 31 December	(481,086)	(481,086)
Cumulative unrecognised share of losses as at 1 January	(282,902)	(282,902)
Share in loss for the financial year	-	-
Cumulative unrecognised share of losses as at 31 December	(282,902)	(282,902)

20. Inventories

	Group and Company	
	2024 RM'000	2023 RM'000
At cost		
Consumables and in-flight merchandise	8,693	6,968

Cost of inventories recognised as an expense during the financial year amounted to RM 19,060,795.13 (2023: RM16,437,745).

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21. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Deposits	(c)	427,743	321,492	427,743	321,492
Prepayments	(d)	309,037	114,774	309,037	114,774
		736,780	436,266	736,780	436,266
Current					
Trade receivables		30,670	38,793	30,670	38,793
Less: Allowance for expected credit losses		(1,249)	(1,249)	(1,249)	(1,249)
Trade receivables, net	(a)	29,421	37,544	29,421	37,544
Other receivables		388,762	411,362	387,234	409,646
Less: Allowance for expected credit losses		(381,665)	(396,477)	(381,665)	(396,477)
	(b)	7,097	14,885	5,569	13,169
Deposits	(c)	103,365	125,258	103,365	125,258
Prepayments	(d)	45,919	46,923	45,889	46,896
Other receivables, net		156,381	187,066	154,823	185,323
		185,802	224,610	184,244	222,867
Total trade and other receivables		922,582	660,876	921,024	659,133
Add: Deposits, cash and bank balances	28	174,771	57,689	174,359	57,113
Amount due from subsidiaries	23	-	-	32,167	32,830
Amount due from an associate	22	26,208	32,641	-	-
Amount due from related parties	24	421,606	435,550	420,899	435,413
Less: Prepayments		(354,956)	(161,697)	(354,926)	(161,670)
Total financial assets carried at amortised cost	38(a)	1,190,211	1,025,059	1,193,523	1,022,819

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21. Trade and other receivables (Cont'd.)

The normal trade credit terms of the Group and of the Company range from 15 to 30 days (2023: 15 to 30 days). Trade receivables comprised mainly amounts due from travel agents and credit card merchants.

(a) Trade receivables

(i) Credit risk

The ageing of trade receivables as at the end of the financial year was:

	Group and Company		
	Gross carrying amount RM'000	Individual impairment RM'000	Net balance RM'000
2024			
Current (not past due)	28,597	-	28,597
31 to 60 days past due	94	-	94
61 to 90 days past due	127	-	127
More than 90 days past due	1,852	(1,249)	603
	30,670	(1,249)	29,421
2023			
Current (not past due)	37,228	-	37,228
31 to 60 days past due	125	-	125
61 to 90 days past due	9	-	9
More than 90 days past due	1,431	(1,249)	182
	38,793	(1,249)	37,544

The carrying amounts of trade receivables individually determined to be impaired are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
More than 180 days	1,249	1,249
Less: Allowance for expected credit losses of receivables	(1,249)	(1,249)
	-	-

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21. Trade and other receivables (Cont'd.)

(a) Trade receivables (Cont'd.)

(i) Credit risk (Cont'd.)

The individually impaired trade receivables relate mainly to disputed balances with customers or balances for which management is of the view that the amounts may not be recoverable.

Movements on the allowance for impairment of trade receivables are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	1,249	8,883
Written off	-	(8,342)
Charged to profit or loss (Note 9)	-	708
At 31 December	1,249	1,249

(b) Other receivables

Other receivables include other debtors and refunds of goods and service tax receivable from the authorities in various countries in which the Group and the Company operate.

(i) Credit risk

Movements on the allowance for impairment of other receivables are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	396,477	380,511
Written off	-	(180)
(Reversal)/Charged to profit or loss (Note 9)	(14,812)	16,146
At 31 December	381,665	396,477

(c) Deposits

Deposits of the Group and of the Company at the reporting date are with a number of external parties.

Deposits include security deposits paid to lessors for leased aircraft, funds placed with lessor in respect of maintenance of the leased aircraft and deposits for acquisition of aircraft. These deposits are denominated in USD.

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21. Trade and other receivables (Cont'd.)

(d) Prepayments

Prepayments include prepayments for maintenance of aircraft, advances made for purchases of fuel, lease of aircraft and maintenance of engines.

The other classes within receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group and the Company do not hold any collateral as security.

The currency profile of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	37,640	35,755	37,445	35,755
US Dollar	511,983	454,415	510,454	454,415
Australian Dollar	1,932	4,900	1,932	3,184
Indian Rupee	2,550	1,610	2,550	1,610
Chinese Renminbi	10,018	192	10,018	192
Japanese Yen	1,910	1,482	1,910	1,482
Others	1,593	825	1,789	825
	567,626	499,179	566,098	497,463

22. Amount due from an associate

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Amount due from an associate	26,208	787,801	-	-
Less: Allowance for expected credit losses of amount due from an associate	-	(755,160)	-	-
	26,208	32,641	-	-

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22. Amount due from an associate (Cont'd.)

Movements on allowance for impairment of amount due from an associate is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	(755,160)	(755,489)	-	-
(Allowance for)/reversal of expected credit losses (Note 9 & 10)	(2,808)	37,940	-	-
Debt settlement and waiver of debts pursuant to the Debt Restructuring	756,873	-	-	-
Foreign exchange gain/(loss)	1,095	(31,722)	-	-
Accretion of interest (Note 11)	-	(5,889)	-	-
At 31 December	-	(755,160)	-	-

The amount due from an associate, Thai AirAsia X Co., Ltd is unsecured, interest free and repayable over 4 years. The Group has written off a total of RM756 million in amounts due from TAAX during the financial year, following the finalisation of the debt claim process, in accordance with the terms of the debt rehabilitation plan detailed in Note 18.

The currency profile of amount from an associate are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
US Dollar	26,181	32,610	-	-
Others	27	31	-	-
	26,208	32,641	-	-

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23. Amount due from subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Non-current		
Amount due from subsidiaries	29,146	788,249
Less: Allowance for expected credit losses of amount due from subsidiaries	-	(755,988)
	29,146	32,261
Current		
Amount due from subsidiaries	24,393	19,400
Less: Allowance for expected credit losses of amount due from subsidiaries	(21,372)	(18,831)
	3,021	569

Movements on allowance for impairment of amount due from subsidiaries is as follows:

	Company	
	2024 RM'000	2023 RM'000
At 1 January	(774,819)	(773,991)
(Allowance for)/reversal of expected credit losses (Note 9 & 10)	(2,808)	38,268
Write-off	755,160	-
Foreign exchange loss (Note 11)	1,095	(33,207)
Accretion of interest (Note 11)	-	(5,889)
At 31 December	(21,372)	(774,819)

The amount due from subsidiaries are unsecured, interest free and repayable on demand. The currency profile of amount from subsidiaries are as follows:

	Company	
	2024 RM'000	2023 RM'000
US Dollar	32,167	32,830

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24. Amount due from related parties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Amount due from related parties	-	24,960	-	24,960
Less: Allowance for impairment of amount due from related parties	-	(3,025)	-	(3,025)
	-	21,935	-	21,935
Current				
Amount due from related parties	421,720	413,988	421,013	413,851
Less: Allowance for impairment of amount due from related parties	(114)	(373)	(114)	(373)
	421,606	413,615	420,899	413,478

The ageing analysis of these debts are as follows:

	Group Carrying amount RM'000	Company Carrying amount RM'000
2024		
Current (not past due)	61,821	61,821
1 to 30 days past due	62,102	61,916
31 to 60 days past due	110,675	110,579
61 to 90 days past due	89,277	89,176
91 to 180 days past due	67,592	67,268
More than 180 days past due	30,139	30,139
	421,606	420,899
2023		
Current (not past due)	125,169	125,169
1 to 30 days past due	85,093	85,060
31 to 60 days past due	83,209	83,209
61 to 90 days past due	72,311	72,271
91 to 180 days past due	52,821	52,757
More than 180 days past due	16,947	16,947
	435,550	435,413

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24. Amount due from related parties (Cont'd.)

Movements on allowance for impairment of amount due from related parties is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	(3,398)	(2,900)	(3,398)	(2,900)
Reversal of/(allowance for) expected credit losses (Note 9)	3,284	(498)	3,284	(498)
At 31 December	(114)	(3,398)	(114)	(3,398)

The amount due from related parties are unsecured, interest free and repayable on demand.

The currency profile of amount from related parties are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	356,077	337,388	355,370	337,388
US Dollar	65,529	98,162	65,529	98,025
	421,606	435,550	420,899	435,413

25. Amount due to an associate

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Amount due to an associate	(19,128)	(4,603)	(19,128)	(4,603)

The amount due to an associate, Thai AirAsia X Co., Ltd is unsecured, interest free and repayable on demand.

The currency profile of amount due to an associate is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
US Dollar	(19,128)	(4,603)	(19,128)	(4,603)

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26. Amount due to subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Amount due to subsidiaries	(6,040)	(11,809)

The amount due to subsidiaries are unsecured, interest free and repayable on demand.

The currency profile of amount due to subsidiaries are as follows:

	Company	
	2024 RM'000	2023 RM'000
US Dollar	(5,998)	(11,596)
Others	(42)	(213)
	(6,040)	(11,809)

27. Amount due to related parties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amount due to related parties	(115,371)	(41,401)	(115,371)	(41,401)

The amount due to related parties are unsecured, interest free and repayable on demand. The balances arose from trade purchases of ground handling services, provision of shared services, inflight costs and the increase is in line with the recovery of the aviation section post Covid 19.

The currency profile of amount due to related parties are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	(71,596)	(40,298)	(71,596)	(40,298)
US Dollar	(40,612)	(406)	(40,612)	(406)
Chinese Renminbi	(3,163)	(697)	(3,163)	(697)
	(115,371)	(41,401)	(115,371)	(41,401)

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28. Deposits, cash and bank balances

For the purposes of the statements of cash flows, cash and cash equivalents include the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	162,575	57,689	162,163	57,113
Deposits with licensed banks	12,196	-	12,196	-
Total deposits, cash and bank balances	174,771	57,689	174,359	57,113

The currency profile of deposits, cash and bank balances are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	3,290	13,341	3,290	13,341
US Dollar	60,083	3,792	60,083	3,792
Australian Dollar	14,869	5,765	14,457	5,189
Euro	350	375	350	375
Indian Rupee	24,919	19,011	24,919	19,011
Chinese Renminbi	66,576	4,852	66,576	4,852
Japanese Yen	1,007	480	1,007	480
Others	3,677	10,073	3,677	10,073
	174,771	57,689	174,359	57,113

The Group's and the Company's weighted average effective interest rate of deposits at the reporting date is 2.70% per annum.

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29. Trade and other payables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Other payables and accruals		2,632	-	2,228	-
Current					
Trade payables	(a)	21,541	63,302	21,541	58,092
Other payables and accruals	(b)	311,900	296,930	301,484	268,824
		333,441	360,232	323,025	326,916
Total trade and other payables		336,073	360,232	325,253	326,916

(a) Trade payables

The credit term of trade payables granted to the Group and the Company is 7 to 30 days (2023: 7 to 30 days).

(b) Other payables and accruals

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

The currency profile of trade and other payables are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	180,278	270,137	178,224	256,739
US Dollar	155,795	90,095	147,029	70,177
	336,073	360,232	325,253	326,916

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30. Lease liabilities

	Group and Company	
	2024	2023
	RM'000	RM'000
Current		
Secured:		
- Lease liabilities	191,248	152,392
Non-current		
Secured:		
- Lease liabilities	1,222,711	1,359,633
Total lease liabilities	1,413,959	1,512,025

	Group and Company	
	2024	2023
	RM'000	RM'000
	%	%
Weighted average rate of finance		
- Lease liabilities	6.60	6.66

The Group's and Company's lease liabilities are repayable as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Not later than 1 year	191,248	152,392
Later than 1 year and not later than 5 years	772,284	760,718
Later than 5 years	450,427	598,915
	1,413,959	1,512,025

The currency profile of lease liabilities are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
US Dollar	1,413,959	1,512,025

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30. Lease liabilities (Cont'd.)

Lease liabilities pertain to operating leases for aircraft and engines, as disclosed in Note 15. Analysis on the maturity profile of lease liabilities is disclosed in Note 37(c).

The movement of lease liabilities during the financial year is as follows:

	Lease liabilities RM'000
Group and Company	
Balance as at 1 January 2024	1,512,025
Lease modification	77,364
Lease remeasurement	22,103
Accretion of interest (Note 11)	99,062
Payments	(261,795)
Unrealised foreign exchange gain	(34,800)
Balance as at 31 December 2024	1,413,959
Group and Company	
Balance as at 1 January 2023	1,062,482
Additions	395,905
Lease modification	4,019
Accretion of interest (Note 11)	94,571
Payments	(112,005)
Unrealised foreign exchange loss	67,053
Balance as at 31 December 2023	1,512,025

31. Other provisions

(a) Provision for additional loss in the investment in IAAX

	Group and Company	
	2024 RM'000	2023 RM'000
Non-current		
At 1 January	-	223,245
Reversal of provision for additional loss	-	(223,245)
At 31 December	-	-

Details of the provision for additional losses in the investment in IAAX is disclosed in Note 40.

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31. Other provisions (Cont'd.)

(b) Provision for profit-sharing

	Group and Company	
	2024 RM'000	2023 RM'000
Current	10,000	13,000
Non-current	14,000	33,000
	24,000	46,000

The movements in the provision account are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January	46,000	-
(Reversal of)/provision for profit-sharing during the year	(22,000)	46,000
At 31 December	24,000	46,000

Under the scheme of arrangement with scheme creditors sanctioned by the High Court of Malaya on 16 March 2022 on the proposed debt restructuring, Class A and Class B scheme creditor will be entitled to an annual profit-sharing mechanism, calculated based on the pro-rating of the payout pool, which equates to 20% of the excess over RM300 million of adjusted earnings before interest, taxes, depreciation, amortisation and lease rentals (“EBITDAR”) for the financial years ending 2023 to 2026 (“applicable financial year”).

The Group and the Company have a present obligation to pay the profit-sharing that will be triggered by generation of EBITDAR in a future period as a result of AAX being economically compelled to continue to operate in that future period.

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32. Provision for aircraft maintenance

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Aircraft maintenance provision				
Current	103,497	57,747	103,497	57,747
Non-current	434,827	331,774	434,827	331,774
	538,324	389,521	538,324	389,521

The movements in the provision account are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	389,521	225,768	389,521	225,573
Additions during the financial year	148,803	163,753	148,803	163,948
At 31 December	538,324	389,521	538,324	389,521

33. Sales in advance

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	543,751	612,296	543,751	612,296
Non-current	39,253	55,320	39,253	55,320
Total	583,004	667,616	583,004	667,616

Included in sales in advance in the current financial year is the contract liability for travel vouchers of RM133.9 million (2023: RM175.8 million) relating to promotional air travel privileges to its passengers at the discretion of the Group.

In compliance with the scheme of arrangement, such travel privileges were provided to qualified passengers in the form of travel vouchers. Qualified passengers can utilise the travel voucher in exchange for flight arrangement from the Group of up to the equivalent value of the travel voucher subject to terms and conditions as determined by the Group base on prevailing business operations environment, and subject to change from time to time.

The travel voucher currently has a validity period of 5 years from the issuance date. In compliance with the Sanction Order, there is no cash refund at any time for any unused travel voucher.

All performance obligations are expected to be fulfilled within a year except for the non-current portion which is expected to be fulfilled between two and three years (2023: two and four years).

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34. Share capital

	Group and Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid up:				
At beginning of financial year	447,073	414,815	51,029	1,534
Issuance of ordinary shares during the financial year	-	32,258	-	49,495
At end of financial year	447,073	447,073	51,029	51,029

On 15 June 2023, the Company completed a private placement exercise, issuing 32,258,066 new ordinary shares at an issue price of RM1.55 per share. The proceeds from the placement were recognised in the previous financial year.

35. Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Property, plant and equipment approved and contracted for:		
- within 1 year	842,804	355,701
- later than 1 year and not later than 5 years	3,023,359	3,089,399
- later than 5 years	-	533,502
	3,866,163	3,978,602

The approved and contracted capital commitments for the Group and the Company are in respect of aircraft purchase.

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36. Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party disclosures.

The related parties of the Group and of the Company and their relationships at 31 December 2024 are as follows:

Name of Companies	Relationship
Thai AirAsia X Co., Ltd	Associate
PT. Indonesia AirAsia Extra	Joint Venture
AirAsia Berhad	Shareholder of the Company for which there is no control, significant influence or joint control; common Directors and shareholders
<u>Subsidiaries of Capital A Berhad</u>	
- AirAsia SEA Sdn. Bhd.	Common Directors and shareholders
- Rokki Sdn. Bhd.	Common Directors and shareholders
- BIGLIFE Sdn. Bhd.	Common Directors and shareholders
- Ground Team Red Sdn. Bhd.	Common Directors and shareholders
- Teleport Everywhere Pte Ltd	Common Directors and shareholders
- AirAsia (Guangzhou) Aviation Service Limited Company	Common Directors and shareholders
- Santan Food Sdn. Bhd.	Common Directors and shareholders
- Santan Restaurant Sdn. Bhd. (f.k.a. Santan Restaurant Sdn. Bhd.)	Common Directors and shareholders
- Ikhlas Com Travel Sdn. Bhd.	Common Directors and shareholders
- Outclass Education Technology and Employment Services Sdn. Bhd. (f.k.a Redbeat Academy Sdn. Bhd.)	Common Directors and shareholders
- AirAsia Digital Sdn. Bhd.	Common Directors and shareholders
- Move Travel Sdn. Bhd. (f.k.a. AirAsia Comm Travel Sdn. Bhd.)	Common Directors and shareholders
- AirAsia Move Travel Pte. Ltd (f.k.a. AirAsia Ride Pte. Ltd.)	Common Directors and shareholders
- Asia Digital Engineering Sdn. Bhd.	Common Directors and shareholders
<u>Associates of Capital A Berhad</u>	
- Thai AirAsia Co. Ltd	Common Directors and shareholders
- PT Indonesia AirAsia	Common Directors and shareholders
- Philippines AirAsia, Inc.	Common Directors and shareholders
<u>Other related entities</u>	
- Ormond Lifestyle Services Sdn. Bhd.	Common Directors and shareholders
- Tune Insurance Malaysia Berhad	Common Directors and shareholders

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36. Significant related party transactions (Cont'd.)

All related party transactions were carried out on agreed terms and conditions.

Key management personnel are categorised as head or senior management officers of key operating divisions within the Group and the Company. The key management compensation is disclosed in Note 36(f).

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Income:				
Commission on travel insurance for passengers charged to Tune Insurance Malaysia Berhad	2,332	1,617	2,332	1,617
Sale of cargo transportation to Teleport Everywhere Pte Ltd	210,795	151,673	210,795	151,673
(b) Recharges:				
Recharges of expenses to				
- Philippines AirAsia Inc	881	585	881	585
- Thai AirAsia Co. Ltd	377	84	377	84
- Thai AirAsia X Co., Ltd	3,137	569	3,137	569
- PT Indonesia AirAsia	829	-	829	-
- Ground Team Red Sdn. Bhd.	717	154	717	154
Recharges of expenses by				
- AirAsia Berhad	(18,964)	(7,985)	(18,964)	(7,985)
- AirAsia (Guangzhou) Aviation Service Limited Company	(16)	(14)	(16)	(14)
- AirAsia SEA Sdn. Bhd.	(746)	(864)	(746)	(864)
- PT Indonesia AirAsia	-	(271)	-	(271)
(c) Other charges:				
Management fees charged by AirAsia X Services Pty Ltd	1,227	443	(4,459)	(3,458)
Shared service management fee charged by AirAsia SEA Sdn. Bhd.	(5,751)	(6,546)	(5,751)	(6,546)

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36. Significant related party transactions (Cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(c) Other charges (Cont'd.):				
Provision of food catering services charged by Ormond Lifestyle Services Sdn. Bhd.	(989)	2,064	(989)	2,064
Ground handling services charged by Ground Team Red Sdn. Bhd.	(35,982)	(22,489)	(35,982)	(22,489)
Turnaround charges charged by AirAsia (Guangzhou) Aviation Service Limited Company	(4,862)	(1,630)	(4,862)	(1,630)
Premium collected on travel insurance for passengers paid to Tune Insurance Malaysia Berhad	(9,335)	(6,208)	(9,335)	(6,208)
Brand license fee charged by Brand AA Sdn. Bhd.	(9,128)	-	(9,128)	-
Aircraft leasing services charged by Asia Aviation Capital Limited	(38,269)	-	(38,269)	-
(d) Receivables:				
- AAX Mauritius One Limited	-	-	32,167	32,261
- PT Indonesia AirAsia	2,334	20,601	1,709	20,464
- Thai AirAsia X Co., Ltd	26,208	32,641	-	-
- Airasia Com Travel Sdn. Bhd.	-	-	-	-
- Ikhlas Com Travel Sdn. Bhd.	6,960	4,416	6,960	4,416
- AirAsia Berhad	303,869	324,059	303,787	324,059
- Teleport Everywhere Pte Ltd	93,029	26,296	93,029	26,296
- Thai AirAsia Co. Ltd	-	53,505	-	53,505
- AirAsia Com Travel Sdn. Bhd.	1,698	-	1,698	-
- Airasia Aviation Management Services Sdn. Bhd.	12,680	4,147	12,680	4,147
- Others	1,036	2,526	1,036	3,095
	447,814	468,191	453,066	468,243

NOTES TO THE FINANCIAL STATEMENTS

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36. Significant related party transactions (Cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(e) Payables:				
- Thai AirAsia X Co., Ltd	19,128	4,603	19,128	4,603
- AirAsia Leasing Eleven Ltd.	-	-	968	9,673
- AirAsia Leasing Seventeen Ltd.	-	-	2,981	1,450
- AirAsia SEA Sdn. Bhd.	1,889	3,141	1,889	3,141
- Thai AirAsia Co. Ltd.	5,330	-	5,330	-
- Ground Team Red Sdn. Bhd.	11,611	4,948	11,611	4,948
- AirAsia Com Travel Sdn. Bhd.	-	12,903	-	12,903
- Santan Restaurant Sdn. Bhd.	25,238	10,139	25,238	10,139
- Asia Digital Engineering Sdn. Bhd.	15,783	5,628	15,783	5,628
- Tune Protect Malaysia	4,901	3,445	4,901	3,445
- AirAsia (Guangzhou) Aviation Service Limited Company	3,166	700	3,166	700
- Brand AA Sdn. Bhd.	12,296	-	12,296	-
- Asia Aviation Capital Limited	31,831	-	31,831	-
- Philippines AirAsia Inc.	2,898	-	2,898	-
- Others	428	497	2,519	1,183
	134,499	46,004	140,539	57,813

(f) Key management personnel compensation:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Basic salaries, bonus and allowances	1,852	1,350	1,852	1,350
Defined contribution plan	222	162	222	162
	2,074	1,512	2,074	1,512

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37. Financial risk management policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their market risk (including fuel price risk, interest rate risk and foreign currency exchange risk), credit risk and liquidity and cash flow risk. The Group and the Company operate within defined guidelines that are approved and reviewed periodically by the Board of Directors to minimise the effects of such volatility on their financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and risk management strategies. Risk management policies and procedures are reviewed regularly to reflect changes in the market condition, and the Group's and the Company's activities.

The Group and the Company also seek to ensure that the financial resources that are available for the development of the Group's and the Company's businesses are constantly monitored and managed by implementing the turnaround plans.

The policies in respect of the major areas of treasury activities are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign currency exchange rates, jet fuel prices and interest rates. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return on risk.

(i) Foreign currency risk

Apart from Ringgit Malaysia ("RM"), the Group and the Company transact business in various foreign currencies including United States Dollar ("USD"), Australian Dollar ("AUD"), Euro ("EUR"), Indian Rupee ("INR"), Chinese Renminbi ("RMB") and Japanese Yen ("JPY"). Therefore, the Group and the Company are exposed to currency exchange risk. These exposures are managed, to the extent possible, by natural hedges that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency, or whenever possible by intragroup arrangements and settlements.

As at 31 December 2024, if RM had weakened/strengthened by 5% against the USD with all other variables held constant, the impact on the post-tax profit for the financial year are tabulated below:

	2024		2023	
	+5% RM'000	-5% RM'000	+5% RM'000	-5% RM'000
Change in USD rate				
Impact on post tax profit	(40,250)	40,250	(50,908)	50,908

The exposure to other foreign currency risk of the Group and the Company is not material and hence, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. Financial risk management policies (Cont'd.)

The policies in respect of the major areas of treasury activities are as follows (Cont'd.):

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's and the Company's receivables from customers and cash and cash equivalents.

The Group's and the Company's exposure to credit risk or the risk of counterparties defaulting arises mainly from various deposits and bank balances, and receivables. As the Group and the Company do not hold collateral, the maximum exposure to credit risk is represented by the total carrying amounts of these financial assets in the financial position. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures.

Credit risk relating to receivables is minimised by regular monitoring and, in addition, credit risk is controlled as the majority of the Group's and the Company's deposits and bank balances are placed with major financial institutions and reputable parties. The Directors are of the view that the possibility of non-performance by the majority of these financial institutions is remote on the basis of their financial strength and support of their respective governments.

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

As at the reporting date, the Group's and the Company's significant concentration of credit risk comprised predominantly from the amount due from AAB for unremitted sales in advance collection.

(c) Liquidity and cash flow risk

The Group's and the Company's policy on liquidity risk management is to maintain sufficient cash and cash equivalents and to have available funding through adequate amounts of committed credit facilities and credit lines for working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. Financial risk management policies (Cont'd.)

The policies in respect of the major areas of treasury activities are as follows (Cont'd.):

(c) Liquidity and cash flow risk (Cont'd.)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Note	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Group					
At 31 December 2024					
Lease liabilities	30	279,141	397,007	595,510	508,271
Trade and other payables	29	333,441	2,632	-	-
Amount due to an associate	25	19,128	-	-	-
Amount due to related parties	27	115,371	-	-	-
		747,081	399,639	595,510	508,271
At 31 December 2023					
Lease liabilities	30	249,527	411,282	616,923	689,742
Trade and other payables	29	360,232	-	-	-
Amount due to an associate	25	4,603	-	-	-
Amount due to related parties	27	41,401	-	-	-
		655,763	411,282	616,923	689,742

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. Financial risk management policies (Cont'd.)

The policies in respect of the major areas of treasury activities are as follows (Cont'd.):

(c) Liquidity and cash flow risk (Cont'd.)

	Note	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Company					
At 31 December 2024					
Lease liabilities	30	279,141	397,007	595,510	508,271
Trade and other payables	29	323,025	2,228	-	-
Amount due to subsidiaries	26	6,040	-	-	-
Amount due to an associate	25	19,128	-	-	-
Amount due to related parties	27	115,371	-	-	-
		742,705	399,235	595,510	508,271
At 31 December 2023					
Lease liabilities	30	249,527	411,282	616,923	689,742
Trade and other payables	29	326,916	-	-	-
Amount due to subsidiaries	26	11,809	-	-	-
Amount due to an associate	25	4,603	-	-	-
Amount due to related parties	27	41,401	-	-	-
		634,256	411,282	616,923	689,742

(d) Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. Financial risk management policies (Cont'd.)

The policies in respect of the major areas of treasury activities are as follows (Cont'd.):

(d) Capital risk management (Cont'd.)

Consistent with others in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including “current and non-current borrowings” as shown in the Group’s and the Company’s financial position) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the Group’s and the Company’s financial position plus net debt.

The gearing ratio as at 31 December 2024 and 31 December 2023 were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease liabilities (Note 30)	1,413,959	1,512,025	1,413,959	1,512,025
Less: Cash and cash equivalents (Note 28)	(174,771)	(57,689)	(174,359)	(57,113)
Net debt	1,239,188	1,454,336	1,239,600	1,454,912
Total equity attributable to equity holders of the Group and Company	328,845	116,175	336,911	135,419
Total capital	1,568,033	1,570,511	1,576,511	1,590,331
Gearing ratio	0.79	0.93	0.79	0.91

(e) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Determination of fair value and fair value hierarchy

The Group’s and the Company’s financial instruments are measured in the financial position at fair value. Disclosure of fair value measurements are by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of the Group’s long-term amounts due from an associate and related parties and the Company’s long-term amount due from subsidiaries are determined by using the discounted cashflows method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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38. Financial instruments

(a) Financial instruments by category

	Group amortised cost RM'000	Company amortised cost RM'000
31 December 2024		
Assets as per statement of financial position		
Trade and other receivables excluding prepayments	567,626	566,098
Amount due from subsidiaries	-	32,167
Amount due from an associate	26,208	-
Amount due from related parties	421,606	420,899
Deposits, cash and bank balances	174,771	174,359
Total	1,190,211	1,193,523
Liabilities as per statement of financial position		
31 December 2024		
Lease liabilities	1,413,959	1,413,959
Trade and other payables	336,073	325,253
Amount due to subsidiaries	-	6,040
Amount due to an associate	19,128	19,128
Amount due to related parties	115,371	115,371
Total	1,884,531	1,879,751

NOTES TO THE FINANCIAL STATEMENTS

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38. Financial instruments (Cont'd.)

(a) Financial instruments by category (Cont'd.)

	Group amortised cost RM'000	Company amortised cost RM'000
31 December 2023		
Assets as per statement of financial position		
Trade and other receivables excluding prepayments	499,179	497,463
Amount due from subsidiaries	-	32,830
Amount due from an associate	32,641	-
Amount due from related parties	435,550	435,413
Deposits, cash and bank balances	57,689	57,113
Total	1,025,059	1,022,819
Liabilities as per statement of financial position		
Lease liabilities	1,512,025	1,512,025
Trade and other payables	360,232	326,916
Amount due to subsidiaries	-	11,809
Amount due to an associate	4,603	4,603
Amount due to related parties	41,401	41,401
Total	1,918,261	1,896,754

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Counterparties without external credit rating				
Group 1	-	-	-	-
Group 2	28,597	37,228	28,597	37,228
Total trade receivables that are neither past due nor impaired (Note 21 (a)(i))	28,597	37,228	28,597	37,228

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

38. Financial instruments (Cont'd.)

(b) Credit quality of financial assets (Cont'd.)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates (Cont'd.):

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits, cash and bank balances					
AAA to A-		174,196	57,338	173,784	56,762
BBB to BBB-		375	-	375	-
		174,571	57,338	174,159	56,762
Cash on hand		200	351	200	351
Total	28	174,771	57,689	174,359	57,113

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amount due from subsidiaries, an associate, a joint venture and related parties				
Group 1	-	-	-	-
Group 2	421,606	413,615	423,920	414,047
Total	421,606	413,615	423,920	414,047

Group 1 - New customers/related parties (less than 6 months)

Group 2 - Existing customers/related parties (more than 6 months)

All other receivables and deposits are substantially with existing counterparties.

NOTES TO THE FINANCIAL STATEMENTS

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39. Segmental information

Management has determined the operating segments based on reports that are reviewed and used to make strategic decisions by the Group's CEO who is identified as the chief operating decision maker.

The Group's CEO considers the business from a geographic 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 Group's CEO assesses the performance of the operating segments based on revenue and net operating profit.

The Group's operations by geographical segments are as follows:

2024	Malaysia RM'000	Thailand RM'000	Elimination adjustments RM'000	Total RM'000
Segment results				
Revenue	3,261,520	1,678,873	-	4,940,393
Gain arising from debt rehabilitation	-	25,223	-	25,223
Operating expenses				
- Staff costs	(277,197)	(151,090)	-	(428,287)
- Depreciation	(206,070)	(120,894)	-	(326,964)
- Aircraft fuel expenses	(1,512,315)	(644,825)	-	(2,157,140)
- Maintenance and overhaul	(537,284)	(353,053)	-	(890,337)
- User charges	(324,841)	(330,825)	-	(655,666)
- Aircraft operating lease expenses	(28,100)	-	-	(28,100)
- Other operating expenses	(149,861)	(45,106)	-	(194,967)
Other income	82,087	34,702	-	116,789
Operating profit	307,939	93,005	-	400,944
Finance income	2,084	118	-	2,202
Finance costs	(105,289)	(68,782)	-	(174,071)
Net operating profit	204,734	24,341	-	229,075
Net foreign exchange gain	29,781	33,401	-	63,182
Profit before taxation	234,515	57,742	-	292,257
Taxation	(27,390)	3,055	-	(24,335)
Profit after taxation	207,125	60,797	-	267,922
Other comprehensive loss	-	(15,861)	-	(15,861)
Total comprehensive income	207,125	44,936	-	252,061

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

39. Segmental information (Cont'd.)

The Group's operations by geographical segments are as follows (Cont'd.):

2023	Malaysia RM'000	Thailand RM'000	Elimination adjustments RM'000	Total RM'000
Segment results				
Revenue	2,527,096	1,487,624	-	4,014,720
Gain arising from debt rehabilitation	-	1,629,282	-	1,629,282
Other income	239,592	15,585	-	255,177
Operating expenses				
- Staff costs	(204,071)	(127,050)	-	(331,121)
- Depreciation	(184,395)	(72,750)	-	(257,145)
- Aircraft fuel expenses	(1,256,429)	(581,592)	-	(1,838,021)
- Maintenance and overhaul	(351,045)	(7,349)	-	(358,394)
- User charges	(247,619)	(187,785)	-	(435,404)
- Aircraft operating lease expenses	(72,158)	-	-	(72,158)
- Other operating expenses	(195,249)	-	-	(195,249)
- Provision for additional loss in the investment in IAAX	223,245	-	-	223,245
Operating profit	478,967	2,155,965	-	2,634,932
Finance income	2,702	-	-	2,702
Finance costs	(112,601)	(52,134)	-	(164,735)
Net operating profit	369,068	2,103,831	-	2,472,899
Net foreign exchange (loss)/gain	(25,295)	13,653	-	(11,642)
Profit before taxation	343,773	2,117,484	-	2,461,257
Taxation	(12,268)	(5,960)	-	(18,228)
Profit after taxation	331,505	2,111,524	-	2,443,029

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

39. Segmental information (Cont'd.)

The Group's operations by geographical segments are as follows (Cont'd.):

2024	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination adjustments RM'000	Total RM'000
Segment assets					
Non-current assets [^]	2,566,892	1,183,255	3,008	-	3,753,155
Current assets	791,812	330,043	133,518	-	1,255,373
	3,358,704	1,513,298	136,526	-	5,008,528
Segment liabilities					
Non-current liabilities	(1,713,423)	(1,033,486)	7,121	-	(2,739,788)
Current liabilities	(1,316,436)	(1,024,513)	(624,733)	-	(2,965,682)
	(3,029,859)	(2,057,999)	(617,612)	-	(5,705,470)
2023					
Segment assets					
Non-current assets [^]	2,434,493	769,028	3,008	-	3,206,529
Current assets	703,080	546,843	133,518	-	1,383,441
	3,137,573	1,315,871	136,526	-	4,589,970
Segment liabilities					
Non-current liabilities	(1,779,727)	(872,520)	7,121	-	(2,645,126)
Current liabilities	(1,241,671)	(1,045,344)	(624,733)	-	(2,911,748)
	(3,021,398)	(1,917,864)	(617,612)	-	(5,556,874)

[^] Excluding investment in an associate and a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

39. Segmental information (Cont'd.)

The Group's operations by geographical segments are as follows (Cont'd.):

	2024 RM'000	2023 RM'000
(a) Reconciliation of segment revenue to reported revenue:		
Segment revenue	4,940,393	4,014,720
Less: Revenue from an associate and a joint venture which were not consolidated	(1,678,873)	(1,487,624)
	3,261,520	2,527,096
(b) Reconciliation of segment profit before taxation to reported loss before taxation:		
Segment profit before taxation	292,257	2,461,257
Less: Expenses from an associate and a joint venture which were not consolidated	(57,742)	(2,117,484)
	234,515	343,773
(c) Reconciliation of segment assets to reported total assets:		
Segment assets	5,008,528	4,589,970
Less: Assets of an associate and a joint venture which were not consolidated	(1,649,824)	(1,452,397)
	3,358,704	3,137,573
(d) Reconciliation of segment liabilities to reported total liabilities:		
Segment liabilities	(5,705,470)	(5,556,874)
Add: Liabilities of an associate and a joint venture which were not consolidated	2,675,611	2,535,476
	(3,029,859)	(3,021,398)

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31 DECEMBER 2024

40. Contingent liabilities

During the financial years of 2022 and 2023, IAAX, a joint venture of the Company, received a Tax Underpayment Assessment Letter from the Indonesia Tax Office (ITO), demanding for tax underpayment in the fiscal years 2017, 2018 and 2019, with a total assessed amount of RM442.6 million.

IAAX had disputed the tax assessments issued by the ITO and the matter was brought before the court. Subsequent to the reporting period, in March 2025, the case was finalised by the court, resulting in a tax reduction of RM138.4 million. Notwithstanding the court's decision, management intends to explore further avenues for appeal on the remaining tax underpayments as certain tax disputes were decided favourably in the Tax Court.

Under Indonesian tax regulations, the tax authorities may, if the corporate taxpayer is unable to defray its tax underpayments, target "tax bearers" of corporate taxpayers, including its shareholders. As IAAX is unlikely to be able to make such payments, the Company, as a shareholder of IAAX, could be liable for IAAX's revised tax payable of RM98.4 million, based on its equity interest in IAAX. In addition, Indonesian tax law imposes a 60% uplift penalty on unpaid tax liabilities, which may increase the potential exposure. To date, IAAX makes no admission of liability and continues to contest the validity of the claim.

The Company's Directors, based on legal opinions provided by the Company's external counsel, believe that it is not probable that the Company will incur expenses related to IAAX's tax liabilities due to the lack of a legal mechanism to enforce reciprocal arrangements for cross-border tax collection assistance between the relevant jurisdictions. It is also noted that cross-border tax collection is generally not permissible if the tax is in dispute. Accordingly, this matter is disclosed as a contingent liability as it gives rise to a possible obligation which existence will only be confirmed by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Company.

41. Events during the reporting period

On 8 January 2024, the Company has entered into a non-binding letter of acceptance with its related party, Capital A Berhad ("Capital A") for the Proposed Acquisitions by the Company of 100% equity interest in AirAsia Berhad ("AAB") and 100% equity interest in AirAsia Aviation Group Limited ("AAAGL"), both are wholly-owned subsidiary of Capital A.

On 16 October 2024, the non-interested shareholders of the Company had approved to undertake all the proposals, which were as follows:

- (i) Proposed issuance of free warrants
- (ii) Proposed private placement
- (iii) Proposed AirAsia Aviation Group Limited ("AAAGL") acquisition
- (iv) Proposed AirAsia Berhad ("AAB") acquisition
- (v) Proposed share capital reduction
- (vi) Proposed granting of subscription options

A proposal has been made for the issuance of 223,506,402 warrants on the basis of one warrant for every two Company's shares. The private placement exercise will be carried out to raise gross proceeds of RM1,000 million and the proceeds will be used by AAAGL and AAB to meet their financial obligations as and when they fall due. Thereafter, the Company will carry out a reduction of the issued share capital of the Company to RM100 million via cancellation of paid-up share capital.

The Company proposed to grant subscription option to Garynma Investments Pte Ltd on the rights to subscribe the Company's shares that represents 15% of the total enlarged issued shares in the Company subsequent to the proposed acquisition.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

41. Events during the reporting period (Cont'd.)

The completion of the proposals is subject to, among other things, the fulfilment of all conditions precedent set out in the relevant agreements. As at the financial year ended 31 December 2024, these conditions precedent had not been satisfied. As of the date of this report, the conditions remain unmet, and the proposals have yet to be completed.

42. Events after the reporting period

Further to the event disclosed in the Note 41, on 24 March 2025, the parties mutually agreed to extend the period for the satisfaction or fulfilment of the remaining conditions precedent under the relevant agreements to 30 May 2025, in respect of those conditions that remain outstanding as of that the date of this report.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Fam Lee Ee and Dato' Abdul Mutalib bin Alias, being two of the Directors of AirAsia X Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 173 to 253 are drawn up in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 April 2025.

Dato' Fam Lee Ee

Director

Kuala Lumpur, Malaysia

Dato' Abdul Mutalib bin Alias

Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Lavinia Louis, the officer primarily responsible for the financial management of AirAsia X Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 7 to 107 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed Lavinia Louis
at Kuala Lumpur in the Federal Territory
on 30 April 2025.

Lavinia Louis

Before me,

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AirAsia X Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 173 to 253.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Key audit matters (Cont'd.)

Key risk	Our response
<p>Revenue recognition from scheduled flights, ancillary services and sales in advance</p> <p>For the financial year ended 31 December 2024, revenue from scheduled flights and ancillary services accounted for 93% of the Group's total revenue. The Group and the Company rely on an integrated information technology system (including the flight reservation system and revenue accounting system), in accounting for its scheduled flights and ancillary revenue. Such information system processes large volumes of data comprising individually low value transactions.</p> <p>The flight reservation system is managed by third party vendor.</p> <p>The accounting for revenue from scheduled flights and ancillary services are susceptible to management override through the posting of manual journal entries either in the underlying ledgers or as a consolidated journal.</p> <p>The above factors gave rise to higher risk of material misstatement in the timing and amount of revenue recognised. Accordingly, we identified revenue recognition to be a area of focus.</p> <p>The notes relating to schedule and ancillary revenue are disclosed in Notes 2.18 and 4 to the financial statements.</p>	<p>To address this area of focus, we performed, amongst others, the following procedures:</p> <ul style="list-style-type: none"> a) Obtained an understanding and assessed the Group's information technology systems and key controls supporting the flight reservation system that affect the recording of revenue from passenger seat sales. As certain components of the flight reservation system are managed by third-party vendor, we also obtained and assessed the external expert's report on the design and operating effectiveness of those components; b) Involved our information technology specialists to test the effectiveness of the automated controls of the key modules of the information technology system; c) Tested the non-automated controls in place to ensure the completeness and accuracy of revenue recognised; d) Conducted data analytics to reconcile the revenue recognised in respect of passenger seat sales and the amount of sales in advance to payments received from passengers; e) Corroborated the occurrence of revenue by tracing samples of revenue recognised to settlement reports from financial institutions; f) Tested the reconciliation of data between the flight reservation system and the general ledger to ensure the completeness of revenue; and g) Performed procedures to verify that revenue from passenger seat sales is recorded in the appropriate accounting period.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Key audit matters (Cont'd.)

Key risk	Our response
<p>Provision for aircraft maintenance</p> <p>As of 31 December 2024, AAX was operating 18 aircraft under operating lease arrangements with lessors. In respect of these operating lease arrangements, the Group and the Company are contractually obligated to maintain the aircraft during the lease period and to redeliver the aircraft to the lessors at the end of the lease term, in certain pre-agreed conditions.</p> <p>Management made an estimates of the costs for aircraft maintenance either through obtaining the estimated overhaul cost from third party maintenance service providers or relying on the actual incurred overhaul cost of similar aircraft component.</p> <p>The management then makes provision for such costs over the flight hours, flight cycles or calendar months of the aircraft components as used. These aircraft utilisation and calendar months affect the extent of the restoration work that will be required and the expected costs of such overhaul, restoration and redelivery at the end of the lease term.</p> <p>A provision of RM538.3 million was recorded by AAX for the year, which represents an increase from RM389.5 million as at 31 December 2023.</p> <p>The provision for aircraft maintenance has been identified as an area of audit focus due to the significant amount involved and the high level of judgment and estimates applied by management in determining the provision.</p> <p>The notes relating to provision for aircraft maintenance are disclosed in Notes 2.10, 3.2 (ii) and 32 to the financial statements.</p>	<p>To address this area of focus, we performed, amongst others, the following procedures:</p> <ul style="list-style-type: none"> a) Gained an understanding of the management's process for estimating aircraft maintenance costs for aircraft held under lease arrangements, including understanding the contractual obligations of the Group and of the Company arising from the lease arrangements; b) Evaluated the key assumptions adopted by management by discussing with the relevant fleet maintenance engineers and tested, on a sample basis, the accuracy of the data on aircraft utilisation statistics; c) Compared the historical overhaul costs by aircraft components or quotations by suppliers for the overhaul costs against the amount of provision made by the Group and by the Company to assess the adequacy of the provision; and d) Performed recalculation of the aircraft maintenance costs provision based on the key assumptions adopted by management.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (Cont'd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRASIA X BERHAD (INCORPORATED IN MALAYSIA) (CONT'D.)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
30 April 2025

Ng Kim Ling

No. 03236/04/2026 J
Chartered Accountants

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AIRASIA X BERHAD

(Registration No.: 200601014410) (734161-K)

("the Company")

Incorporated in Malaysia

FORM OF PROXYI/We _____ NRIC No./Passport No./Co. No.: _____
(FULL NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN BLOCK LETTERS) (COMPULSORY)of _____
(FULL ADDRESS)telephone no. _____, email address _____, being a member of the
Company, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)NRIC No./Passport No.: _____ of _____
(COMPULSORY) (FULL ADDRESS)

_____ telephone no. _____, email address _____

or failing him/her, _____ NRIC No./Passport No.: _____
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)of _____
(FULL ADDRESS)

telephone no. _____, email address _____

*or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote in my/our name and on my/our behalf at the Eighteenth **("18th")** Annual General Meeting **("AGM")** of the Company to be held at Mövenpick Hotel & Convention Centre KLIA, Kompleks TH Sepang, Jalan Masjid KLIA, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 18 June 2025 at 10.30 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of the 18th AGM, and to vote as indicated below:

AGENDA

RESOLUTIONS	DESCRIPTION	FOR	AGAINST
Ordinary Business			
Ordinary Resolution 1	To approve the directors' fees, allowances and benefits payable to Non-Executive Directors of the Company as set out in the explanatory note for the period from 19 June 2025 until the next AGM of the Company to be held in the year 2026.		
Ordinary Resolution 2	Re-election of Dato' Fam Lee Ee as a Director of the Company, who retires by rotation pursuant to Rule 119 of the Company's Constitution.		
Ordinary Resolution 3	Re-election of Datuk Kamarudin bin Meranun as a Director of the Company, who retires by rotation pursuant to Rule 119 of the Company's Constitution.		
Ordinary Resolution 4	To appoint BDO PLT as Auditors of the Company in place of the retiring Auditors, Ernst & Young PLT, and to hold office until the conclusion of the next AGM of the Company to be held in the year 2026 at a remuneration to be determined by the Directors.		
Special Business			
Ordinary Resolution 5	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights.		
Ordinary Resolution 6	Proposed renewal of existing shareholders' mandate and new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

(Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting, as he/she thinks fit.)

*Delete the words "or failing him/her, the Chairman of the Meeting" if not applicable.

No. of shares held:			
CDS Account No.: (Nominee Account Only)			
The proportion of my/our holding to be represented by my/our proxies are as follows:		No. of Shares	Percentage
	First Proxy		
	Second Proxy		
Date:			

Signature(s) / Common Seal of Member(s)

Notes to Form of Proxy

1. A member must be registered in the Record of Depositors at 5.00 p.m. on 11 June 2025 (“**General Meeting Record of Depositors**”) in order to attend and vote at the 18th AGM. A depositor shall not be regarded as a member entitled to attend the 18th AGM and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors. Any changes in the entries on the Record of Depositors after the abovementioned date and time shall be disregarded in determining the rights of any person to attend and vote at the 18th AGM.
2. Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company’s Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming 18th AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the 18th AGM.
3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies (or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Companies Act 2016) to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy(ies).
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. As approved by the Board of Directors with reference to Rule 95 of the Company’s Constitution, the Form of Proxy shall be deposited or submitted to the Company in the following manner not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this Form of Proxy must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. **Faxed copies of the duly executed Form of Proxy are not acceptable.**
 - (ii) By electronic means
This Form of Proxy can be lodged electronically via **TIIH Online** website at <https://tiih.online>. Kindly refer to the Administrative Details for the procedures on electronic lodgement of Form of Proxy via TIIH Online.
7. Please ensure **ALL** the particulars as required in this Form of Proxy are completed, signed and dated accordingly.
8. Last date and time for lodging this Form of Proxy is **Monday, 16 June 2025 at 10.30 a.m.**
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 18th AGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 18th AGM dated 30 April 2025.

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STAMP

The Company Secretary
AIRASIA X BERHAD

(Registration No. 200601014410) (734161-K)

RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur
64000 KLIA
Selangor Darul Ehsan
Malaysia

Please fold here

AIRASIA X BERHAD

(Registration No.: 200601014410) (734161-K)

("the Company")

Incorporated in Malaysia

FORM OF PROXYI/We _____ NRIC No./Passport No./Co. No.: _____
(FULL NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN BLOCK LETTERS) (COMPULSORY)of _____
(FULL ADDRESS)telephone no. _____, email address _____, being a member of the
Company, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)NRIC No./Passport No.: _____ of _____
(COMPULSORY) (FULL ADDRESS)

_____ telephone no. _____, email address _____

or failing him/her, _____ NRIC No./Passport No.: _____
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)of _____
(FULL ADDRESS)

telephone no. _____, email address _____

*or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote in my/our name and on my/our behalf at the Eighteenth **("18th")** Annual General Meeting **("AGM")** of the Company to be held at Mövenpick Hotel & Convention Centre KLIA, Kompleks TH Sepang, Jalan Masjid KLIA, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 18 June 2025 at 10.30 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of the 18th AGM, and to vote as indicated below:

AGENDA

RESOLUTIONS	DESCRIPTION	FOR	AGAINST
Ordinary Business			
Ordinary Resolution 1	To approve the directors' fees, allowances and benefits payable to Non-Executive Directors of the Company as set out in the explanatory note for the period from 19 June 2025 until the next AGM of the Company to be held in the year 2026.		
Ordinary Resolution 2	Re-election of Dato' Fam Lee Ee as a Director of the Company, who retires by rotation pursuant to Rule 119 of the Company's Constitution.		
Ordinary Resolution 3	Re-election of Datuk Kamarudin bin Meranun as a Director of the Company, who retires by rotation pursuant to Rule 119 of the Company's Constitution.		
Ordinary Resolution 4	To appoint BDO PLT as Auditors of the Company in place of the retiring Auditors, Ernst & Young PLT, and to hold office until the conclusion of the next AGM of the Company to be held in the year 2026 at a remuneration to be determined by the Directors.		
Special Business			
Ordinary Resolution 5	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights.		
Ordinary Resolution 6	Proposed renewal of existing shareholders' mandate and new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

(Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting, as he/she thinks fit.)

*Delete the words "or failing him/her, the Chairman of the Meeting" if not applicable.

No. of shares held:			
CDS Account No.: (Nominee Account Only)			
The proportion of my/our holding to be represented by my/our proxies are as follows:		No. of Shares	Percentage
	First Proxy		
	Second Proxy		
Date:			

Signature(s) / Common Seal of Member(s)

Notes to Form of Proxy

1. A member must be registered in the Record of Depositors at 5.00 p.m. on 11 June 2025 ("**General Meeting Record of Depositors**") in order to attend and vote at the 18th AGM. A depositor shall not be regarded as a member entitled to attend the 18th AGM and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors. Any changes in the entries on the Record of Depositors after the abovementioned date and time shall be disregarded in determining the rights of any person to attend and vote at the 18th AGM.
2. Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company's Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming 18th AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the 18th AGM.
3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies (or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Companies Act 2016) to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy(ies).
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. As approved by the Board of Directors with reference to Rule 95 of the Company's Constitution, the Form of Proxy shall be deposited or submitted to the Company in the following manner not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this Form of Proxy must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. **Faxed copies of the duly executed Form of Proxy are not acceptable.**
 - (ii) By electronic means
This Form of Proxy can be lodged electronically via **TIIH Online** website at <https://tiih.online>. Kindly refer to the Administrative Details for the procedures on electronic lodgement of Form of Proxy via TIIH Online.
7. Please ensure **ALL** the particulars as required in this Form of Proxy are completed, signed and dated accordingly.
8. Last date and time for lodging this Form of Proxy is **Monday, 16 June 2025 at 10.30 a.m.**
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 18th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 18th AGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 18th AGM dated 30 April 2025.

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STAMP

The Company Secretary
AIRASIA X BERHAD

(Registration No. 200601014410) (734161-K)

RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur
64000 KLIA
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