



NOW EVERYONE CAN FLY

A NEW CHAPTER



Making the World Smaller

What's Inside



COVER RATIONALE

The cover of AirAsia X Berhad's Annual Report 2025 reflects a defining transition, anchored by the theme "A New Chapter". It represents the Group's evolution into a unified aviation platform, integrating short- and long-haul operations under a single AirAsia network.

The visual brings together guests and crew, symbolising alignment, scale and shared purpose. Set against a backdrop of global connectivity, it highlights the Group's shift towards a low-cost network carrier model.

Together, the composition signals renewed momentum and positions AirAsia X for its next phase of sustainable growth.

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Lapangan Terbang Antarabangsa Kuala Lumpur
64000 KLIA, Selangor Darul Ehsan, Malaysia

Corporate Profile

Our Vision

Make Asean a global low-cost travel hub

Our Mission

Connect over 1 billion people throughout Asean by 2026 through low fares and value

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

AirAsia X Berhad ("AirAsia X" or the "Group") is a leading low-cost airline group headquartered in Malaysia, operating an extensive network of short- and medium-haul services across Asean and beyond under the AirAsia brand name.

Founded on the vision of making air travel affordable and accessible to all, the Group traces its roots to the launch of AirAsia in 2001, with the iconic tag line, *Now Everyone Can Fly*. Today, the Group has grown into one of the most recognised low-cost airlines, having served over 900 million guests while consistently delivering seamless operational efficiency and value-driven travel experiences.

In January 2026, AirAsia X completed the acquisition of AirAsia Berhad and AirAsia Aviation Group Limited, effectively consolidating all AirAsia-branded airlines under one single aviation platform. This integration strategically unites the Group's short- and medium-haul operations with both narrowbody and widebody fleet, ultimately enhancing network connectivity and operational synergies.

Today, the Group operates a network of more than 150 destinations and 300 routes, supported by 16 strategic hubs across Malaysia, Thailand, Indonesia, the Philippines and Cambodia. Through this integrated structure, the Group now connects Asean to the greater parts of Asia, Australia, the West Asia, and beyond.

Collectively, the Group operates a fleet of over 250 aircraft comprising the Airbus A320 and A321 family narrowbody aircraft along with the Airbus A330 widebody aircraft. With ongoing fleet modernisation,

the Group is due to take delivery of four A321LR aircraft in 2026, with the A321XLR joining the fleet in 2028. With a strong orderbook under its belt, the Group envisions entering a new decade in 2030 with close to 350 aircraft in its fleet.

Recognised as the World's Best Low-Cost Airline by Skytrax for 16 consecutive years and maintaining a 7/7 safety rating by AirlineRatings.com, the Group remains focused on delivering safe, reliable and value-driven travel while advancing its ambition to build the world's first truly global low-cost network carrier.



Our Network

As of 31 March 2026

Connecting to over
150 Destinations
under the AirAsia brand name



Airlines



AirAsia Malaysia
AirAsia X Malaysia



AirAsia Thailand
AirAsia X Thailand



AirAsia Indonesia



AirAsia Philippines



AirAsia Cambodia



Corporate Information

AS OF 31 MARCH 2026

BOARD OF DIRECTORS

TAN SRI (DR.) JAMALUDIN BIN IBRAHIM

Independent Non-Executive Chairman

DATO' FAM LEE EE

Non-Independent Non-Executive Director

DATUK KAMARUDIN BIN MERANUN

Non-Independent 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
- Dato' Sri Mohammed Shazalli bin Ramly
- Ms. Chin Min Ming

NOMINATION AND REMUNERATION COMMITTEE

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

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

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

SAFETY REVIEW BOARD

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

COMPANY SECRETARIES

Ruthrainee Karthigesu
(SSM PC No. 202308000109)
(LS0010689)

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

AUDITORS

BDO PLT
[201906000013 (LLP0018825-LCA) & AF 0206]
Chartered Accountants
Level 8, BDO @ Menara CenTARA
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : +603 2616 2888
Fax : +603 2616 3190/3191

REGISTERED OFFICE

RedQ
Jalan Pekeliling 5
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Tel : +603 8660 0051
Fax : +603 8660 7722
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HEAD OFFICE

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64000 KLIA
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Tel : +603 8660 0051
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Email : aax_ir@airasia.com
Website : www.airasiax.com

SHARE REGISTRAR

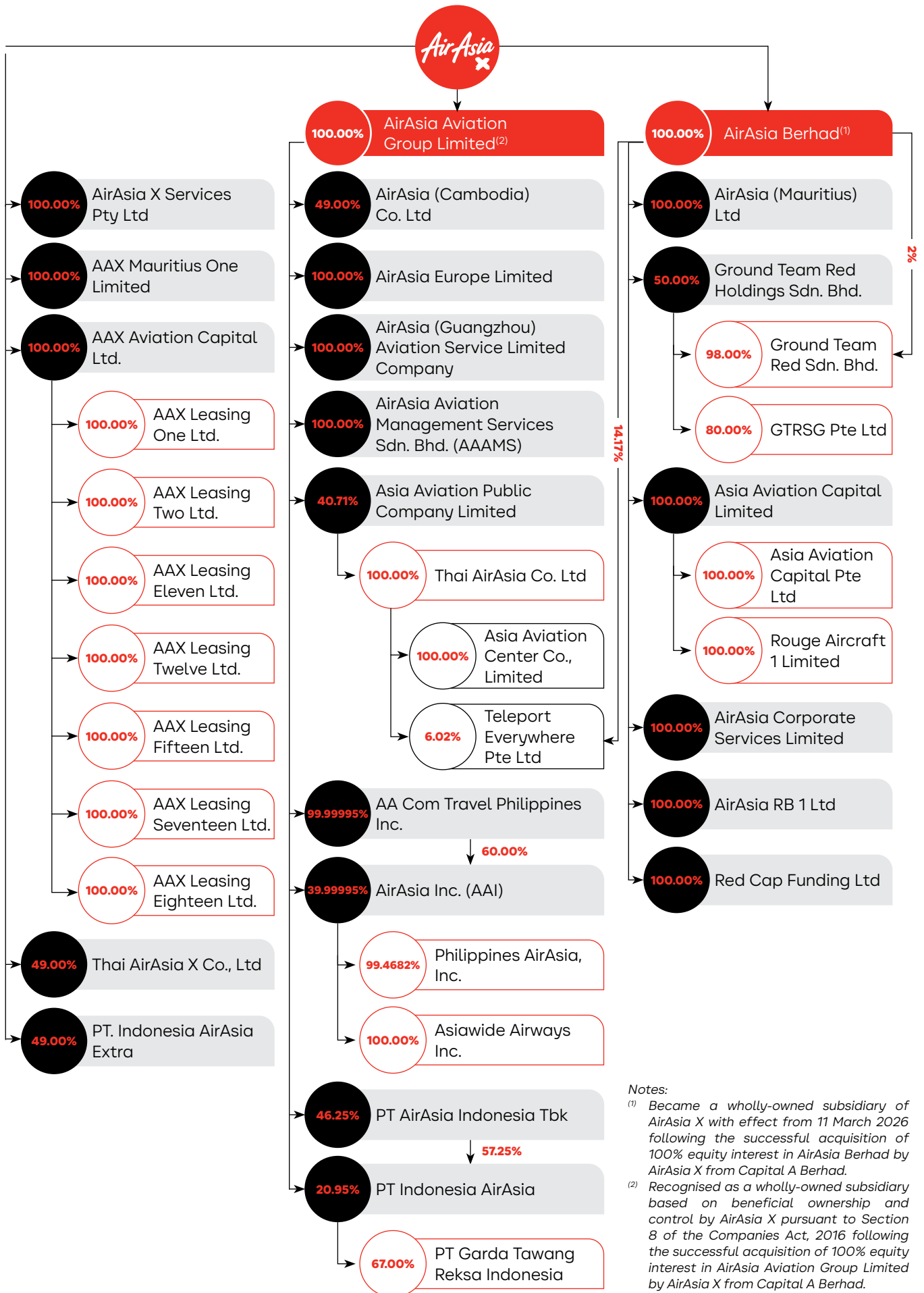
Tricor Investor & Issuing House Services Sdn. Bhd.
(197101000970) (11324-H)
Unit 32-01, Level 32, Tower A
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Avenue 3, Bangsar South
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59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : +603 2783 9299
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 31 MARCH 2026



Notes:

⁽¹⁾ Became a wholly-owned subsidiary of AirAsia X with effect from 11 March 2026 following the successful acquisition of 100% equity interest in AirAsia Berhad by AirAsia X from Capital A Berhad.

⁽²⁾ Recognised as a wholly-owned subsidiary based on beneficial ownership and control by AirAsia X pursuant to Section 8 of the Companies Act, 2016 following the successful acquisition of 100% equity interest in AirAsia Aviation Group Limited by AirAsia X from Capital A Berhad.

Directors' Profiles

AS OF 31 MARCH 2026



TAN SRI (DR.) JAMALUDIN BIN IBRAHIM

Independent Non-Executive Chairman



Tan Sri Jamaludin (Male), Malaysian, aged 67, has over 40 years of executive experience in the IT and telecommunications industries, of which 27 years were spent as CEO. He retired in 2021 and remains active in non-executive roles across various sectors. He has led the public listings of three multi-billion-dollar companies.

On 24 February 2026, Tan Sri Jamaludin was appointed as an Independent Non-Executive Director of the Company, and was redesignated as the Independent Non-Executive Chairman of the Company on 6 March 2026.

He was Group CEO of Axiata Group (2008-2020), CEO of Maxis Communications (1998-2007), Managing Director of Digital Equipment Corporation Malaysia (1993-1997), and held multiple roles at IBM Malaysia (1981-1993).

He is currently Chairman of QSR Brands Holdings and a Board member of ICDM, as well as two public-listed companies in Australia, SEEK Ltd and NEXTDC Ltd. He also serves as Pro-Chancellor of Universiti Teknologi Malaysia (UTM).

Previously, he served as Chairman of AirAsia Aviation Group Limited and Prasarana Malaysia, and Director of Sunway Berhad. He was a member of the Economic Action Council and the Digital Economy Council, both chaired by the then Prime Minister.

He has a strong track record in scaling businesses, public listings, and large-scale transformations. He brings strong strategic vision, particularly in managing complex, technology-driven organisations. He has extensive regional leadership experience across Asean, South Asia, and Australia, demonstrating high agility across industries, roles, countries, and cultures, and is highly experienced in governance. He has a deep passion for people, talent development, diversity, and national-level initiatives.

Tan Sri Jamaludin has received local and international recognition, including the GSM Association Chairman's Award and an Honorary Doctorate in Management from Universiti Sains Malaysia.

His board experience spans non-independent, independent, and chairman roles across public-listed companies, private entities, and government-linked corporations, including very large, complex, and mostly regulated organisations, with significant international exposure.

Directors' Profiles

AS OF 31 MARCH 2026



DATO' FAM LEE EE

Non-Independent

Non-Executive Director



Dato' Fam (Male), Malaysian, aged 65, was appointed as a Non-Independent Non-Executive Director of the Company on 24 March 2008. He was redesignated as Non-Independent Non-Executive Deputy Chairman on 8 September 2023 and subsequently appointed as Non-Independent Non-Executive Chairman on 18 December 2023. On 6 March 2026, he was redesignated as a Non-Independent Non-Executive Director of the Company. Dato' Fam is also a member of the Company's Safety Review Board.

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, Director of Teleport Everywhere Pte. Ltd. and Director of Thai AirAsia X Co., Ltd and Malaysia-China Business Council.

Directors' Profiles

AS OF 31 MARCH 2026



DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Director



M

64

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. With the help of Conor McCarthy, they 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 as 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 he is also a Director of the Selangor (Red Giants) Football Club.

Directors' Profiles

AS OF 31 MARCH 2026



MS. CHIN MIN MING

*Independent
Non-Executive Director*



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

She is actively involved in mentoring startups and young environmental innovators. She has been a Coach for more than a dozen High Growth Startups in Malaysia. She is currently a Mentor of the beVisioneers Global Fellowship by the Mercedes-Benz and a Mentor of the MentorLink Mentorship Program by the Melbourne Business School.

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

Directors' Profiles

AS OF 31 MARCH 2026



DATO' ABDUL MUTALIB BIN ALIAS

Independent Non-Executive Director



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 and Sustainability 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 to 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

AS OF 31 MARCH 2026



DATO' SRI MOHAMMED SHAZALLI BIN RAMLY
Independent Non-Executive Director



Dato' Sri Mohammed Shazalli (Male), Malaysian, aged 64, was appointed as an Independent Non-Executive Director of the Company on 29 September 2023. He is the Chairman of the Nomination and Remuneration Committee and Safety Review Board. Dato' Sri Mohammed Shazalli is also a member of the Risk Management and Sustainability Committee and Audit 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 PR1MA Communication Sdn. Bhd. and Pharmaniaga Sdn. Bhd. and also 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 have any family relationship with any other Director and/or major shareholder of AirAsia X

- **Conflict of Interest**

None of the Directors have any conflict of interest or potential conflict of interest including any interest in any competing business with AirAsia X or its subsidiaries

- **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 any regulatory bodies during the financial year ended 31 December 2025 (other than traffic offences)

Profiles of the Leadership Team

THARUMALINGAM A/L KANAGALINGAM

Group Chief Executive Officer



Date of Appointment: 19 January 2026

Responsibilities:

- Leads the strategic growth for the Company to dominate core markets and win on key routes while expanding selectively into high-growth regional corridors
- Accountable for delivering sustainable profitability, strong cash generation, and maintaining strict cost control and capital discipline across the organisation
- Drives safe, reliable, and on-time operations at scale while maximising aircraft utilisation and network efficiency for all airlines
- Accelerates the Company's agenda on AI, automation, and digital adoption to scale the business efficiently and continuously simplify the operating model
- Delivers a consistent and value-driven customer experience to strengthen trust, brand loyalty, and reliability across all markets
- Builds a strong, accountable leadership team, ensures succession planning, and upholds high standards for governance and risk management
- Acts as the primary interface with the Board, regulators, and strategic partners, serving as a leading voice in regional aviation

Experience:

Mr. Tharumalingam A/L Kanagalingam, commonly known as Bo Lingam, has been instrumental in shaping the AirAsia Aviation Group's strategic direction and operational framework, driving the airlines' regional expansion and solidifying its leadership in the competitive aviation industry. Since joining AirAsia in 2001 as a Ground Operations Manager, he has played a key role in implementing the low-cost airline model across operations and procurement. Over the years, he has held several leadership positions, including Purchasing and Supplies Senior Manager, Regional Guest Services Director, Chief of Operations and Planning, Group Chief Operations Officer, President & Group Chief Operations Officer, Deputy Group Chief Executive Officer ("CEO") of Airlines and Group President of Airlines.

As Group CEO of AirAsia X Berhad, Bo Lingam continues to drive the airline's evolution by prioritising operational excellence, optimising processes and enhancing customer experience. His leadership has been pivotal in strengthening AirAsia's presence in Malaysia, Thailand, Indonesia, the Philippines and Cambodia, while also overseeing the establishment of new airlines within the Group. He remains committed to delivering innovative ancillary solutions and ensuring seamless, personalised travel experiences that meet the evolving demands of modern travellers.

Qualifications and Professional Membership:

- Malaysian Certificate of Education (SPM)

Additional Information:

- Bo owns 39,232 Ordinary Shares and 9,950 Warrants B 2025/2030 in AirAsia X

Profiles of the Leadership Team

AHMAD AL FAROUK BIN AHMAD KAMAL

Deputy Group Chief Executive Officer



Date of Appointment: 19 January 2026

Responsibilities:

- Partners with the Group CEO to design corporate strategy and drive Group-wide performance against financial and operational KPIs, including revenue growth and cost efficiency
- Provides direct leadership across key corporate functions, overseeing Finance, Corporate Finance, Legal, Investor Relations, Aircraft Finance/Leasing and Sustainability
- Steers Group-wide funding strategies, capital allocation, safeguarding financial resilience
- Oversees Group Operations to ensure efficiency, reliability, and operational excellence while optimising capacity and cost structures to meet commercial objectives
- Oversees Internal Audit and Risk Management portfolios to ensure strong enterprise risk frameworks, internal controls, and regulatory compliance across the Group
- Acts as a primary interface with external stakeholders, including investors, regulators, financial institutions, and strategic partners
- Focuses on building a high-performance leadership culture by driving accountability, talent development, and organisational capability

Experience:

As the Deputy Group CEO, En. Ahmad Al Farouk bin Ahmad Kamal (Farouk) plays a pivotal role in the unified leadership structure of the Group. Following the successful consolidation of AirAsia Berhad (AAB) and AirAsia Aviation Group Limited (AAAGL) under the AirAsia X banner, Farouk is responsible for the oversight of all corporate functions and Group-wide operations, ensuring that the Group's strategic vision is translated into measurable operational performance and sustainable financial growth.

Under this role, he leads the Corporate portfolio—encompassing Finance, Corporate Finance, Aircraft Finance/Leasing, Legal, Sustainability and Investor Relations—while also overseeing the Group's Operations function. Farouk also has oversight on the Group's Internal Audit and Risk Management.

Farouk transitioned to this role from AirAsia Aviation Group, where he served as Deputy CEO (Corporate) from 8 January 2024.

Farouk has over 20 years of experience in investment banking, corporate finance, equity research, and equity trading. He has worked at leading global financial institutions including Deutsche Bank, J.P. Morgan, and Credit Suisse. Prior to joining AirAsia, he served as CEO and Chief Investment Officer of Urusharta Jamaah, a Government-Linked Investment Company (GLIC), where he was responsible for managing and rehabilitating assets valued at over RM10 billion.

Qualifications and Professional Membership:

- Master of Science in Finance and Economics, London School of Economics and Political Science
- Bachelor of Science in Economics, London School of Economics and Political Science

Directorships of Public Companies:

AirAsia X Group

Listed

- Asia Aviation Public Company Limited
- PT Indonesia AirAsia Tbk

Non-Listed

- AirAsia Berhad

Profiles of the Leadership Team

LOW KAR CHUAN

Group Chief Financial Officer



Date of Appointment: 19 January 2026

Responsibilities:

- Plans and forecasts the overall financial vision, including accounting, budgeting, auditing, and internal controls, ensuring productive financial systems
- Manages all aviation group finances, including cash flow, financial reporting, and governance across all Air Operator Certificates (AOCs)
- Facilitates in developing strategic financial plans to increase revenue, optimise costs, and support fleet growth
- Leads budgeting and forecasting processes while overseeing investments, financing arrangements, and capital structure planning, including aircraft financing and funding requirements
- Assesses and implements strategies to mitigate financial risks, including operational, fuel, and regulatory risks, and endorses strong financial governance and controls
- Prepares financial outlook reports and projections to ensure liquidity and financial stability for operations
- Supervises finance teams across all entities and provides oversight on financial matters, including budgeting and accounting, fiscal reporting and management reporting through dotted-line reporting from AOCs

Experience:

Kar Chuan is a seasoned banking professional with over 23 years of financial services experience in large corporate and investment banking activities mainly equity, debt, corporate banking and M&A transactions. Prior to joining AirAsia, Kar Chuan spent over 15 years in RHB Investment Bank as well as Maybank Investment Bank.

Kar Chuan has been instrumental as a key partner of the Company and Capital A Berhad since 2016, playing an instrumental role in addressing their capital and funding needs. His contributions include supporting management with deal origination and execution, helping to manage funding requirements and overseeing debt and equity fundraising efforts.

Kar Chuan brings a unique understanding of the organisation, having built strong working relationships with management and stakeholders, along with a wealth of external financial experience. His deep knowledge and proven track record will be invaluable in helping the Company navigate the complex challenges of the aviation industry and meet its financial demands.

Qualifications and Professional Membership:

- Bachelor Degree in Commerce, majoring in Accountancy, Curtin University of Technology, Australia
- Certified Practicing Accountant Australia, CPA Australia
- Chartered Accountant Malaysia, Malaysian Institute of Accountants (MIA)

Directorships of Public Companies:

AirAsia X Group

Listed

- Asia Aviation Public Company Limited

Profiles of the Leadership Team

CAPT. SURESH KUMAR BANGAH

Group Chief Operations Officer



Date of Appointment: 1 April 2026

Responsibilities:

- Leads all aspects of airline operations, including Flight Operations, Engineering & Maintenance, Ground Operations, Safety, Security, NMC, and Cabin Crew
- Ensures high reliability and on-time performance (OTP) across the Group while driving standardisation and best practices
- Formulates strategic partnership to enhance service delivery for the core areas of operations whilst effectively managing risk associated with implementation of new services
- Champions a strong safety culture aligned with ICAO, IATA, and regulatory standards, leading incident reviews and corrective action strategies
- Develops operational strategic plans and maintains optimal resource planning, budgeting, and aircraft utilisation
- Monitors key operational KPIs and implements Operations Quality Assurance initiatives to quickly identify and address performance gaps
- Oversees operational budgets and drives productivity improvements and cost optimisation initiatives without compromising safety
- Maintains critical relationships with regulators and airport authorities and collaborates internally with People, Finance, and Commercial

Experience:

Capt. Suresh brings over 20 years of aviation experience to the Group, having developed a comprehensive understanding of the business from the ground up. Since joining AirAsia as a Pilot in 2003, Capt. Suresh has held diverse roles in technical and management sectors, including serving as an Internal Auditor and managing the Cadet Pilot Training Programme. His early career focused on building operational foundations and managing flight deck recruitment, ensuring a steady pipeline of talent during the Group's formative years.

In 2010, Capt. Suresh transitioned to AirAsia X as Chief Pilot Operations, later becoming Director of Flight Operations in 2013. His leadership expanded significantly in recent years, serving as the AirAsia Aviation Group's Director of Flight Operations and most recently as the President and CEO of Philippines AirAsia. This progression from operational roles to executive leadership helped cultivate the practical and strategic insight necessary to oversee the Group's complex regional operations as Group Chief Operations Officer.

Qualifications and Professional Membership:

- Air Transport Pilot License, 1999
- A320 Type Rating License, 2005
- A340 Type Rating License, 2009
- A330 Type Rating License, 2011
- MIT Sloan School of Management Leadership Programme
- Cranfield University Leadership Programme
- Cranfield University Accident Investigation Programme

Profiles of the Leadership Team

AMANDA WOO

Chief Commercial Officer



Date of Appointment: 26 February 2026

Responsibilities:

- Responsible for overall airline commercial functions including network & scheduling, route revenue, ancillary, inflight meals, duty-free, airport incentives & partnerships and social media
- Manages route profitability, capacity management and commercial operation costs
- Drives the organisation's overall profitability by achieving Group Revenue Growth Targets and overseeing the delivery of a profitable route network as well as maximising aircraft utilisation
- Maximises route revenue and yield performance - oversees revenue management strategies to optimise pricing, load factors, and yield across all routes, ensuring sustainable revenue growth
- Enhances ancillary revenue streams - develops and grows ancillary products (e.g., baggage, seat selection, onboard services) to increase per-passenger revenue and overall commercial performance
- Oversees onboard commercial offerings which include inflight meals and duty-free to improve customer experience while driving onboard sales and profitability
- Strengthens partnerships and brand engagement on airport incentives, strategic partnerships, and social media initiatives to boost route viability, brand visibility, and customer acquisition
- Leads the centralisation of commercial functions while building overseas market capabilities and ensuring effective succession planning
- Monitors Group Net Operating Profit (NOP) financial performance and drives initiatives to enhance revenue and optimise commercial-related costs
- Ensures all commercial activities comply with regulatory requirements and corporate governance standards

Experience:

Amanda's journey with AirAsia began in 2012, when she initially led airline marketing before progressing to establish and lead Commercial in Indo-China, including Vietnam. Her portfolio later expanded to overseeing Commercial across Indonesia, Malaysia, and Singapore, before taking on the overall Group Commercial role on 10 February 2025.

Her extensive experience spans across multiple industries and global brands, including e-commerce, lifestyle and retail. In AirAsia, her leadership has been instrumental in expanding the airline's presence in key Asean markets particularly in establishing AirAsia's footprint in new markets and gaining significant markets across the region.

She also played a key role in AirAsia's digital transformation during the pandemic, supporting the transition from an airline-centric business into the AirAsia SuperApp (now known as AirAsia MOVE).

She is a seasoned marketer in the industry. She started her career with Y&R Advertising and later with Moët Hennessy Diageo, heading brand management for Malaysia and Singapore. She then took a switch in her career to join L'Oreal, heading one of the professional haircare brands for four years before joining AirAsia in 2012.

Qualifications and Professional Membership:

- Bachelor of Commerce, Curtin University of Technology
- Certified Le Cordon Bleu Chef

Profiles of the Leadership Team

MUHAMMAD KHURRAM ZIA

Chief People Officer



Date of Appointment: 18 March 2026

Responsibilities:

- Directs end-to-end human capital strategies to accelerate business transformation through lean organisational design, precise rightsizing, and disciplined cost optimisation
- Safeguards business continuity by developing high-potential talent pipelines and ensuring robust succession coverage for mission-critical leadership roles
- Attracts and retains talent via a compelling Employee Value Proposition and performance-linked rewards aligned with market benchmarks and shareholder interests
- Utilises advanced HR technology and predictive analytics to provide the GCEO and Board with data-driven insights that transform the workforce as a measurable asset
- Drives sustainable value by embedding inclusive behaviours and ESG-aligned DEI strategies to ensure a resilient and high-performing organisational culture

Experience:

Muhammad Khurram Zia (Mo) is a distinguished Senior HR and Transformation leader with over 20 years of global experience in designing, scaling, and modernising HR operating models across APAC, MEA and China. As Chief People Officer, he oversees the strategic direction of the human resources function, ensuring that the organisation's people strategy is seamlessly aligned with its long-term business growth and operational excellence.

Throughout his career, he has successfully transitioned traditional country-led HR models into integrated global and regional shared services. His leadership is defined by:

- **Digital Innovation:** Implementing AI-enabled HR solutions, including advanced case management, talent intelligence systems, and automated chatbots to drive efficiency.
- **Operational Rigor:** Leading multi-country teams through complex operating model redesigns, vendor consolidation, and large-scale HRIS enablement.
- **Strategic Transformation:** Delivering measurable improvements in scalability, cost-optimisation, and the overall employee experience.

Qualifications and Professional Membership:

- MBA from London Business School and executive credentials from MIT Sloan and Harvard Business School

Profiles of the Leadership Team

VINAY THAKUR

Chief Legal Officer



Date of Appointment: 26 February 2026

Responsibilities:

- Serves as the primary legal advisor to the Board of Directors and the management team on the legal implications of strategic decisions
- Oversees all legal functions, including corporate governance, compliance, contracts, litigation, and legal risk management
- Ensures the Group adheres to all applicable laws, regulations, and industry standards across various jurisdictions
- Directs the drafting and negotiation of complex agreements, including aircraft financing, leasing, and vendor partnerships
- Manages legal disputes and litigation strategy, overseeing external counsel to minimise risk exposure
- Provides legal oversight for mergers, acquisitions (M&A), joint ventures, and complex cross-border transactions
- Oversees the protection and enforcement of the Group's intellectual property assets

Experience:

Vinay joined AirAsia in 2019 and brings over 15 years of international legal experience across the aviation, hospitality, and technology sectors prior to his appointment as Chief Legal Officer of AirAsia X Berhad. He has held senior legal leadership roles with leading organisations including AirAsia (India), flynas (Saudi Arabia), and OYO Rooms, where he was responsible for establishing and leading legal and compliance functions, advising senior management, and supporting strategic business initiatives.

Vinay began his career in New York with Dewey & LeBoeuf LLP, where he advised on capital markets and restructuring matters under U.S. law. He subsequently moved into the aviation sector with InterGlobe Aviation Limited (IndiGo), where he was involved in aircraft transactions, regulatory matters, and commercial contracting. He later joined Hyatt Hotels Corporation as Corporate Counsel for South Asia, supporting cross-border hotel development, management agreements, and regulatory compliance across multiple jurisdictions.

Throughout his career, Vinay has developed deep expertise in aviation law, corporate governance, cross-border transactions, and regulatory compliance, with significant experience working across Asia, the West Asia, and the United States.

Qualifications and Professional Membership:

- LL.M. Columbia University
- New York State Bar
- Bar Council of India

Additional Information:

- Vinay owns 6,000 Ordinary Shares and 3,000 Warrants B 2025/2030 in AirAsia X

Profiles of the Leadership Team

AZITA NAZRENE

Chief Insights, Analytics & Investor Relations



Date of Appointment: 26 February 2026

Responsibilities:

- Leads the Group's insights and analytics agenda across the airlines, focusing on key value drivers
- Provides independent analysis on major fleet, network, cost and investment decisions, including targeted deep dives to quantify financial impact and inform management actions
- Owns the economic fact base underpinning key decisions, as well as the Group's equity and debt narrative to investors and lenders
- Leads investor relations as the primary contact for shareholders, including earnings communications, investor presentations and engagement
- Provides strategic and financial input on M&A, investments and fundraising activities
- Monitors industry trends, competitive developments and emerging technologies to support benchmarking and market insights

Experience:

Since Azita joined AirAsia in 2019, she has led Financial Planning & Analysis through the COVID period, drove group strategy and long-term fleet evaluations, and supported major funding exercises. Prior to AirAsia, she spent more than six years at Macquarie as Senior Equity Analyst for Transport & Infrastructure in Asia and three years in investment banking, giving her a strong capital markets and airline economics background.

Qualifications and Professional Membership:

- Bachelor of Financial Engineering (Honours), Multimedia University Malaysia

Profiles of the Leadership Team

YAP MUN CHING

Chief Sustainability Officer



Date of Appointment: 26 February 2026

Responsibilities:

- Drives the Company's ESG strategy to safeguard long-term resilience and leads the transition to net-zero aviation while ensuring the Company meets evolving global disclosure standards and social responsibility benchmarks
- Oversees advancement of all pathways to decarbonise, covering monitoring of fleet and operational efficiency performance, adoption of Sustainable Aviation Fuel (SAF) and purchase of carbon offsets
- Acts as the primary advisor to the Board and GCEO on climate-related financial disclosures (NSRF, ISRF) and ESG risks, and meeting climate-related compliance requirements (CORSIA, carbon-related taxes/levies)
- Ensures accuracy in sustainability reporting in alignment with Bursa Malaysia and global standards like GRI, SASB, and ICAO
- Partners with the CFO to secure green financing and ESG-linked loans to support business growth
- Partners with the CPO to drive social impact and champion DEI agendas, and with the CTO to leverage technology for green innovation
- Influences global and national aviation environmental policy by representing the Company at national, ASEAN and ICAO-level engagements on Net Zero frameworks
- Introduces ESG auditing for supply chain partners and supports the CPO in integrating ESG KPIs into leadership performance frameworks

Experience:

Mun Ching leads AirAsia's environmental strategy, steering sustainability action across seven airlines in five countries. By merging operational expertise with climate initiatives, she drives measurable ESG improvements that have earned industry-leading recognition for the AirAsia Group. Alongside corporate implementation, Mun Ching actively shapes global aviation policy. She serves as Chair of Malaysia's National CORSIA Task Force and is a technical expert on the ICAO Committee on Aviation Environmental Protection's CORSIA working group.

Mun Ching first joined AirAsia as a route planner before rising to Head of Strategic Planning, where she optimised fleet deployment and charted network expansion across Asean and China. Beyond aviation, she founded AirAsia Foundation, channeling over US\$4 million into social enterprise funding and disaster resilience projects. A London School of Economics graduate, her career began in journalism and in public service as Special Officer to Malaysia's Minister of International Trade and Industry.

Qualifications and Professional Membership:

- Technical Expert, ICAO Committee for Aviation Environmental Protection Working Group on CORSIA
- Chairperson, National CORSIA Task Force, Malaysia
- Climate Change Advisory Panel Member, Ministry of Natural Resources and Environmental Sustainability of Malaysia
- MSc International Relations, London School of Economics and Political Science, graduated with Distinction, Chevening Scholar
- BSc (Hons) Economics, London School of Economics and Political Science, graduated with First Class Honours, PETRONAS Scholar

Additional Information:

- Mun Ching owns 14,332 Ordinary Shares and 400 Warrants B 2025/2030 in AirAsia X

Profiles of the Leadership Team

WONG OOI LING

Head of Internal Audit



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:

A Chartered Accountant with extensive experience in audit, corporate planning, project management, transformation, and risk management across multiple industries. She began her career with PricewaterhouseCoopers in Audit and Assurance, building a strong foundation in governance, risk, and internal controls.

She held senior leadership roles at EON Bank Berhad, including Vice President of Group Management Services and Project Management Office, and later expanded her expertise with Astro and DRB-HICOM Group, leading strategic initiatives and GST PMO initiatives.

She joined AirAsia X Berhad in 2016 as Head of Corporate Quality Assurance, with subsequent oversight of risk management and business continuity. Appointed Head of Internal Audit of AirAsia X in 2020, she now plays a key role in strengthening governance, enhancing internal controls, and driving continuous improvement across the enlarged AirAsia airline group.

Qualifications and Professional Membership:

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

Profiles of the Leadership Team

RUDY CHAN POH WAH

Head of Risk Management



Date of Appointment: 26 February 2026

Responsibilities:

- Develops and executes risk assessment plans with enterprise priorities and regulatory expectations
- Provides independent assurance on the effectiveness of internal controls, risk management, and governance frameworks
- Conducts end-to-end risk reviews covering financial, operational, compliance, and IT controls across all AOC entities
- Presents key risks, risk exposures, and recommendations to the Risk Management Committee and senior leadership
- Leads Business Continuity Management, ERP integration, and system resilience controls
- Builds and develops a high-performing risk team, focusing on capability building and continuous improvement risk management

Experience:

Rudy's career began in the banking sector's risk management division in 1990 before transitioning into the telecommunications industry. He spent 14 years at Maxis Communications Berhad in various leadership capacities, notably serving as Head of Fraud Management and leading special projects within Internal Audit.

His regional expertise includes over 12 years across Singapore, Indonesia, Myanmar, and the Maldives, where he was instrumental in establishing Risk Management, Fraud, Revenue Assurance, and Internal Audit functions. Most recently, he joined Digital Nasional Berhad in 2021, initially setting up the Risk Management and Business Continuity functions before transitioning to the role of its Head of Internal Audit in 2022.

Qualifications and Professional Membership:

- Masters of Business Administration, University of Southern Queensland

Profiles of the Leadership Team

RUTHRAINEE KARTHIGESU

Group Company Secretary



Date of Appointment: 19 January 2026

Responsibilities:

- Acts as the primary advisor to the Board on statutory duties, fiduciary responsibilities, and corporate governance best practices
- Manages the end-to-end operations of Board and Committee meetings, including high-quality documentation and resolution execution
- Serves as the primary contact for Bursa Malaysia and the Securities Commission, ensuring full compliance with Listing Requirements
- Oversees the timely release of corporate announcements, market transparency regarding price-sensitive information, and statutory filings
- Spearheads to the organisation of general meetings to foster transparent communication with the investment community
- Provides secretarial leadership for corporate exercises
- Standardises secretarial practices across the Group including subsidiaries and associates in Thailand, Indonesia, the Philippines and Cambodia to ensure unified governance and adherence to local regulations in the respective countries

Experience:

Ms. Ruthrainee Karthigesu (Ruth) joined AirAsia in August 2020 as a pioneer of the in-house Group Governance and Company Secretarial team, having previously served the group as an external secretarial client since 2016. Throughout her tenure, Ruth has been instrumental in overseeing and navigating the governance and secretarial matters of Capital A Berhad and AirAsia Aviation Group.

Prior to being appointed as the Group Company Secretary of AirAsia X Berhad, she served as the Head of Group Aviation Company Secretarial of AirAsia Aviation Group Limited. In her role at AirAsia X Berhad, she continues supporting the Board of Directors and management, ensuring robust compliance with relevant regulatory obligations, and driving the continuous adoption of best practices in corporate governance across the AirAsia Aviation Group.

Qualifications and Professional Membership:

- Diploma in Corporate Governance and Compliance, Basel Institute on Governance, Switzerland
- Licensed Company Secretary (LS0010689)

Profiles of the Leadership Team

BENYAMIN ISMAIL

General Manager, AirAsia X Malaysia



Date of Appointment: 19 January 2026

Responsibilities:

- Oversees AirAsia X (Airline Code: D7) operations and governance, ensuring a culture of excellence and integrity across all aspects of the business
- Ensures aircraft operations are safe, legally compliant, and in conformance with the Air Operator Certificate (AOC)
- Provides vision and business strategy specifically for medium- and long-haul operations
- Continuously assesses the integrity and adequacy of operating standards and procedures, flight safety programs, and facilities to ensure they are consistent with industry practice and requirements
- Allocates necessary resources to manage safety risks and security threats to aircraft operations
- Maintains effective communication with regulators and key stakeholders to ensure airport standards meet flying operation requirements

Experience:

With a background in investment banking and corporate strategy, Benyamin brings over two decades of financial and airline-specific expertise to AirAsia X. His career began in Debt Capital Markets, where he held roles at Affin Investment Bank, Maybank Investment Bank, and CIMB Investment Bank. Transitioning to the aviation sector in 2010 as AirAsia's Head of Investor Relations, his strategic acumen and excellence in stakeholder engagement earned him prestigious industry recognition, including multiple "Best IR Professional" awards from Bursa Malaysia's MIRA and Corporate Governance Asia.

Since being appointed CEO of AirAsia X in September 2015, Benyamin has been instrumental in navigating the airline through its most challenging periods— he has successfully spearheaded critical corporate transformations, most notably AirAsia X's 2015 turnaround plan, the 2021 Debt Restructuring and the airline's subsequent upliftment from PN17 status in late 2023. Under his stewardship, AirAsia X successfully completed the strategic acquisitions of AirAsia's airline entities, effectively consolidating the brand and positioning AirAsia X, now an enlarged aviation group, for sustainable, long-term expansion in the global market.

Benyamin also currently serves as a Director of Thai AirAsia X Co., Ltd. and Ground Team Red Sdn. Bhd.

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:

- Benyamin is a member of the Safety Review Board of AirAsia X

Directorships of Public Companies:

Others

Non-Listed

- AirAsia Capital Berhad (formerly known as AirAsia Group Berhad)

Profiles of the Leadership Team

DATO' CAPTAIN FAREH ISHRAF MAZPUTRA BIN AHMAD FAIRUZ

General Manager, AirAsia Malaysia



Date of Appointment: 1 April 2024

Responsibilities:

- Serves as the "Accountable Manager" under CAAM directives for AirAsia Malaysia (Airline Code: AK), holding ultimate responsibility for safe and compliant airline operations
- Directs the management of Maintenance Systems, Flight Operations, Ground Operations, Finance, and Marketing in line with the Company's objectives
- Ensures effective communication with regulatory bodies regarding the assessment of airports and facilities
- Implements and safeguards the effectiveness of Flight Safety programs, managing the safety risks and security threats to aircraft operations
- Ensures that airline infrastructure and operating standards are consistent with current industry practice and regulatory requirements

Experience:

An aviation executive with over 30 years of experience in airline operations, pilot training, and leadership. He holds an Airline Transport Pilot License (ATPL) and has served with Pelangi Airways, Malaysia Airlines, Qatar Airways, and AirAsia, where he was promoted to Captain on the Boeing 737 back in 1999 and operates the Airbus A320. He is also a qualified Instructor Pilot on the B737, A320, and A330 fleets.

He has held senior leadership roles within AirAsia, including Deputy Chief Pilot (Safety) and Director of Flight Operations AirAsia Berhad, overseeing operational performance and safety, where he played a pivotal role in the development of key operational and training frameworks and led initiatives in digital cockpit transformation, fatigue risk management, and fuel efficiency programmes.

He later served as Chief Executive Officer of Asian Aviation Centre of Excellence (AACE), a joint venture between AirAsia and CAE. In recent years, he has continued to shape pilot development and operational strategy as Head of Flight Crew Resourcing and later Head of Pilot Training & Standards at AirAsia Group. His expertise includes strategic leadership in aviation, operational and safety excellence, and pilot training and development.

He was appointed as the Managing Director of AirAsia Berhad on 10 July 2024 and subsequently redesignated as Chief Executive Officer on 1 November 2024. He was thereafter redesignated as General Manager on 19 January 2026.

Qualifications and Professional Membership:

- Airline Transport Pilot Licence (ATPL)

Directorships of Public Companies:

AirAsia X Group

Non-Listed

- AirAsia Berhad

Profiles of the Leadership Team

PHAIRAT PORNPATHANANANGOON

General Manager, AirAsia Thailand



Date of Appointment: 31 January 2026

Responsibilities:

- Holds ultimate accountability for the implementation and maintenance of the Safety Management System per Civil Aviation Authority of Thailand's directives as the Accountable Manager for AirAsia Thailand (Airline Code: FD)
- Oversees airline operations, including Flight Operations, Ground Operations, Engineering, and Finance
- Ensures 100% safe and legally compliant operations in accordance with the Air Operator Certificate (AOC)
- Provides growth vision and strategy for the airline's operations in the Thai market
- Continuously evaluates operating standards and facilities to ensure they meet industry practices.
- Resource Management: Allocates the resources required to effectively manage security threats and safety risks.
- Government Coordination: Liaises with government agencies to ensure airport facilities meet flying operation standards

Experience:

From 2014 to 2020, Phairat served as the Chief Financial Officer for Thai AirAsia X Co., Ltd., while also holding a Directorship within the company until 2022. His leadership during this period was instrumental in managing the financial strategy and corporate governance of the long-haul carrier.

In 2020, he became becoming the Chief Financial Officer for Asia Aviation Plc. through 2026. Simultaneously, he served as the CFO and a Member of the Risk Management Committee for Thai AirAsia Co., Ltd., ensuring fiscal stability and robust risk oversight.

Throughout their tenure from 2014 to 2026, he has played a pivotal role in the financial evolution of the AirAsia brand in Thailand, specializing in financial management, board-level directorship, and comprehensive risk mitigation across multiple aviation entities.

Qualifications and Professional Membership:

- Master of Business Administration, San Diego State University, U.S.A.
- Bachelor of Accounting - International Program, Thammasat University
- Directors Certification Program (DCP 254/2018), Thai Institute of Directors Association (IOD)
- Strategic CFO in Capital Markets Program (Class 7/2018) Thailand Securities Institute (TSI), The Stock Exchange of Thailand
- Top Executives Course, Capital Market Academy (CMA 35) The Stock Exchange of Thailand

Directorships of Public Companies:

AirAsia X Group

Listed

- Asia Aviation Public Company Limited

Others

Non-Listed

- Tune Insurance Public Company Limited

Profiles of the Leadership Team

PATTRA BOOSARAWANGSE

General Manager, AirAsia X Thailand



Date of Appointment: 27 May 2025

Responsibilities:

- Leads the implementation and maintenance of the vision and strategy for airline operations per Civil Aviation Authority of Thailand's directives as the Accountable Manager for AirAsia X Thailand (Airline Code: XJ)
- Endorses the Safety Management System to reduce risks and hazards while ensuring the implementation of a positive safety culture
- Directs Maintenance Systems, Flight Operations, Ground Operations, Finance, and Corporate Communications in the airline
- Drives up-to-date knowledge of rules and policies governing aircraft operations among key personnel
- Ensures safety and security risks are assessed and maintained within acceptable tolerability levels

Experience:

Pattra has been appointed as the CEO of Thai AirAsia X in May 2025, and has over 12 years extensive experience in managing multicultural teams in AirAsia Group. She joined AirAsia in March 2014 as the Chief Financial Officer of AirAsia Thailand and Asia Aviation Public Company Limited, and was appointed as AirAsia Group's Chief Financial Officer in September 2016. Pattra has

contributed significantly to the financial growth of the AirAsia businesses covering Finance where she built the backbone of Financial ERP, Oracle Fusion Cloud at Shared Service Center, Fundraising to support the business growth and supervise the Internal Audit, Tax, Procurement, and Risk Management over the years and has been instrumental in our key decisions to propel the company forward. Her contributions continued to elevate the organisation, leading to her appointment as Deputy Chief Executive Officer of Capital A, and supported Group CEO in November 2024, where she oversaw capital structuring and strategic investment planning across five business entities.

In 2019, Pattra was named Asia's Best CFO at the 9th Asian Excellence Recognition Awards.

Pattra is a Certified Public Accountant, having started her career as a senior auditor at Ernst & Young. She then joined Sony Music as its Finance Director and rose to become its General Manager.

Qualifications and Professional Membership:

- Bachelor in Accounting and Finance, Thammasat University, Thailand
- Master in Business Administration, Chulalongkorn University, Thailand

Profiles of the Leadership Team

CAPT. ACHMAD SADIKIN ABDURACHMAN

Interim General Manager, AirAsia Indonesia

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Date of Appointment: 28 May 2025

Responsibilities:

- Manages airline operations and support areas including maintenance, flight operations, marketing, and finance
- Oversees all strategic and business aspects of AirAsia Indonesia (Airline Code: QZ)
- Ensures that operations comply with AOC regulations and local regulatory requirements
- Responsible for assigning qualified key officers and ensuring safety policies are communicated throughout the organisation
- Develops long-term plans and high-level targets that align with the overall Group business plan
- Oversees annual plan and budget developments while ensuring strict adherence to approved budgets
- Monitors SOP developments to ensure alignment with regional standards, guidelines, and regulatory needs

Experience:

From 1992 to 2004, Capt. Achmad served at PT Merpati Nusantara Airlines, advancing from First Officer on Fokker F28/F100s to Captain on the F27. During this foundational period, he had also gained administrative expertise as an officer in the Flight Operation Administration Department from 2003 to 2004.

Following a tenure from 2004 to 2005 as an Airbus A310/A300 First Officer at PT Air Paradise International, Capt. Achmad joined PT Indonesia AirAsia in 2006. Over the next two decades, he transitioned from Captain to executive leadership, serving as Director of Safety and Quality from 2013 through 2025.

In 2025, Capt. Achmad was appointed Interim General Manager, bringing over 30 years of operational and regulatory expertise to the airline's top leadership.

Qualifications and Professional Membership:

- Basic Safety Management System
- Integrated Safety Management System
- Company Aviation Safety Officer
- Human Factors & Investigation
- IATA Auditor & IOSA Airline Auditor
- Wildlife Hazard Management for Management and Operations
- Quality Management System – ISO 9001:2015

Profiles of the Leadership Team

ANNA VICTORIA LU

General Manager, AirAsia Philippines



Date of Appointment: 16 March 2026

Responsibilities:

- Leads the overall strategic, operational, and financial direction of AirAsia Philippines (Airline Code: Z2)
- Ensures full compliance with aviation regulatory bodies such as Civil Aviation Authority of Philippines, Civil Aeronautics Board, and Department of Transportation of the Philippines
- Drives profitability while safeguarding cost-efficiency and regional competitiveness
- Builds and maintains strong relationships with government stakeholders, airport authorities, and the media
- Leads crisis management and emergency response to ensure business resilience
- Fosters high employee engagement and leadership development aligned with "Allstar" values

Experience:

Anna has over 15 years of experience in infrastructure advisory, investment, project development, and operations across Asia, the West Asia, and Africa, covering projects with an aggregate value of approximately USD12 billion, including capital structuring, operational delivery, and stakeholder management in regulated and capital-intensive sectors.

She previously served as First Vice President for the Water Business of Aboitiz Infracapital and as President of Apo Agua Infraestructura, Inc., where she led the development, commissioning, and operations of a large-scale bulk water supply project, and prior to this was with Atkins Acuity in Singapore and Dubai, advising governments, private sector clients, and multilateral institutions on project development, transaction advisory, and policy frameworks.

She is a member of the Philippine Bar and previously served as Director for Legal at the PPP Center of the Philippines and as a Court Attorney at the Supreme Court of the Philippines.

She holds a Bachelor of Science in Management Engineering from Ateneo de Manila University, a Bachelor of Laws from University of the Philippines, and a Master of Laws in International Business Law from King's College London.

Qualifications and Professional Membership:

- Member, Philippine Bar

Profiles of the Leadership Team

NAM VISSOTH

Chief Executive Officer & General Manager, AirAsia Cambodia



Date of Appointment: 9 December 2022

Responsibilities:

- Leads the overall strategic, operational, and financial direction of AirAsia Cambodia (Airline Code: KT) and ensures full compliance with regulatory bodies such as the State Secretariat of Civil Aviation of Cambodia
- Drives profitability and cost-saving initiatives in line with the Group's strategic objectives in Asean
- Builds and maintains strong relationships with government stakeholders, airport authorities, and the media within the country
- Leads any crisis management and emergency response to ensure business continuity

Experience:

Vissoth is Chief Executive Officer & General Manager of AirAsia Cambodia, where he set up and established the airline from inception and leads its growth with a focus on commercial discipline, operational execution and affordable connectivity.

Prior to this appointment, he built experience across public institutions, finance and aviation. His early professional exposure included work with the National Bank of Cambodia and the International Monetary Fund, which helped shape his understanding of economic policy, financial management and institutional governance. He later moved into aviation, where he took on responsibilities spanning strategy, commercial development, stakeholder engagement and market expansion.

Under his leadership, AirAsia Cambodia has grown from a start-up operation into a profitable carrier within a short period, reflecting disciplined execution and sound financial stewardship.

Vissoth holds a Master's degree in Global Financial Management from ESCM Business School and a Bachelor's degree in Economy and Management from Paris II Panthéon-Assas University.

In 2026, he was named to the Young Global Leaders, Class of 2026 by the World Economic Forum. He also serves on the board of the Cambodia Tourism Board, supporting the development of Cambodia's tourism and aviation ecosystem.

Qualifications and Professional Membership:

- Board Member of Cambodia Tourism Board
- Young Global Leaders, Class of 2026 by the World Economic Forum

DECLARATION OF LEADERSHIP TEAM:

- **Family Relationship**
None of the Leadership Team have any family relationship with any Director and/or major shareholder of AirAsia X
- **Conflict of Interest**
None of the Leadership Team have any conflict of interest or potential conflict of interest including any interest in any competing business with AirAsia X or its subsidiaries
- **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 any regulatory bodies during the financial year ended 31 December 2025 (other than traffic offences)
- **Present Directorship(s) in Other Listed Entities/Public Companies**
Unless otherwise indicated in their respective profiles above, none of the Leadership Team hold any directorships in other public companies and listed companies

Chairman's Statement



Dear Shareholders,

It is a profound honour to address you for the first time in my capacity as Chairman of AirAsia X Berhad. I assumed this role on 6 March 2026, a date that marks more than just a leadership transition - it signals the start of a new era. We have emerged from a period of unprecedented restructuring as a consolidated, revitalised, and formidable aviation group.

TAN SRI JAMALUDIN IBRAHIM
*Independent Non-Executive
Chairman*

Chairman's Statement



I would like to express my sincere appreciation to my fellow Board members, especially my predecessor, Dato' Fam Lee Ee, for his leadership and guidance in steering the company through the periods before and after the consolidation. My deepest gratitude goes to the founders - Tan Sri Tony Fernandes, Datuk Kamarudin Meranun, Datuk Abdul Aziz Abu Bakar, Conor McCarthy, and the late Datuk Pahamin Abdul Rajab. We continue to pay homage to their "Dare to Dream" spirit. I also acknowledge the management team, led by Bo Lingam, whose discipline and resilience carried us through the industry's most challenging times.

“

We enter this chapter from a position of renewed strength, with our past PN17 hurdles resolved, and with greater revenue opportunities and cost synergies within the combined group.”

As Chairman, one of my core missions is to work with the Board and management to bridge two vital worlds, with a continued underlying focus on our guests.

We will fiercely protect AirAsia's entrepreneurial DNA and founder spirit - the speed, agility, and tech-first innovation that have defined us from day one.

At the same time, as an enlarged Group, we must marry that with the rigorous corporate discipline required for the next stage of growth - to scale exponentially and create long-term value that extends beyond any individual. That future will be shaped by stronger governance, world-class functional discipline, robust risk management, and well-balanced trade-offs between opportunities and risks. It will also entail more data-driven decisions across strategy, competitive differentiation, and operations.

To get there, we will institutionalise our approach across process, people, technology, and sustainability - building more structured processes, developing long-term leadership and talent, future-proofing our technology, AI and data capabilities, and deepening our commitment to environmental and social responsibility. We will, however, balance all of that with the speed and agility that AirAsia is known for.

Chairman's Statement



Now, with the merger and integration completed, our strengths have been significantly reinforced - a stronger, unified platform, ready to extract the full value of a unified short- and mid-haul ecosystem, a network and fleet ready to scale, better fleet utilisation and smarter route optimisation, stronger operational productivity, a highly experienced leadership team and a deep bench of committed Allstars.

Nevertheless, we remain cautiously optimistic. The global landscape remains volatile, shaped by geopolitical conflicts, cost inflation, and supply chain disruptions.

However, AirAsia's business model is inherently agile. By maintaining our lean cost leadership, we are well-positioned to respond swiftly to market shifts while enhancing our guests' experience and on-time performance.

Having been close to this organisation for a number of years, I have had the privilege of witnessing firsthand the attitude, capabilities, perseverance, and teamwork of our Allstars. Time and again, they have risen above the challenges and shown a deep sense of care for our guests. This unique blend of passion and purpose is what truly defines AirAsia and the main reason we will prevail.



I am proud to share that our **FTSE ESG score has improved to 3.8 from 3.5 in 2024**, a clear testament to our transparency and commitment to building a sustainable, inclusive aviation industry."

With confidence in our people, our unique business model, and the strengths gained through consolidation, we see the current turbulent landscape as an opportunity to keep reinventing ourselves, exploring all avenues to further our growth agenda and serve even more markets and guests.

The Board, comprising a majority of independent directors, is committed to elevating our ESG aspirations. I am proud to share that our FTSE ESG score has improved to 3.8 from 3.5 in 2024, a clear testament to our transparency and commitment to building a sustainable, inclusive aviation industry. We will continue to refine our governance framework, ensuring it meets the highest standards of the Malaysian Code on Corporate Governance.

On behalf of the Board, I thank our shareholders, our guests, our partners and our Allstars for their unwavering support and trust.

The possibilities for the future are endless, and I am confident that with your continued support, the Company will deliver strong performance and enduring success, positioning itself to become a global champion.

Thank you.

TAN SRI JAMALUDIN IBRAHIM

Independent Non-Executive Chairman
AirAsia X Berhad

GCEO's Management Discussion & Analysis

Dear Valued Shareholders,

The year 2025 set the course for the most significant transformation in AirAsia's history. On 16 January 2026, we concluded the acquisition of Capital A's aviation business—encompassing our operations in Malaysia, Thailand, Indonesia, the Philippines, and Cambodia. We officially unified the AirAsia airlines under one single, integrated aviation Group, achieving the long-held vision of the "New AirAsia" mandate our shareholders entrusted to us on 16 October 2024.

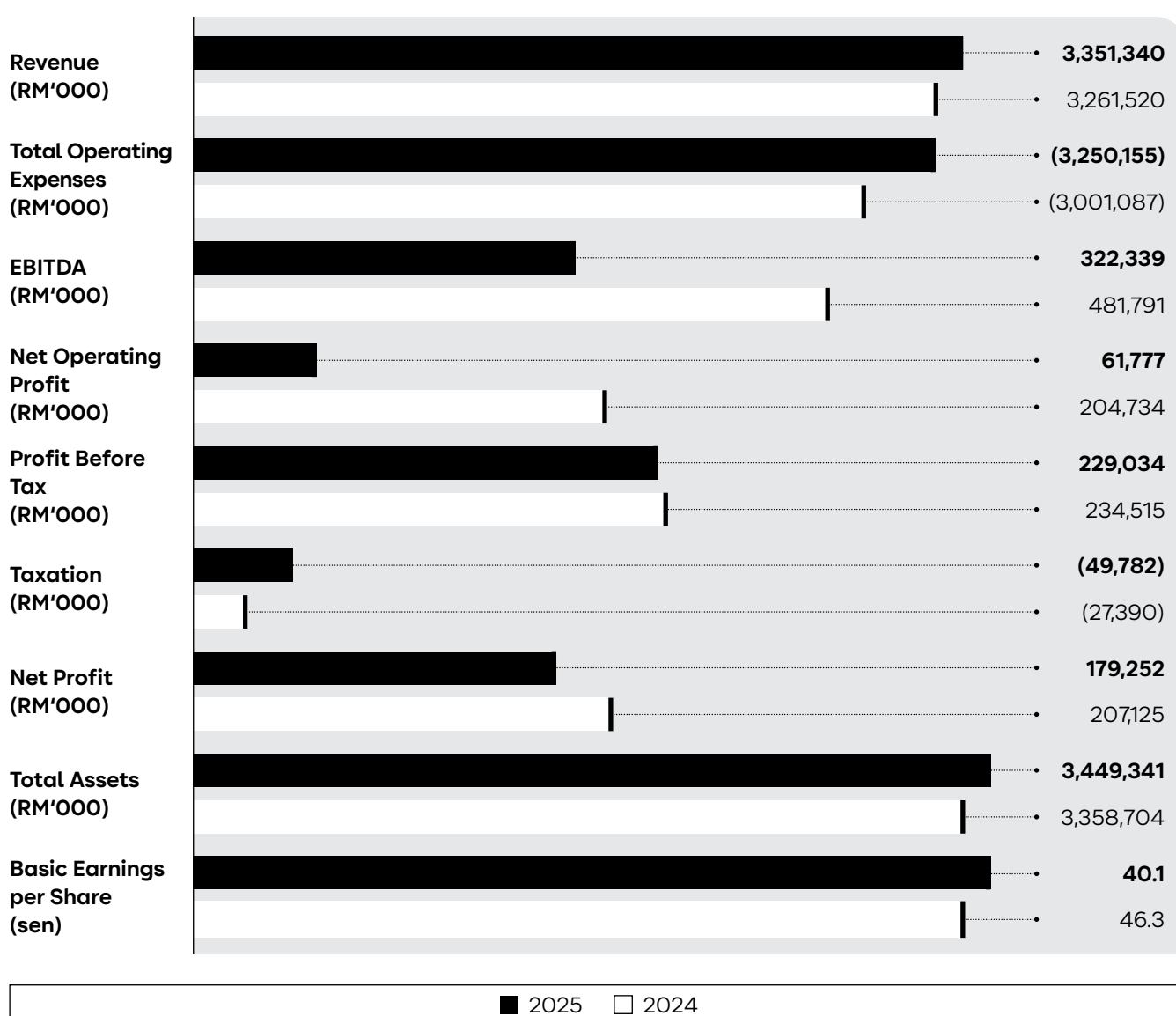
BO LINGAM
Group Chief Executive Officer
AirAsia X Berhad



While this is my first statement as Group CEO of this enlarged entity, my commitment to this brand began at its inception. Having grown with AirAsia from its earliest days and most recently led the short-haul business, I am proud to be working with our Allstars across the region as we bring our short- and mid-haul networks together under one formidable platform. I thank the Board for their confidence, and I am mindful of the responsibility that comes with it.

Our performance in 2025 was a testament to the grit of our teams. Despite the complexities of fleet reactivation and global supply chain constraints, we delivered a positive set of results. This statement marks our final review as a standalone mid-haul airline, but we are just getting started. Moving forward, AirAsia X represents an enlarged aviation powerhouse with seven airlines under its wings. By bridging our short- and mid-haul networks, we have achieved a level of scale and operational synergy that is unprecedented in the region.

Overview of Group's Business and Operations



GCEO's Management Discussion & Analysis



The Group reported a total revenue of **RM3.4 billion** for the financial year ended 31 December 2025 (2024: RM3.3 billion)."

Review of Financial Results and Financial Condition

The Group reported a total revenue of RM3.4 billion for the financial year ended 31 December 2025 (2024: RM3.3 billion), and recorded total operating expenses of RM3.3 billion (2024: RM3.0 billion) due to higher maintenance and overhaul costs, user charges, and other operating expenses arising from increased operational activities.

For the financial year 2025, the Group posted earnings before interests, taxes, depreciation and amortisation ("EBITDA") of RM322.3 million (2024: RM481.8 million), while net operating profit stood at RM61.8 million (2024: RM204.7 million). As part of the profit sharing arrangement from the Debt Restructuring Scheme back in 2021, the Group expects to distribute the profit sharing amount totalling RM5.8 million to the eligible creditors under the Debt Restructuring Scheme, which was in excess over RM300 million of adjusted earnings before interest, taxes, depreciation, amortisation and lease rentals ("EBITDAR"), in accordance with 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 2025 with a net profit of RM179.3 million (2024: RM207.1 million).

Group's Earnings

Revenue

The Group's total revenue recorded RM3.4 billion for the financial year ended 31 December 2025 (2024: RM3.3 billion), primarily attributable to higher ancillary revenue. During this period under review, AirAsia X's scheduled flight operations delivered largely unchanged turnover of RM2.0 billion (2024: RM2.0 billion), while ancillary revenue was higher at RM1.1 billion (2024: RM1.0

billion), a testament to the new products and strategic initiatives driving ancillary income, led by personalised offerings for guests on top of better bundling packages. For 2025, freight services and charter flights reported revenues of RM217.6 million (2024: RM210.8 million) and RM12.8 million (2024: RM1.5 million) respectively.

Expenditure

The Group's total operating expenses charted RM3.3 billion (2024: RM3.0 billion) for the financial year under review, driven primarily by higher operational activities. Maintenance and overhaul expenses were up 33% to RM717.0 million (2024: RM537.3 million) driven by higher utilisation, while user charges increased 19% at RM387.2 million (2024: RM324.8 million) as the Group launched new destinations. Aircraft fuel consumption reduced 8% to RM1.4 billion (2024: RM1.5 billion), due to lower fuel price and stronger MYR against the preceding year. As the business continued to grow, the Group's staff costs increased by 7% to RM298.6 million (2024: RM278.0 million). The Group's aircraft operating lease expenses stood at RM8.2 million (2024: RM28.1 million), while other income was lower due to no reversal of provision for travel vouchers during the year under review.



GCEO's Management Discussion & Analysis

Group Financial Position

The Group's net gearing stood at nil for the financial year ended 31 December 2025, as the Group did not have loan financing during the year under review, while its shareholders' equity increased to RM508.1 million (2024: RM328.8 million) due to sustained profitability.

Total assets recorded RM3.4 billion (2024: RM3.4 billion) driven by higher trade and other receivables and amounts due from related parties.

Total liabilities recorded RM2.9 billion (2024: RM3.0 billion) due to lower lease liabilities and lower sales in advance.

Capital Structure and Capital Resources

In the financial year ended 31 December 2025, cash flow generated from operations stood at RM235.3 million (2024: RM393.5 million), while cash balance was at RM87.3 million (2024: RM174.8 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 2025, AirAsia X Malaysia maintained a total of 19 aircraft within its fleet, with 18 activated and operational by the end of the period. AirAsia X Thailand increased its fleet to 11 aircraft, with all fully activated and operational for the financial year ended 31 December 2025.



Shareholders' equity increased to **RM508.1 million** due to sustained profitability."



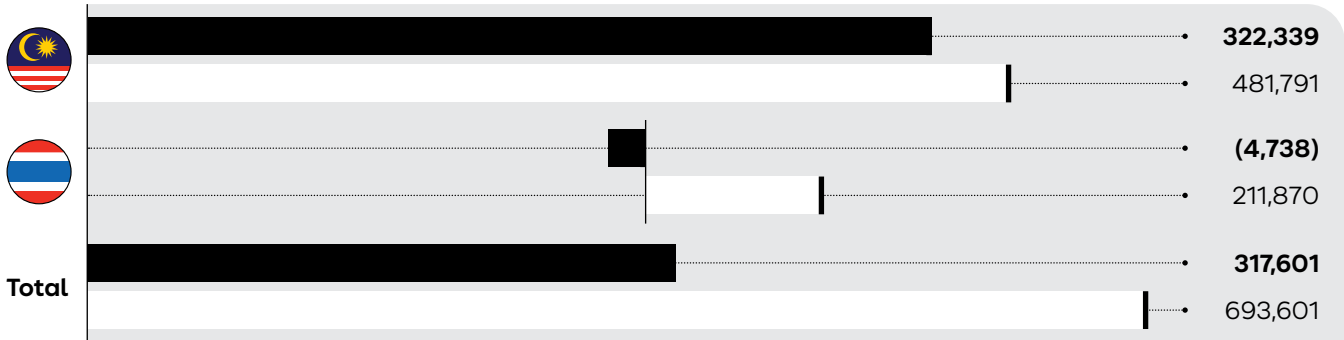
GCEO's Management Discussion & Analysis

Segmental Performance Review

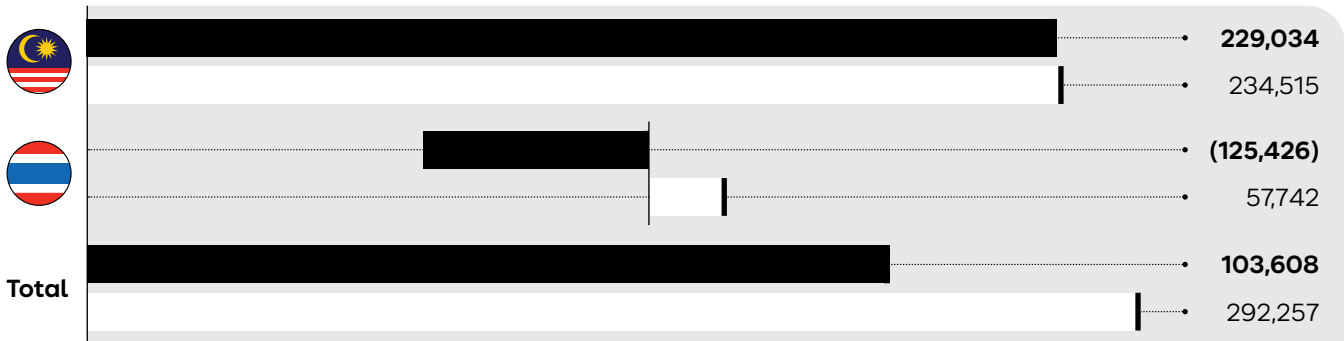
Revenue (RM'000)



EBITDA (RM'000)



Profit/(Loss) Before Tax (RM'000)



■ 2025 □ 2024

GCEO's Management Discussion & Analysis

Sustainability

In 2025, the Group strengthened its commitment to corporate governance and ethical conduct, embedding accountability and transparency across its operations to enhance long-term value for stakeholders. On the Environmental front, the Group's sustainability strategy is built on four net zero pathways namely, operational efficiency, aircraft technology, carbon offsetting and sustainable aviation fuels. By prioritising emissions reduction at source, our Flight Operations team avoided 10,283 tonnes of CO₂ emissions through 12 operational efficiency measures. Following the announcement by the International Civil Aviation Organization ("ICAO") of a 15.4% sectoral growth factor for 2024 - which is used to determine carbon offsetting obligations under CORSIA, we have proactively incorporated these anticipated costs into our financial planning.

The Group also achieved substantial progress in resource management, reducing non-hazardous waste through initiatives implemented in partnership with Capital A Berhad. These include replacing single-use plastics with compostable polylactic acid ("PLA") materials and leveraging data-driven catering optimisation to reduce food waste. The Group's efforts are further complemented by investment in nature conservation, including the planting of 300 mangrove seedlings and beach clean-up activities conducted in collaboration with the Malaysian Nature Society in 2025.

Additionally, the Group advanced a "cloud-first" digital strategy and the responsible use of Artificial Intelligence ("AI") to streamline processes from ground operations to guest experience. Digitalisation initiatives such as Digital Trip Files have helped reduce paper usage. With the increased use of AI, we have also built stronger information security defenses through training and Cyber Security Roadshow. Furthermore, the implementation of the AskIvana AI-assistant has further enhanced Corporate Data Literacy across the organisation. The Group also continued to embed sustainability across our value chain by strengthening supply chain practices- prioritising local suppliers and enforcing a strengthened Supplier Code of Conduct that mandates strict ESG compliance.

Here, our people, known as Allstars, remain at the core of our success. The Group prioritises a safety-first culture and recorded zero work-related fatalities in 2025. The Group also continues to foster an inclusive workforce with close to 50% female representation. Furthermore, Allstars' professional growth is supported through a 1.5-fold increase in training hours while frontline vigilance was bolstered by a tenfold increase in human trafficking awareness training.

As the Group now moves forward under a consolidated airline platform, it remains dedicated as ever to providing transparent disclosures and building resilience against climate-related risks.

Appreciation and Acknowledgements

On behalf of the team, I want to sincerely thank our Chairman, Tan Sri Jamaludin Ibrahim, co-founders Tan Sri Tony Fernandes and Datuk Kamarudin Meranun, and our esteemed Board members for their steady guidance as we move into the next chapter of our growth.

To our Allstars, your unwavering support, loyalty and work are the reason we stand here today. Despite the challenges we face, you showed up and never gave up. That resilience and tenacity, that core value of "all for one, one for all", is what AirAsia X is truly built on.

And to our stakeholders, we are grateful for your relentless support for AirAsia X. The past few years have been difficult, but with your support, we pulled through and emerged stronger than ever. We continue to look forward to driving the business forward, enhancing values for all for years to come, together.

Thank you.

BO LINGAM

Group Chief Executive Officer
AirAsia X Berhad

Our Way Forward - As One



As we closed a transformative 2025, the Group entered the new year revitalised. The consolidation of the AirAsia airlines under AirAsia X Berhad on 16 January 2026 was much more than a corporate exercise; it was a strategic homecoming.

This pivotal milestone brought to life a vision that was set in motion eight years ago: the creation of "One AirAsia". By uniting our short-haul heritage with our mid-haul expertise, we are now uniquely positioned to unlock scale advantages, optimise network connectivity and reinforce our cost leadership across every level of the business.

Rooted in a proven, recognised foundation of a low-cost model that has democratised air travel across the region for more than two decades, the Group has enabled a whole generation of first-time flyers since its inception in 2001.

We have entered this growth phase amidst a complex global environment. Escalating geopolitical tensions and the resulting volatility in fuel prices and currency have dampened market sentiment. However, the Group remains cautiously optimistic. Our primary strength lies in our dominant position within Asean, a region with robust economic fundamentals and a growing middle class that increasingly views travel as an essential part of life.

Our strongest defense against external pressures is our inherent agility. To counter rising fuel prices, the Group has successfully increased fuel surcharges and we are pleased to share that demand across our core network remains robust. Backed by our recent RM1.0 billion capital raise, and ongoing refinancing initiatives, we are moving forward with a strengthened balance sheet and a laser focus on three core pillars:



Building the World's First Low-Cost Network Carrier

Our evolution into a single aviation platform marks the birth of the world's first true low-cost network carrier. By integrating short-, mid- and long-haul operations under one roof, we have created an ecosystem of seamless connectivity. This integration allows guests to move effortlessly across our entire network spanning more than 150 destinations across over 300 routes.

Today, our network is anchored by 16 strategic hubs across Malaysia, Thailand, Indonesia, the Philippines and Cambodia. Building on this solid Asean foundation, we are excited to introduce Bahrain as our first virtual hub. This strategic gateway in the West Asia is a pivotal addition to our network, serving as the bridge that will finally connect our expansive Asian footprint to Europe. By leveraging Bahrain to launch services to London and beyond, we are creating a unique, low-cost corridor between East and West, optimising connectivity in a way that was previously impossible as separate entities.

Our Way Forward - As One



Fleet Strategy and Operational Excellence

In 2026, the Group expects to maintain a fleet of over 250 aircraft. The introduction of the A321LR aircraft is a game-changer for our strategy; these long-range narrowbody blur the lines between short- and mid-haul, allowing us to access secondary markets with significantly lower costs and test new routes with less risk. We are also in active discussions to expand our 389-strong aircraft orderbook to fuel our long-term ambitions.

Beyond growth, our focus is now on operational reliability and on-time performance. In a unified network where domestic and international flights are interconnected, precision timing is critical. By concluding our pandemic-era aircraft reactivation and pivoting to fleet modernisation and predictive maintenance through our partnership with Asia Digital Engineering Sdn. Bhd. ("ADE"), we are reducing unscheduled downtimes and significantly reducing incremental maintenance costs. Our goal is simple: to ensure that our fleet modernisation translates into a more reliable, punctual, and efficient schedule for every guest.



Asean as the Core Growth Engine

Asean remains the cornerstone of the Group's growth strategy, substantiated particularly by expanding middle-class consumption and robust travel demands in of the world's fastest growing regions. Beyond just offering the lowest fares, we are now focused on enhancing the end-to-end customer experience to defend our leadership. This means leveraging data analytics in collaboration with MOVE to personalise guest engagement and streamline the booking journey.

In Malaysia, the Group is set on defending domestic leadership while continuing to capture demands from China, East Asia and Central Asia through new route launches particularly from East Malaysia. Tracking the recovery in local tourism sentiment since late 2025, the Group's Thailand operations are well-positioned for continuous focus on revenue enhancements. In Indonesia, the Group's priority is to rebuild its domestic network with Makassar positioned as a key pivot and augmenting connectivity to Kalimantan, while in the Philippines, the Group's focus remains in network rationalisation, with Cebu now positioned as a primary growth hub due to constraints in Manila hub.

By combining our unmatched network reach with a renewed focus on service quality and digital innovation, we are ensuring that our growth is not just rapid, but sustainable and guest-centric.

We continue to drive an unwavering commitment to cost optimisation. This includes renegotiating of Original Equipment Manufacturer ("OEM") contracts and ground-handling agreements, expanding airport incentives, and managing fuel cost through D-factor negotiations across our markets. In parallel, our refinancing initiatives, including bank financing and public or private debt issuance, are expected to generate approximately 3% interest rate savings, bolstering our financial liquidity.

The Group enters this year from a position of renewed strength. While global uncertainty persists, the fundamentals driving travel demands remain robust,

buoyed by rebound in the China market, strengthening Asean currencies, ever-growing hunger for travel in Asia Pacific and visa liberalisation in the Group's key markets.

Overall, the Group is set to maximise fleet productivity while ensuring the integrated network thrives amidst recent operating environments, and is prepared to navigate uncertainties with resilience and agility. The Group is well-positioned to deliver sustained growth and long-term shareholder value, while staying true to its mission of ensuring that everyone can fly to even more destinations than ever before.

Sustainability

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Sustainability Statement

Chapter 1

Our Sustainability Approach

About This Statement

AirAsia X Berhad ("AirAsia X" or the "Company") is proud to present its Sustainability Statement 2025. This statement transparently details our progress and dedication to achieving our Economic, Environmental, and Social ("EES") objectives, in line with the Bursa Malaysia Main Market Listing Requirements. The Statement provides a clear overview of our EES performance, underscoring our key achievements, the challenges we face, and the overall influence on our business and stakeholders.

From championing diversity and inclusion to promoting responsible operations, this Statement demonstrates our proactive management of sustainability risks and opportunities. Our ongoing efforts reinforce our deep commitment to generating a positive and enduring impact throughout the ASEAN region and beyond.

Reporting Framework and Guidelines

[GRI 2-1]

Our Sustainability Statement has been prepared in accordance with the Amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements, using the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) as reference. To ensure comprehensive and globally comparable disclosure, we continue to reference the Global Reporting Initiative ("GRI") Standards.

Other key frameworks and guidelines considered in our preparation include:

- FTSE4Good Bursa Malaysia ("F4GBM") Index
- United Nations Sustainable Development Goals ("UN SDGs")
- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- IFRS S2 *Climate-related Disclosures*
- Malaysian Code on Corporate Governance ("MCCG") by the Securities Commission Malaysia
- Task Force on Climate-related Financial Disclosures ("TCFD")

For this reporting cycle, we are adopting the National Sustainability Reporting Framework ("NSRF"), a mandate from the Securities Commission and Bursa Malaysia. To facilitate a smooth transition and adoption of the NSRF, we are utilising the transition reliefs and proportionality mechanisms available under the NSRF, consistent with IFRS. This involves providing readily available, reasonable, and supportable information, and employing qualitative approaches where necessary. We are targeting full adoption of IFRS S1 and IFRS S2 by 2027.

Reporting Scope and Boundaries

[GRI 2-2, 2-3]

This Statement covers solely the activities of AirAsia X, excluding its associate and joint venture, for the reporting period of 1 January 2025 to 31 December 2025, unless stated otherwise. Comparative historical data is included where relevant and available. The current scope for certain environmental indicators is limited to our head corporate office (RedQ, Selangor) due to existing data constraints. As a result, data from all hubs, stations, and subsidiaries is not included.

Assurance

To ensure the accuracy and integrity of our disclosures, this Statement has been reviewed by the respective Heads of Departments ("HODs"), the Internal Audit Department, and the Risk Management Committee ("RMC"), and subsequently endorsed by the Board of Directors. A limited internal review has been performed by the Internal Audit Department; please refer to page 125 for the assurance statement.

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 2025 via the following email: aax_sustainability@airasia.com.

Sustainability Statement

Chapter 1: Our Sustainability Approach

2025

Sustainability Highlights



FTSE4Good ESG Score

3.8/5.0

(2024: 3.5)

Included for the second consecutive year in two indices*:

- FTSE4Good Bursa Malaysia Index
- FTSE4Good Bursa Malaysia Shariah Index

Economic



Net Promoter Score

37

(2024: 29)



Allstars Completed ABAC Training

96.48%

(2024: 86.90%)



Mishandled Baggage Rate

11.2

per 10,000 passengers
(global average: 63.0; 2024: 11.9)



On-Time Performance

73%

(2024: 73%)



Expenditure on Local Suppliers

71.97%

(2024: 47.57%)

Environmental



Carbon Intensity per ASK

59.5

gCO₂/ASK
(2024: 62.3 gCO₂/ASK)



Carbon Intensity per RPK

72.9

gCO₂/RPK
(2024: 76.1 gCO₂/RPK)



CO₂ Emissions Avoided

10,283

tCO₂e
(2024: 2,430 tCO₂e)



21% Reduction in Total Non-Hazardous Waste

45.95

tonnes
(2024: 58.28 tonnes)

Social



Women in the Workforce

49.18%

(2024: 46.56%)



Average Training Hours per Employee

66.07

(2024: 44.44)



Volunteering Hours

200

(2024: 120)



Lost Time Incident Rate

6.30

(2024: 6.40)



Median Gender Pay Gap

56%

(2024: 158%)

* 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.

Sustainability Statement

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Awards Won in 2025

World's Best Low-Cost Airline 2025



AirAsia X has proudly been recognised as the World's Best Low-Cost Airline 2025 by AirlineRatings.com, which is centered on passenger comfort, feedback and product consistency across an airline's route network, thus underscoring our collective efforts towards customer happiness.

World's Leading Long-Haul Low-Cost Airline



AirAsia X maintains its standing as the foremost long-haul low-cost carrier globally, having been honoured with the World's Leading Long-Haul Low-Cost Airline award for the third consecutive year at the esteemed World Travel Award Grand Final 2025. The award represents one of the pinnacle recognitions within the global travel and tourism sector, determined through an exhaustive international voting process. Securing this title for three consecutive years serves as a clear testament to the confidence our guests place in us and the exacting standards we consistently uphold.

Best International Airline of the Year



AirAsia X has been recognised as Best International Airline of the Year at the Australian Aviation Awards 2025, for the second consecutive year. This recognition underscores our commitment to providing affordable, reliable travel and growing our footprint, which has seen AirAsia X fly over 10 million guests between Australia and Malaysia over the past 10 years, with the majority being Australian travellers. Australian Aviation Editor, Adam Thorn, noted that judges were impressed by AirAsia X's strong passenger performance, strategic route expansion, and focus on innovation and sustainability, affirming its leadership and goal of making travel more accessible for Australians.

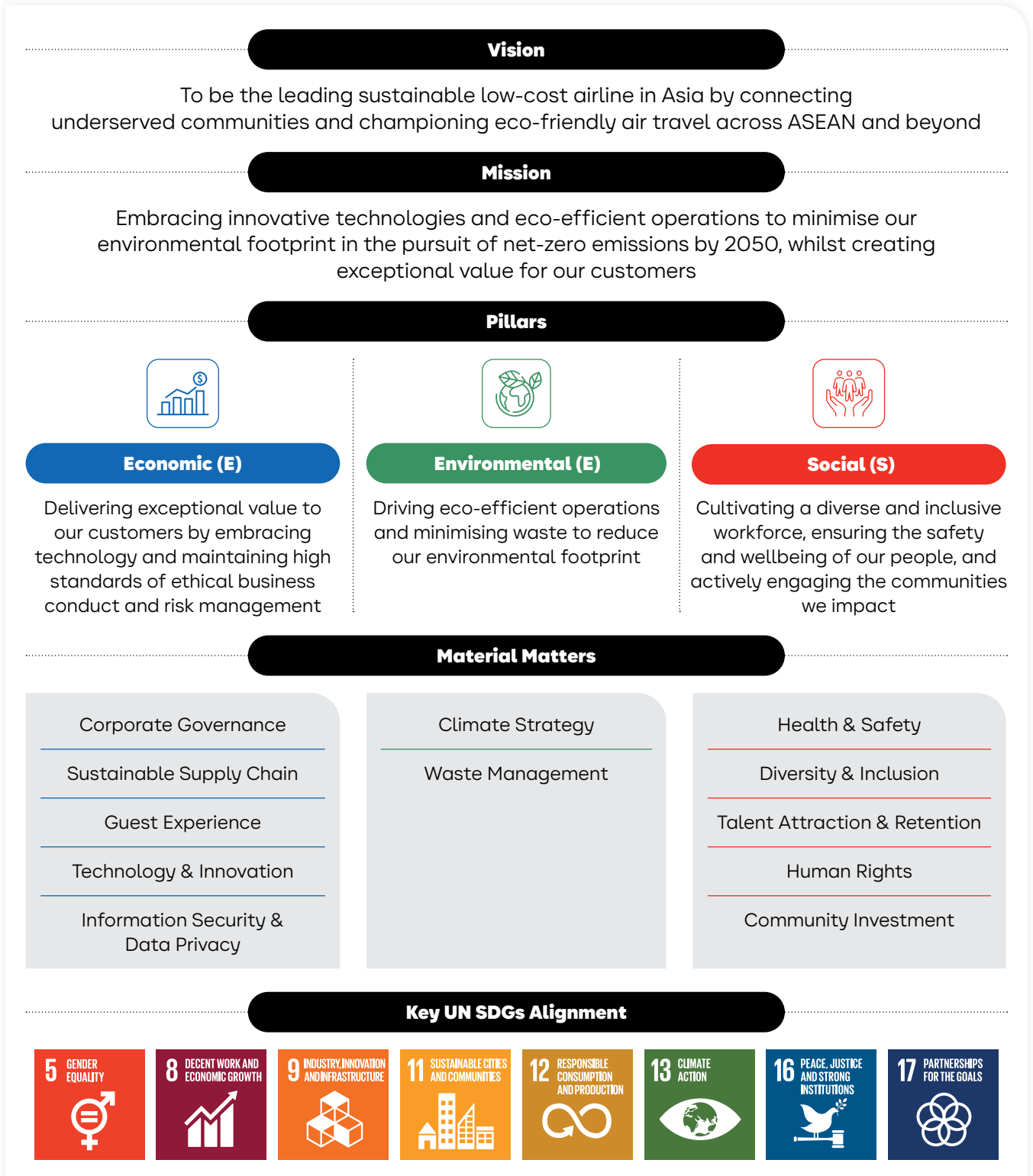
Sustainability Statement

Chapter 1: Our Sustainability Approach

Sustainability Framework

[GRI 2-22, 2-23]

Our Sustainability Framework aligns with the Company's identified material matters and is built around EES pillars. This holistic approach ensures that we continuously address our key sustainability priorities. As the Company gains 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.



Sustainability Statement

Chapter 1: Our Sustainability Approach

Sustainability Governance

[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-22]

AirAsia X maintains a strong commitment to sustainability governance, which is integral to its operations. The Board, at the highest level, provides crucial oversight on sustainability and climate-related issues, with support from relevant committees. The complete details of our three-tier sustainability governance structure are presented below.



Board Oversight

Board of Directors

The Board holds ultimate responsibility for AirAsia X's strategic direction, ensuring that sustainability and climate-related matters across the EES pillars are integrated into our business model and risk management framework. The Board provides senior management with rigorous strategic guidance to ensure sustainability is a core consideration in all major decision-making processes.

This oversight is formally embedded in the Board's mandate to review and approve the Company's strategic direction, business plans, and major capital allocations. In its strategic deliberations on major transactions, the Board evaluates long-term trade-offs. Specifically, the Board balances the immediate financial implications of emerging regulatory requirements, such as CORSIA compliance costs and the implementation

of Sustainable Aviation Fuel ("SAF") strategy against the imperative of ensuring the Company's future-readiness and alignment with stakeholder expectations for a net-zero transition.

To maintain effective governance, the Board actively determines necessary skills and develops the competencies required to oversee sustainability strategies. In 2025, all of the Board members have completed the *Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")* training. Additionally, Board members attended an internal *Board Sustainability Briefing* led by the Chief Sustainability Officer of our affiliate. These sessions ensure the Board remains abreast of regulatory developments and emerging aviation sector risks. This diverse Board leverages an extensive wealth of experience spanning legal, finance, and technology to provide informed oversight and strategic direction on sustainability matters.



Sustainability Statement

Chapter 1: Our Sustainability Approach

Risk Management Committee

The Board has formally delegated the detailed oversight of sustainability and climate matters to the RMC. As defined in its Terms of Reference ("ToR"), the RMC is mandated to assess the Company's sustainability strategies, policies, and principles to ensure they align with our corporate commitments.

The RMC is chaired by Ms. Chin Min Ming, whose professional background in digital transformation and sustainability risk compliance allows the committee to monitor the Company's resilience against ESG-related disruptions effectively. The RMC is responsible for ensuring the Enterprise Risk Management ("ERM") framework incorporates ESG and climate-related risk identification. The RMC convenes quarterly to shape risk strategies and review emerging matters, including the Carbon Fee Programme, SAF Policy, and ESG performance metrics.

The Chairperson of the RMC provides quarterly updates to the full Board on all sustainability decisions and recommendations, ensuring the Board remains informed of climate-related risks and the progress made toward targets. The Board also entrusts the Nomination & Remuneration Committee ("NRC") to ensure that both the Board and senior management maintain the necessary competencies and diversity to address the complexities of the modern aviation industry through objective merit-based appointments. Starting February 2026, the RMC will be renamed as Risk Management and Sustainability Committee ("RMSC").

Management Oversight

Sustainability Steering Committee

The SSC serves as the primary management-level body responsible for the oversight of sustainability and climate-related initiatives, which comprises senior management and is chaired by the Chief Executive Officer ("CEO"). The SSC sets the sustainability strategies, policies, and principles in alignment with the Board's direction and ensures they are integrated with other internal functions.

The SSC reviews the annual Sustainability Statement and recommends it to the RMC for final Board approval. The SSC delegates the execution of approved strategies to the Sustainability Working Group ("SWG"), exercising oversight through regular progress reviews. Effective Q2 2025, the SSC was dissolved to facilitate full strategic alignment in preparation of the Group's organisational restructuring.

Sustainability Working Group

The SWG serves as the cross-functional execution arm of the management oversight structure, comprising representatives from various departments to ensure ESG integration across the Company. Key responsibilities of SWG include executing the sustainability and climate strategies and initiatives defined by the SSC, and preparing the Sustainability Statement, ensuring the quality, accuracy, and extent of disclosures meet regulatory standards. The SWG identifies emerging sustainability and climate-related risks at the operational level and escalates significant matters to the SSC.

During the reporting year, the SWG, SSC and RMC convened regularly to monitor and manage the following matters:



Sustainability and climate-related strategy and initiatives



Sustainability and climate-related performance and updates



Sustainability reporting and data collection

Since 2024, the Board has formally integrated sustainability into the Group's internal performance management systems. As the organisation's most senior executive, the CEO's compensation is linked to key performance indicators ("KPIs") for ESG performance metrics, specifically tied to the Company's ESG ratings and climate targets. This control mechanism ensures that sustainability is a core priority for senior management and is reflected in the Company's broader strategic decision-making.

Sustainability Statement

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Stakeholder Engagement

[GRI 2-29]

Building strong relationships with our stakeholders remains a priority for AirAsia X. By actively listening to their needs and concerns, we ensure these perspectives continue to shape our operations. Through consistent, multi-channel engagement, we work to create long-term value for all stakeholders. Recognising their significant interest in and influence on our business, we address stakeholder concerns, interests, and expectations through regular and proactive communication across multiple platforms.



Stakeholder Groups	Engagement Channels	Areas of Interest	Our Response
Board of Directors	<ul style="list-style-type: none"> Board meetings Annual General Meetings Corporate events Board Sustainability Briefings 	<ul style="list-style-type: none"> Sustained revenue growth and strong financial performance Effective risk management and corporate governance Long-term strategic direction and business resilience Compliance with regulatory requirements and industry standards 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis Financial Statements Corporate Governance Overview Statement
Employees (Allstars)	<ul style="list-style-type: none"> Workvivo Employee appraisals Townhalls Online surveys Cultural, sports, wellbeing & appreciation events Open office layout 	<ul style="list-style-type: none"> A safe, healthy, and supportive working environment Competitive remuneration and transparent performance management Opportunities for career progression, training, and skills development A workplace culture that promotes diversity, inclusion, and mutual respect Employee engagement, wellbeing, and work-life balance initiatives 	<ul style="list-style-type: none"> Safety as Our Priority Caring for Allstars

Sustainability Statement

Chapter 1: Our Sustainability Approach

Stakeholder Groups	Engagement Channels	Areas of Interest	Our Response
Investors and Shareholders	<ul style="list-style-type: none"> Investor meetings & conference calls Investor Relations website Annual Reports Quarterly investor briefings Investor events 	<ul style="list-style-type: none"> Consistent financial performance and sustainable revenue growth Share price performance and dividend potential Clear business strategy and long-term growth outlook Transparent financial reporting and timely disclosures Strong leadership and governance practices Effective ESG management and sustainability performance 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis Financial Statements
Customers (Guests)	<ul style="list-style-type: none"> Customer satisfaction survey Customer support live chat Social media Sales office, travel service centres 	<ul style="list-style-type: none"> Responsible and high-quality airline services Affordable and accessible international travel options Positive travel experience supported by responsive customer service Convenient digital services and seamless booking experience 	<ul style="list-style-type: none"> Our Sustainability Approach Enhancing Guest Experience
Regulators/ Government Agencies	<ul style="list-style-type: none"> Dialogue through face-to-face meetings & official correspondence Formal meetings with government officials Tours and familiarisation visits to AirAsia X headquarter (RedQ) 	<ul style="list-style-type: none"> Full compliance with aviation, safety, and regulatory requirements Cooperation with industry initiatives and policy development Contribution to national aviation and tourism development Environmental responsibility, including emissions management 	<ul style="list-style-type: none"> Towards Low-Carbon Operations Safety as Our Priority Robust Corporate Governance
Local Communities	<ul style="list-style-type: none"> Corporate Social Responsibility initiatives Partnerships and employee volunteerism Websites and social media platforms 	<ul style="list-style-type: none"> Community engagement and social investment initiatives Employment and economic opportunities within local areas Responsible environmental stewardship Minimising operational impacts such as noise and emissions 	<ul style="list-style-type: none"> Towards Low-Carbon Operations Managing Our Natural Resources Safety as Our Priority Uplifting Our Communities
Suppliers and Contractors	<ul style="list-style-type: none"> Dialogue and reviews One-to-one meetings 	<ul style="list-style-type: none"> Transparent procurement processes and fair commercial practices Responsible sourcing and supplier governance Long-term and mutually beneficial business relationships Adherence to health, safety, and environmental standards 	<ul style="list-style-type: none"> Safety as Our Priority Sustainable Supply Chain

Sustainability Statement

Chapter 1: Our Sustainability Approach

Stakeholder Groups	Engagement Channels	Areas of Interest	Our Response
Financial Institutions & Analysts	<ul style="list-style-type: none"> Analyst briefings, meetings & conference calls Media interviews & releases Investor Relations website Annual Reports 	<ul style="list-style-type: none"> Financial resilience, liquidity management, and creditworthiness Clear strategic direction and growth prospects Accurate and timely financial disclosures Risk management and operational performance 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis Financial Statements
Business Partners	<ul style="list-style-type: none"> Regular meetings Financial institutions & aircraft investor credit roadshows Workshops & seminars Global aviation finance conferences Technical support based in RedQ Commercial support with GE based in KL & Airbus based in Singapore 	<ul style="list-style-type: none"> Agreeable terms and contracts Service delivery and cost Risk management Regulatory compliance 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis Financial Statements Robust Corporate Governance
Media	<ul style="list-style-type: none"> Press releases Interviews 	<ul style="list-style-type: none"> Accurate, timely, and transparent information Corporate developments, operational updates, and business performance Insights into sustainability and industry initiatives Access to credible sources and leadership perspectives 	<ul style="list-style-type: none"> CEO's Management Discussion & Analysis AirAsia X website



Board members of AirAsia X and our affiliates at the Board Sustainability Briefing

Sustainability Statement

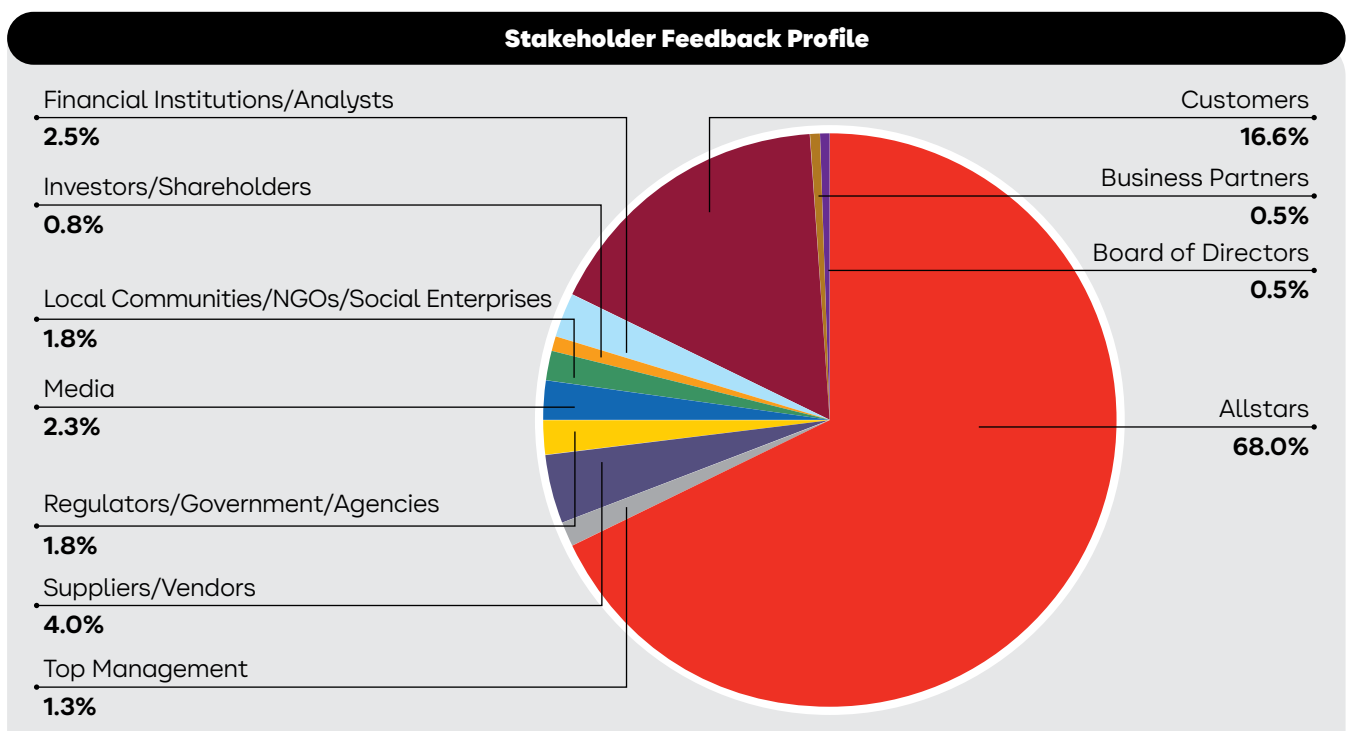
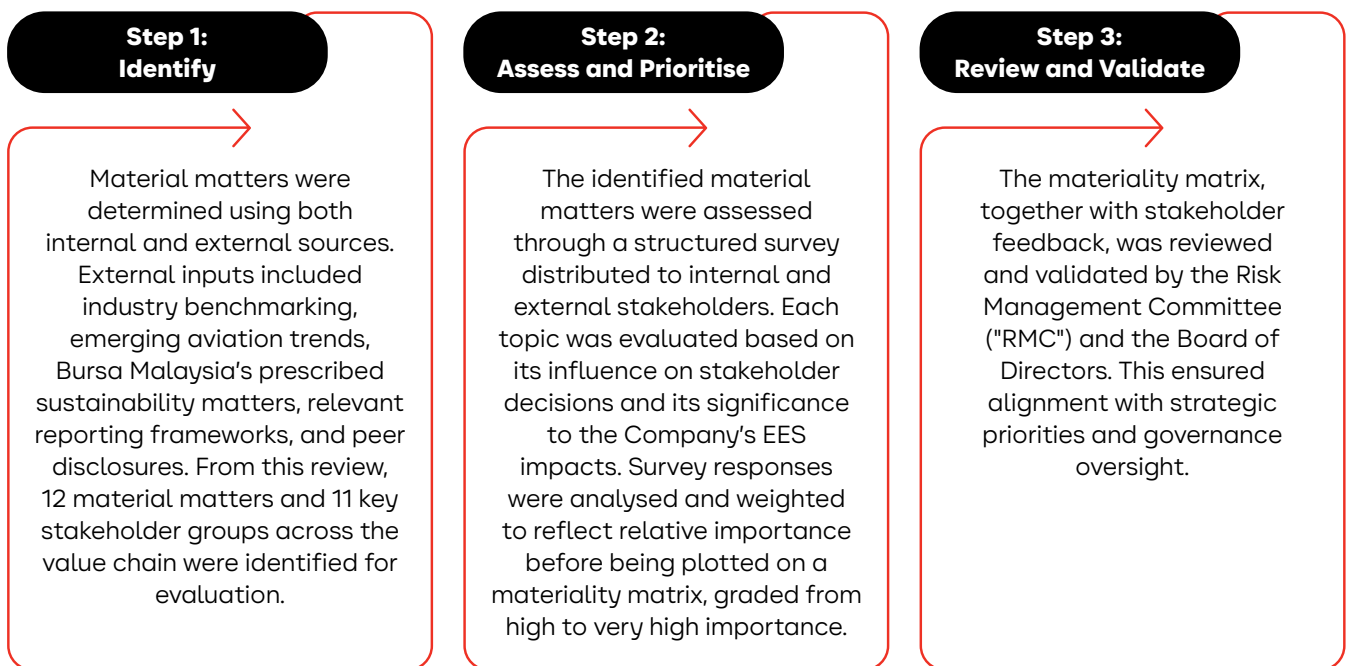
Chapter 1: Our Sustainability Approach

Material Matters

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

Materiality assessments are central to our sustainability approach, enabling AirAsia X to identify and prioritise sustainability-related risks and opportunities that may affect our long-term prospects. Relevant EES factors are evaluated through stakeholder engagement and surveys, and prioritised based on their significance to stakeholders and potential impact on the business.

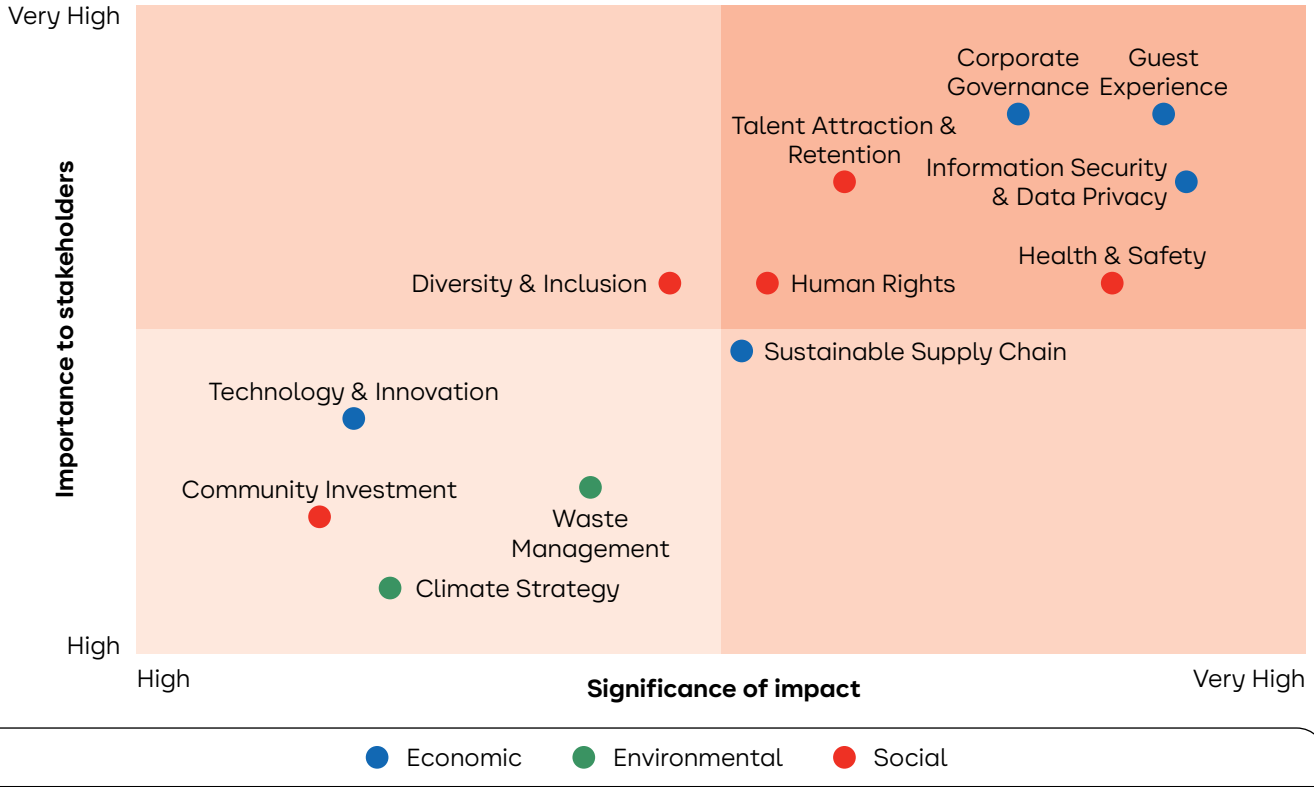
In 2025, we conducted a high-level refresh of our materiality assessment using Bursa Malaysia's Materiality Assessment Toolkit to reassess the continued relevance of our EES topics within an evolving operating landscape. The assessment involved 397 key internal and external stakeholders, and was conducted in the following three key stages:



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Chapter 1: Our Sustainability Approach

Materiality Matrix



2025 Materiality Assessment Updates

While fundamentals such as Health & Safety, Human Rights, and Talent Attraction & Retention remain at the core of our operations, our 2025 materiality assessment reflects a continued sharpening of stakeholder expectations in these areas. Notably, two material matters have seen a significant upward shift in prioritisation, alongside the sustained importance of a third.

- **Guest Experience:** Emerged as a leading priority, reflecting heightened expectations for seamless, reliable, and differentiated travel journeys. Beyond operational performance, stakeholders are placing greater emphasis on consistency across all touchpoints, enhanced in-flight experiences, and the ability to anticipate and respond to evolving passenger needs.
- **Corporate Governance:** Gained increased prominence, underscoring a stronger stakeholder focus on transparency, accountability, and prudent financial stewardship. There is a clear expectation for robust governance structures that support long-term resilience and reinforce confidence in the Company's strategic direction.
- **Information Security and Data Privacy:** Continues to be regarded as a critical priority. As digitalisation becomes further embedded across our operations and customer interfaces, stakeholders expect strengthened safeguards to protect sensitive data, ensure regulatory compliance, and uphold trust in our systems.
- **Waste Management and Climate Strategy:** Remains highly significant, though ranked lower than in 2023.

A full reassessment is planned for FY2026 following the Group's organisational restructuring in January 2026. Moving forward, we intend to conduct a comprehensive materiality assessment every two years, with interim reviews in the intervening years to ensure our priorities remain aligned with operational developments, stakeholder expectations, and emerging trends.

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Chapter 1: Our Sustainability Approach

Material Topic	Why It Matters	Risks	Opportunities
Economic			
Corporate Governance	Operating with integrity and transparency, using high standards of ethics and governance to build trust and benefit stakeholders and shareholders	Breaches of laws and regulations and activities such as corruption resulting in financial loss due to fines and penalties and reputational damage	Adherence to the highest standards and best practices
Sustainable Supply Chain	Ensuring a sustainable supply chain by working with suppliers to follow best environmental and social practices, and promote responsible, ethical sourcing	Exposure to high ESG risk suppliers may result in supply chain disruptions and reputational damage	Mitigate risks associated with environmental, social, and regulatory factors by integrating sustainability practices into the supply chain
Guest Experience	Building customer trust and confidence by continuously improving service quality and enhancing the overall customer experience	Inability to meet customers' demands may result in loss of market share, negative brand equity and reputational damage	Regular interaction with customers enables continuous improvement of our services
Technology & Innovation	Using technology to drive new ideas, build partnerships, and create growth	Loss of competitive advantage and relevance, and market share erosion	Creating a digital experience that is both seamless and distinctive for customers
Information Security & Data Privacy	Ensuring data privacy and security for employees, customers, and partners through strong cyber security systems	Exposure to data breaches and leakage due to ineffective cyber security measures resulting in the loss of business and customer information and trust	Execution of strategic information security programme to achieve world-class standards
Environmental			
Climate Strategy	A business's responsibility toward climate change, including implementing a Net Zero strategy, managing climate-related risks and opportunities, and controlling greenhouse gas emissions, energy use, and resource consumption	Imposition of new carbon taxes, climate-related regulations and penalties for non-compliance. Higher cost of financing as well as reputational damage	Effective emissions management and strategic net zero roadmap will help lower internal carbon cost, carbon compliance costs and raise our ESG valuation
Waste Management	Monitoring and managing waste using the principles of reduce, reuse, and recycle. This includes but not limited to, inflight waste, aircraft parts, packaging, and food waste	Failure to manage waste may pose operational and reputational risks	Effective waste management inculcating sustainable practices in Allstars and communities

Sustainability Statement

Chapter 1: Our Sustainability Approach

Material Topic	Why It Matters	Risks	Opportunities
Social			
Health & Safety	Prioritising the health and safety of employees and customers by cultivating a strong safety culture and raising awareness among employees	Poor Occupational Safety, Health and Environment ("OSHE") performance, potentially resulting in significant business and operational impacts, alongside regulatory non-compliance and reputational risks	The successful inculcation of a strong safety culture among Allstars leads directly to increased operational reliability, efficiency, and sustained business confidence
Diversity & Inclusion	Embracing differences among employees, treating everyone at all levels with respect, dignity, and equal opportunities	A lack of diversity can limit the variety of perspectives and ideas, potentially hindering innovation, creativity, and effective problem-solving across the Group	By strategically leveraging diversity and inclusion, we can create a more equitable and engaging workplace, driving positive business outcomes and strengthening our relevance to a diverse customer base
Talent Attraction & Retention	Attracting talented people and investing in their training and development, while helping employees achieve their personal and career goals	Failure to attract and retain key talent can lead to reduced competitiveness, operational inefficiency, and the loss of market share	Establishing robust talent management plans to proactively develop and attract capable talent ensures leadership continuity and supports the Group's expansion objectives
Human Rights	A business's commitment to respecting the fundamental rights and freedoms of employees, and preventing human trafficking, forced labour, and discrimination in its operations and value chain	Violations of human rights might lead to serious reputational damage, fines or penalties, operational restrictions, and a significant loss of stakeholder trust	Upholding high human rights standards strengthens stakeholder trust and builds our reputation as a fair and equitable employer, which in turn attracts high-quality talent and delivers various business benefits essential for sustained growth
Community Investment	Enhancing capabilities and investing in communities through initiatives that support gender equality, sustainable tourism, and strengthening the ASEAN community	Potential for financial and brand implications when there is a perceived imbalance or misalignment between social, economic, and environmental community needs	Strategic investment in communities not only strengthens our key relationships but also enhances our credibility and drives positive, long-term sustainability outcomes essential for regional acceptance and growth





Sustainability Statement

Chapter 1: Our Sustainability Approach

Commitment to the UN Sustainable Development Goals








AirAsia X recognises the importance of the UN SDGs in guiding responsible business practices and creating long-term value. While the Company focuses on eight priority SDGs that are most relevant to our operations and stakeholders, we remain committed to supporting all 17 SDGs through our broader sustainability initiatives.

For FY2025, the table below highlights our material topics, their alignment with the UN SDGs, key initiatives undertaken, and targets set across short-, medium-, and long-term horizons. This structured approach to goal-setting is being introduced this year and will be further refined in the next reporting cycle, particularly following the Group's organisational combination, to strengthen clarity, accountability, and impact measurement.

Material Topic and Primary UN SDG	Achievements in 2025	Goal		
		Short	Medium	Long
Corporate Governance  	<ul style="list-style-type: none"> 100% of new joiners completed live training on the Code of Business Conduct as part of their onboarding 100% of operations were assessed for corruption-related risks Commemorated International Anti-Corruption Day with a pledge 96.48 % completion of the annual mandatory Anti-Bribery and Anti-Corruption ("ABAC") e-learning module 0 incidents of bribery and corruption Conducted Board Sustainability Briefing 	<ul style="list-style-type: none"> Enhance internal processes and uphold zero-tolerance policy on misconduct Periodically review the effectiveness of the Code of Business Conduct and update it where necessary Key functional heads review the Business Continuity Plan on a semi-annual basis Directors participate in professional training courses and attend courses or seminars to advance their knowledge Publicise, communicate and instruct directors, management and employees on safeguarding against conflicts of interest and internal information Employees understand and practise Code of Conduct Carry out communication through all channels to promote employee awareness in good governance and Company regulations 		
Guest Experience 	<ul style="list-style-type: none"> OTP of 73% CSAT of 87% Average live chat support wait time reduced to 2.7 minutes Reduced the Mishandled Baggage rate to 11.2 per 10,000 passengers flown AskBo chatbox resolved 16.5 million queries 	<ul style="list-style-type: none"> OTP of 85% Reach CSAT target of 85% Operate in accordance with the OTP strategies and streamline guidelines to achieve the planned 75-minute turnaround time 	<ul style="list-style-type: none"> Proactively notify customers of changes in advance, enabling support teams to better manage and facilitate their journey Improve service through training of all employees 	
Technology & Innovation 	<ul style="list-style-type: none"> Integrated critical functions like flight changes and refund submissions into the Artificial Intelligence ("AI") interface of AskBo Roll-out autonomous stations project, an AI enabled solution for kiosk reliability Increased data and digital empowerment for Allstars 	<ul style="list-style-type: none"> Consistently enhance development to reduce network downtime and system unavailability 		








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Material Topic and Primary UN SDG	Achievements in 2025	Goal		
		Short	Medium	Long
Information Security & Data Privacy  	<ul style="list-style-type: none"> Deployed an AI-driven phishing simulations Established Cyber Security Incident Management Procedure to strengthen policy framework Launched Cyber Security Roadshow 85.93% of Allstars completed Information Security Awareness training 	<ul style="list-style-type: none"> Strengthen cyber security standards Implement measures and tools to protect against threats to network such as cyber attacks, unauthorised data access, and data leaks Ensure compliance in accordance to data privacy regulations 		
Sustainable Supply Chain   	<ul style="list-style-type: none"> Local suppliers constituted 71.97% of our supply chain expenditure Approximately 835 active suppliers and vendor partners across the globe 87 new suppliers Revised Supplier Code of Conduct ("SCOC") 	<ul style="list-style-type: none"> Strengthen local communities by investing in local businesses Ensure ethical and responsible sourcing, by enforcing SCOC Continuously enhance and incorporate international standards and requirements for stronger responsible management expectations across the supply chain Collaborate with Santan for compostable food packaging on AirAsia X flights Incorporate an ESG Scoring System into the supplier performance evaluation to measure sustainability efforts 		
Climate Strategy  	<ul style="list-style-type: none"> Carbon intensity ratio reduced to 72.9 gCO₂/RPK Avoided 10,283 tonnes of CO₂ emissions 	<ul style="list-style-type: none"> Climate scenario analysis across three timelines with two scenario pathways Disclose all relevant Scope 3 categories Reduce carbon intensity by 1.5% compared to 2024 Improve tracking of fuel efficiency procedures Outline plan for carbon offsetting programme 	<ul style="list-style-type: none"> Implement SAF utilisation in flight operations Utilise high-quality carbon credits Adopt the use of low carbon technology 	<ul style="list-style-type: none"> Achieve Net Zero emissions goal
		<ul style="list-style-type: none"> Monitor, report and offset CO₂ emissions in accordance with ICAO's CORSIA requirements 		

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Chapter 1: Our Sustainability Approach

Material Topic and Primary UN SDG	Achievements in 2025	Goal			
		Short	Medium	Long	
Waste Management 	<ul style="list-style-type: none"> Continuously implemented the use of biodegradable packaging on board Zero environmental sanctions 	<ul style="list-style-type: none"> Reduce food wastage from inflight meals to 20% Promote and encourage passengers to pre-book meals to improve planning and reduce food wastage from inflight meals 	<ul style="list-style-type: none"> Limit meals taken onboard to match data estimation Leverage AI to analyse passenger behaviour and preferences to reduce food wastage 		
Talent Attraction & Retention 	<ul style="list-style-type: none"> Provided employment for 1,401 Allstars Employee turnover rate of 8.80% Established Succession & Development Plan Employees receive an average of 66.07 training hours per employee 	<ul style="list-style-type: none"> Consistently enhance employee care plans and benefits Maintain a 100% adherence to the Company's Diversity Recruitment Guidelines across all recruitment processes 			
Health & Safety 	<ul style="list-style-type: none"> Zero work-related fatalities Achieved 100% investigation and resolution for all reported hazards, incidents, and accidents Delivered 3,267 hours on health and safety standard 	<ul style="list-style-type: none"> Maintain zero work-related employee fatalities Sustain a 100% investigation and addressing rate for all reported safety incidents and hazards Develop Safety Culture and increase voluntary reports 			
Human Rights 	<ul style="list-style-type: none"> Frontliners trained under #KnowTheSigns module 	<ul style="list-style-type: none"> Maintain clear and fair procedures for addressing human rights violations Reduce any form of human rights abuses within the organisation 	<ul style="list-style-type: none"> Establish a Human Rights Policy Roll-out internal awareness or policy socialisation Conduct human rights due diligence 	<ul style="list-style-type: none"> Integrate human rights commitment into procedures and operations Conduct supplier due diligence 	<ul style="list-style-type: none"> Uphold human rights across the full supply chain Conduct external assurance
Diversity & Inclusion 	<ul style="list-style-type: none"> 16.67% of Board of Directors are women 50.82% of employees are men and 49.18% are women Enhanced gender pay gap 	<ul style="list-style-type: none"> Foster a motivated, thriving, and inclusive workplace where every individual is respected, valued, and empowered Proactively identify and address pay discrepancies through rigorous, continuous analysis 			
Community Investment  	<ul style="list-style-type: none"> Organised one annual Corporate Social Responsibility ("CSR") programme 	<ul style="list-style-type: none"> Organise at least one CSR programme annually Encourage employees to support community by volunteering their hours 			

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Chapter 2 Economic



Robust Corporate Governance

2025 Performance Overview

[GRI 3-3]

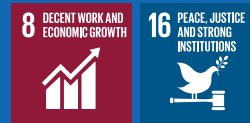
At AirAsia X, we are committed to maintaining robust corporate governance and ethical business conduct. By embedding accountability and transparency across our operations, we aim to enhance long term value creation for our stakeholders.



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



2025 in Numbers

 New joiners completed live training on the Code of Business Conduct
100%

 Allstars completed ABAC training
96.48%

 Operations assessed for corruption-related risks
100%

 Confirmed incidents of bribery and corruption
0

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Chapter 2: Economic

Ethical Business Conduct

[GRI 2-23, 2-24, 2-27, 205-1, 205-2, 205-3]

We uphold the highest standards of integrity across our Board of Directors, top management, and the entire workforce. As such, we remain steadfast in our compliance with all applicable laws and regulations, supported by clear policies, a strong internal controls framework, and robust risk management practices.

Code of Business Conduct

The Code of Business Conduct guides all AirAsia X Allstars, addressing key ethical areas including bribery, corruption, grievance handling, whistleblowing, and conflicts of interest. This policy sets clear expectations for employees in their business and professional interactions. To remain aligned with evolving regulations, we periodically review the effectiveness of the Code of Business Conduct and update it where necessary. In 2025, 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 maintains 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 (Amendment 2018).

100% AirAsia X's operations were assessed for corruption-related risks

0 Confirmed incidents of corruption

100% New joiners completed the ABAC policy training during their onboarding

96.48% Completion of annual mandatory ABAC e-learning module



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

Employee Training and Awareness

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

In 2025, we reviewed our ABAC Policy to strengthen the guidelines on Gifts, Entertainment, and Corporate Hospitality ("GECH") declarations and the specific responsibilities of respective functions. To ensure employee awareness of ABAC, we continued to monitor the completion rates of our ABAC e-learning module, where Allstars are required to pass an assessment with a minimum score of 80% to demonstrate a comprehensive understanding of ABAC principles. The module covers fundamental ABAC concepts, as well as the 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; and
- Circumstances where filling up a Gift Declaration Form is required and procedures of filling up the form.



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International Anti-Corruption Day ("IACD")

In collaboration with the Malaysian Anti-Corruption Commission ("MACC"), Keep Malaysia Clean ("KMC"), and Transparency International Malaysia ("TIM"), AirAsia X joined Capital A on 9 December 2025 to commemorate International Anti-Corruption Day, reaffirming our commitment to ethical business conduct and a corruption-free culture.

Key activities included:

- A knowledge-sharing session by KMC on the Clean Economic Ecosystem, anchored on the principles of Clean Values, Clean Society, and Clean Environment.
- A discussion forum on Corporate Liability under Section 17A of the MACC Act 2009, highlighting organisational responsibilities and individual accountabilities under our ABAC and Whistleblowing Policies.

To further strengthen awareness and embed a culture of integrity, we organised a series of engagement activities at our RedQ office, including an integrity pledge-signing ceremony, and interactive displays. The event was also broadcast via our internal communication platform, enabling broad participation among Allstars across locations. Collectively, the initiative reached more than 700 participants who attended either in person or virtually, both within and outside Malaysia, reinforcing our organisation-wide commitment to ethical conduct.



For more information on AirAsia X's Anti-Bribery and Anti-Corruption Policy, please refer to 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 including contractors, suppliers, joint ventures and members of the public 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.

Official reporting channels:



Email:

aax_whistleblower@airasia.com



Form:

https://www.airasiax.com/misc/form_11012016.pdf

In 2025, 2 reports were received via the whistleblower email channel and postal mail which have been reviewed in accordance with internal procedures. The cases involved allegations of employee misconduct and potential conflicts of interest. Upon review, appropriate management actions have been taken in accordance with the Company's policies and procedures.



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.

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Steps in Handling Misconduct

Case Received	Assessment of Case Severity	Investigation	Resolution
<p>Case reported through email, AskPAC, whistleblower or physical meeting with the ER team.</p> <p>1</p>	<p>An inquiry will be conducted which includes investigation, issuance of Notice to Explain ("NTE"), followed by appropriate disciplinary action as a closure.</p> <p>2</p>	<p>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 of concern to obtain their explanation.</p> <p>3</p>	<p>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.</p> <p>4</p>

Risk Management

Enterprise Risk Management

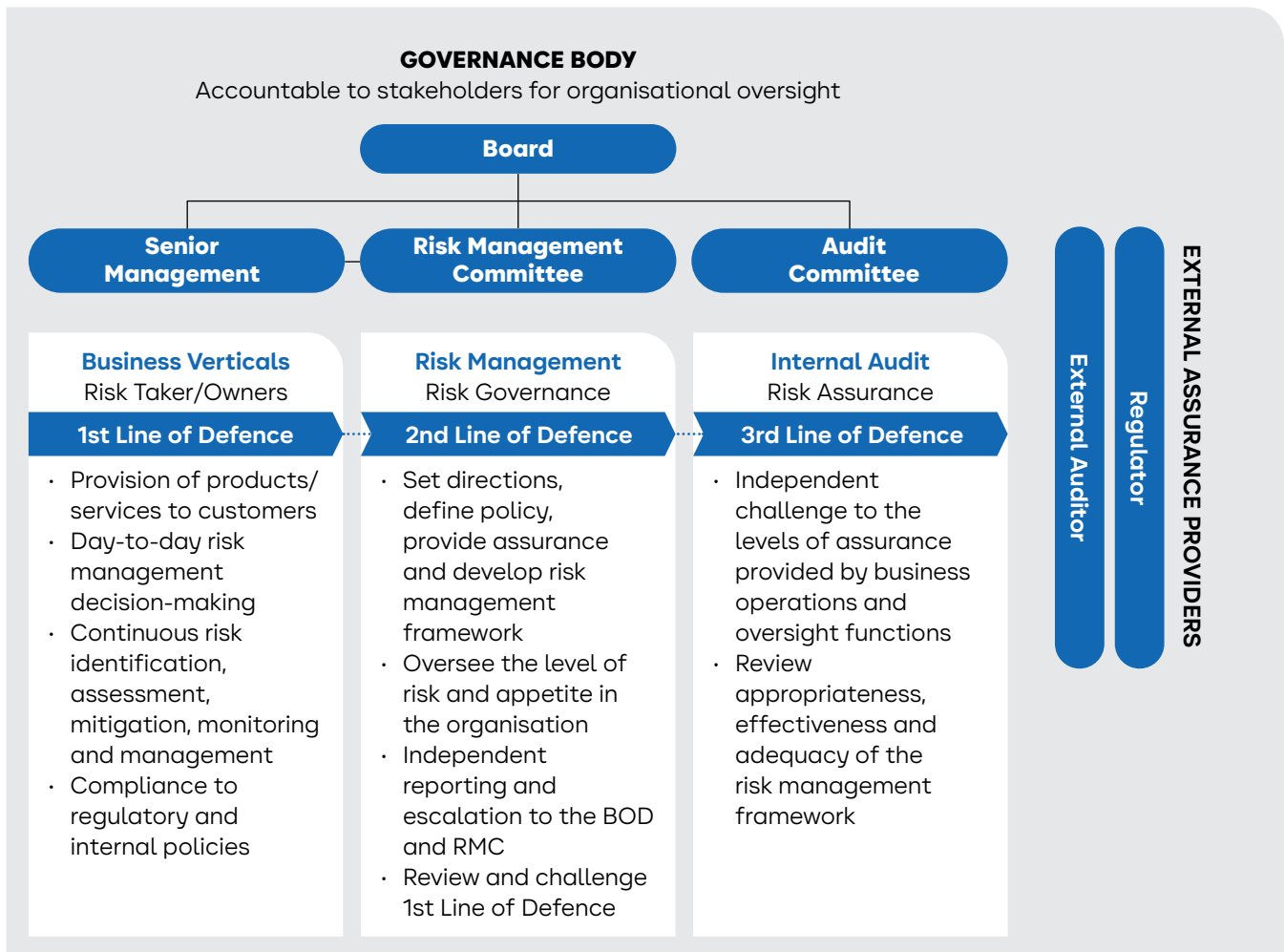
Our Enterprise Risk Management ("ERM") Policy emphasises a strong risk culture and incorporates ESG risk categories to address material ESG risks effectively. Aligned with ISO 31000:2018 standards, our ERM policy ensures consistency across the Company through a structured approach to identification, analysis, and response to risk, as depicted in the diagram below:



The Risk Management Committee ("RMC") provides assurance to the Board that the Company maintains effective policies and processes to manage risks. The RMC convenes on a quarterly basis to shape the Company's risk strategies, policies, and processes, while ensuring our ERM framework is aligned with ESG risk management. The Chairperson of RMC is responsible for updating the Board on decisions and/or recommendations by the committee. To ensure good risk management, three lines of defence have been put in place:

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For more information on our risk management processes and initiatives in 2025, please refer to the Statement on Risk Management & Internal Control within this Annual Report 2025.

Managing ESG Risk

The Sustainability Team provides management with guidance on climate-related priorities, especially on climate-related advocacy and leadership on decarbonisation. The team also supports all business units in integrating sustainability risk into the business, with senior leaders across the organisation overseeing climate risks and opportunities relevant to their respective business units through divisional risk profiles.

In 2025, 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. Through this risk management process, AirAsia X monitors and manages a broad range of financial, cyber security, and operational risks, including risks associated with climate change.

Addressing Climate-Related Risks

With the growing prominence of climate change, we have assessed the likelihood and potential impact of climate-related risks on our operations. Relevant departments proactively identify and monitor these risks, with teams such as the Network Management Centre ("NMC"), Sustainability and Risk department overseeing regulatory, physical, and emerging global risks. For physical risks, the NMC and Risk Department have response plans in place for major catastrophic events, as outlined in our Business Continuity Plan ("BCP") activation watchlist covering natural events such as volcanic eruptions, floods, and typhoons. As we continue to refine our climate strategy, we plan to conduct climate-related scenario analysis. Further details of the identified risks are provided in the Climate Strategy section on page 87.

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Business Continuity Management

Business Continuity Management ("BCM") is critical for safeguarding operations against unexpected disruptions. At AirAsia X, our BCM is in line with the ISO 22301, the international standard for Business Continuity Management Systems. The Business Impact Analysis ("BIA"), which forms part of our BCM policy, assesses critical functions, including people, processes, and systems, and identifies potential impacts arising from disruptions. Key functional heads review the BCP on a semi-annual basis. Our BCP was further enhanced to address climate-related challenges such as heatwaves, floods, wildfires, and volcanic activity.



Heatwave Preparedness

In response to the growing threat of heatwaves, we have strengthened our BCPs to safeguard our infrastructure and employee wellbeing. 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.



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Sustainable Supply Chain

2025 Performance Overview

[GRI 3-3]

AirAsia X's success and sustainability hinge on a diverse and integral network of suppliers. Our commitment to ethical and responsible sourcing is enforced through our Supplier Code of Conduct ("SCOC"). We actively partner with our suppliers to secure timely deliveries and favourable pricing. Furthermore, we are dedicated to strengthening the local communities in which we operate by investing in local businesses. Through these combined efforts, we are building a sustainable supply chain that delivers value to our partners, passengers, and the environment.

Key Policies & Procedures

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

Primary UN SDGs Supported



2025 in Numbers



Percentage expenditure on local suppliers

72%



Number of active suppliers

835



Number of new suppliers

87

Governing Our Supply Chain

AirAsia X's procurement process is managed through engagement with its affiliates' Group Procurement department. This collaboration ensures the attainment of the most competitive prices across various purchases, including aircraft fuel, general merchandise, and technology solutions. The department utilises Oracle, a cloud-based procurement management system, to streamline and optimise sourcing needs.

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



In-flight Catering



Technology System



Aviation Maintenance and Materials



Ground Handling



Aviation Fuel



Aircraft Fleet and Engines

**The data for FY2025 excludes non-supplier related data such as staff claim and others.*

To be considered as a potential partner, all suppliers must register within the Oracle system and complete a detailed questionnaire. This comprehensive assessment covers essential areas such as quality standards, cost competitiveness, financial stability, and adherence to regulatory requirements. Furthermore, a mandatory prerequisite for any supplier wishing to partner with AirAsia X is the acknowledgement of our ABAC Policy and the SCOC.

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Supplier Code of Conduct

[GRI 408-1, 409-1]

The SCOC sets mandatory, clear expectations for ethical and responsible operation for all suppliers. Drawing from the International Labour Organisation ("ILO") principles on human rights, the SCOC integrates requirements covering health and safety, sustainable procurement, and broader ESG practices. In July 2025, significant revisions have strengthened the SCOC by enhancing clarity and tightening expectations across the supply chain in the areas of ESG and compliance.

Key updates include explicit ABAC requirements, strictly enforcing a zero-tolerance stance and mandating whistleblowing obligations, aligning with the group's overarching ABAC policy. The revisions incorporated clearer standards for Labour and Human Rights, and modern slavery legislation.

Additionally, enhanced provisions were made for Data Protection and Confidentiality, alongside stronger management expectations for performance in Environmental, Health, and Safety ("EHS") areas.

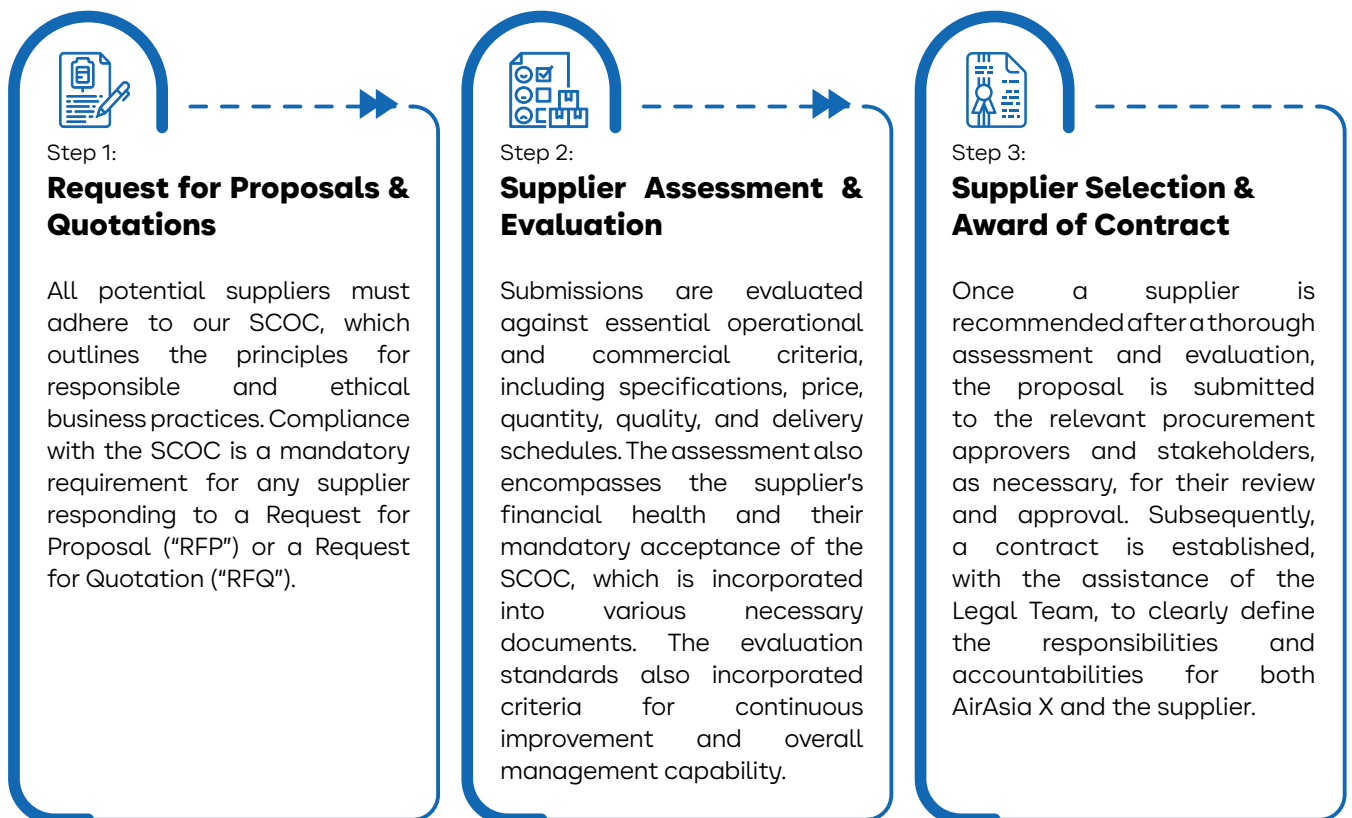
The SCOC also reinforces suppliers' responsibilities regarding Responsible Sourcing and Due Diligence. It establishes AirAsia X's right to conduct audits to ensure adherence to international and local regulatory frameworks, including expectations regarding competitive pricing and terms. Finally, suppliers are obligated to actively support AirAsia X's sustainability, cost efficiency, and ethical business objectives throughout the value chain, a commitment referred to as Value Chain Support.

This SCOC is communicated through various channels, including affiliates' public corporate websites, contracts, purchase orders, and emails.

Supplier Selection Process

[GRI 204-1, 308-1, 414-1]

Our e-procurement system streamlines and enhances the efficiency of supplier processes, enabling them to undertake the following:



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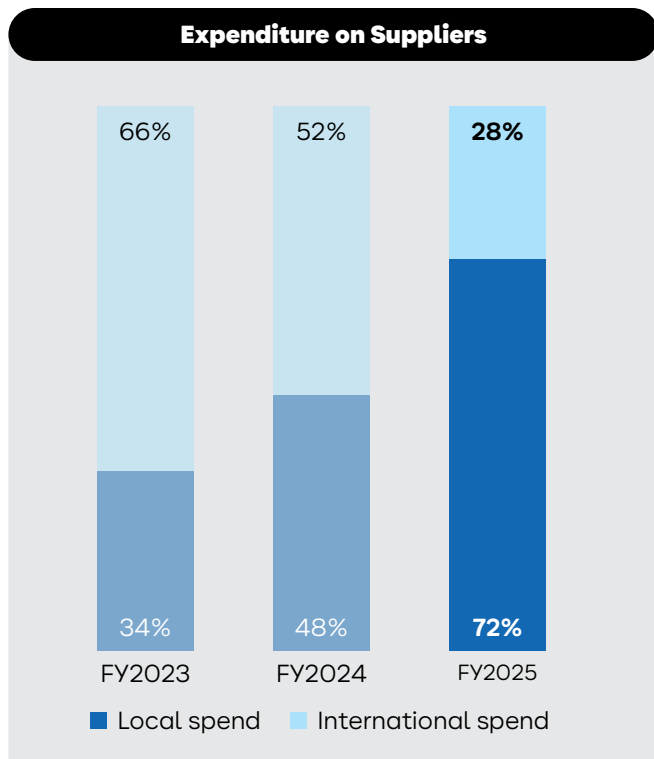
Supporting Local Suppliers

[GRI 204-1]

In 2025, our procurement spend increased significantly to more than RM7.8 billion, more than double the amount recorded in 2024. The increase was mainly driven by higher operational costs, particularly fuel as we expanded to more destinations, as well as increased marketing expenditure, for new routes such as Tashkent, and Istanbul, and higher engineering and maintenance expenses.

We expanded our network by onboarding 87 new suppliers, bringing the total number of active suppliers to 835. Supporting the local economy remains a priority, as evidenced by the fact that more than 70% of our suppliers are local.

Santan, our main in-flight meal provider, maintains its dedication to sourcing fresh, high-quality ingredients. In 2025, Santan continued to demonstrate a strong commitment to supporting local communities and delivering authentic, flavourful dining experiences by sourcing almost all of its in-flight catering supplies (99%) domestically.



Integrating ESG Criteria in Supplier Performance Evaluation

We are committed to responsible procurement and proactively manage ESG risks by collaborating with our affiliate's Procurement team to embed ESG criteria into our supplier performance evaluations, aligning with industry best practices. This ensures our vendors adhere to sustainable and ethical business practices.

To strengthen our evaluation framework and encourage a more sustainable supply chain, we incorporated an ESG Scoring System and a Diversity, Equity, and Inclusion ("DEI") Criterion. The ESG Scoring System measures suppliers' sustainability efforts, including target setting, strategy implementation, and progress tracking, thus encouraging suppliers to actively contribute to sustainability. The DEI Criterion encourages vendors to adopt equitable hiring practices and foster inclusive workplace cultures.

These enhancements are designed to strengthen supplier partnerships and drive long-term, responsible business growth. Our approach to Supply Chain Management includes Supplier Selection, where tender evaluation incorporates a scoring weightage for continuous improvement and assesses management capability, and Supplier Performance Review, where the performance scorecard now includes a dedicated section to assess ESG-related criteria.



Sustainability Statement

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Enhancing Guest Experience

2025 Performance Overview

[GRI 3-3]

At AirAsia X, we are committed to providing an exceptional and seamless guest experience that extends beyond the flight itself. We leverage insights from our affiliate travel and lifestyle app, AirAsia MOVE, to ensure every step of the journey, from initial planning to in-flight comfort and post-flight services, is enjoyable and hassle-free.

Key Policies & Procedures

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

Primary UN SDGs Supported



2025 in Numbers

On-Time Performance ("OTP")
 **73%**

Net Promoter Score
 **37**

Passenger Load Factor
 **82%**

Customer Satisfaction Score
 **87%**

Prioritising Guest Satisfaction

AirAsia X is committed to continuously improving the guest experience by placing guest engagement at the core of its operations and actively utilising customer feedback. Insights are gathered from multiple channels, including social media, surveys, Net Promoter Score ("NPS"), Customer Satisfaction Score ("CSAT"), and customer complaints. The data and comments collected are thoroughly analysed, shared with relevant stakeholders, and used to drive continuous service improvement and address evolving guest needs.

In 2025, AirAsia X continued to enhance the guest experience, informed by feedback from 177,837 guests. This focus contributed to improvements in key satisfaction metrics. The NPS grew by 8 points to 37, reflecting progress in guest perception, although it remained below the target of 50. Meanwhile, the CSAT rose from 84% to 87%, exceeding the target of 85%. These gains were driven by initiatives aimed at resolving key sources of customer dissatisfaction, particularly through clearer, more efficient service processes. As service effectiveness improved, the volume of incoming customer chats and response requirements declined compared to the previous year. Targeted training and coaching were also provided to the service team to ensure a consistently high standard of customer experience across all interactions.

Our survey methodology remains consistent, with the only change being the adoption of Kore.ai, a conversational AI platform for the NPS Journey touchpoint that automates and manages NPS survey distribution across multiple digital channels, triggering surveys post-journey and collecting customer feedback through bot-driven interactions. The NPS Survey is administered at two points, immediately following payment and within 24 hours of the flight. The CSAT Survey is automatically sent after a guest's query has been successfully resolved via chat (live chat and AskBo) or email case. Future priorities focus on further enhancing customer satisfaction by collaborating with the chatbot team and other stakeholders to boost the chatbot's inquiry resolution capability and by expanding the self-service options available to guests.

NPS in 2025: **37**
 (18 from 2024)

CSAT in 2025: **87%**
 (13% from 2024)

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

Metric used to assess customer satisfaction of specific touchpoints

Sustainability Statement

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

Guest Satisfaction Initiatives



Wait Time Reduction

We have significantly improved our guest experience metrics with the average wait time for live chat support is now at 2.7 minutes. Furthermore, our complaint resolution process has been enhanced, achieving a faster first response time of 1.2 days and a full resolution time of 5 days, enabling us to address and resolve guest feedback more swiftly.



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 & Identification

By investing in technology for baggage handling, tracking, tagging, and identification, alongside process improvements and training for our employees, we have significantly reduced customer baggage mishandling. In 2025, our Mishandled Baggage rate was 11.2 per 10,000 passengers flown, reflecting a 5.9% improvement from the previous year, and significantly below the global average rate of 63 per 10,000 passengers flown¹.

¹ Global average based on SITA 2025 Baggage IT insights

Elevating Our In-Flight Journey

To ensure the service provided remains standardised and of high excellence, the Service Conversation Guide serves as the foundation for every interaction handled by the cabin crew, from boarding to disembarkation. This guide is rooted in empathy and professionalism, utilising a structured approach that focuses on positive body language and specific 'Recommended Phrases' to handle various situations with firmness and courtesy. AirAsia X continues to prioritise guests who pre-booked their meals ("PBM") by ensuring they are served first. Any catering discrepancies are promptly addressed by offering complimentary commercial alternatives to maintain guest satisfaction.

Operational excellence extends to managing in-flight disruptions arising from off-schedule departures through formalised Aircraft On Ground ("AOG") protocols. Based on the duration of the delay, guests are provided with complimentary beverage and mineral water, while for controllable delays exceeding 120 minutes, complimentary retort meals are provided to non-PBM guests. Throughout these periods, In-Charge Cabin Crew ("ICCs") provide status updates every 30 minutes to keep guests informed and minimise anxiety.

Beyond managing disruptions, we offer a dedicated Premium Flatbed service for guests to enjoy a spacious seat that transforms into a full flatbed. For these

guests, the crew provides a 'Welcoming Touch-Point' that includes personalised greetings, assistance with luggage, and familiarisation with seat features. A signature element of this experience is a handwritten personalised card, which the ICC composes before every flight to express genuine appreciation. This initiative has significantly boosted guest sentiment on social media and enhanced the overall premium cabin experience.

The commitment to a premium atmosphere is further reflected in the cabin environment, where flower decorations are featured in aircraft lavatories to ensure a consistent and elegant touch throughout the journey. Furthermore, established procedures for the distribution of pillows and duvets include personalised draping, where the crew unfolds and arranges the duvet for the guest to ensure a seamless transition into a restful flight.



Sustainability Statement

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Digital Solutions for Our Guests

AirAsia X prioritises meeting the demands of millions of customers amidst the surge in travel, a key challenge we address through digital transformation. Working closely with our affiliates, we are developing innovative, targeted digital solutions to significantly improve our guests' travel experience. A major lesson learnt over the past years is the crucial role of technology and enhanced interfaces in upholding our service commitment as passengers return in large numbers. The following illustrates some of these collaborative digital initiatives designed for our guests.



Sharing functionality of e-boarding pass

In 2025, 45.7% of AirAsia X passengers utilised self check-in facilities across various platforms, showing a preference for convenience, with guests under the same booking easily able to check in via the mobile app and download their individual boarding passes; the usage breakdown includes the Mobile App at 18.0%, Web Desktop at 14.4%, Kiosk (at the airport) at 8.4%, and Web Mobile at 4.9%.



Enhanced Visa Check-In

The new Auto Visa Check ("AVC") feature on the airasia.com website and AirAsia MOVE app, simplifies online check-in for international routes requiring a visa or ETA. This innovation significantly reduces wait times and airport congestion by eliminating the need for manual, in-person visa verification. Guests can now verify their visa in real-time during online check-in, from their own location, up to 14 days and as late as one hour before departure. Travellers with only hand-carry luggage can proceed directly to the boarding gate, while those with checked baggage can use kiosks for bag tags and drop off their bags.



AskBo

AskBo enhances the guest experience by offering AI-powered self-service, providing essential, real-time information, and offering self-service capabilities. Guests can receive live flight status updates in multiple languages, and operational notifications instantly alert them to any changes. The system automatically updates departure timing directly onto the electronic boarding pass. Critical functions such as voluntary flight changes, refund submissions, and add-ons are now integrated directly into the AI interface, which significantly reduces the reliance on human agents for routine tasks. In 2025, the total guest and user volume was 21.2 million, with 16.4 million queries resolved by the bot. The bot's satisfaction score is 57%, which is a combination of data from both the old and new bot versions.



Kiosk & Customer 360

This digital initiative aims to eliminate congestion at counter queues by implementing immediate, cashless payments at self-service kiosks to address common travel hurdles like overweight baggage and ancillary offerings. By enabling instant resolution of baggage and meal issues, the system drastically reduces transaction time, minimises physical interaction, and streamlines the check-in process. This enhances the guest experience through digitisation and personalised solutions derived from data. Through this initiative, more than RM151,000 sales was generated via the kiosks ancillary.

The plan for FY2026 is to roll out this digital resolution system across key markets: Singapore, Thailand, the Philippines, and Indonesia.

At AirAsia X, our commitment is to continuously improve our On-Time Performance ("OTP") to ensure timely departures and arrivals, reduce delays, and minimise travel disruptions. Punctual flights are crucial for a better guest experience, allowing passengers to avoid missed connections, enjoy smoother airport transits, and plan their schedules with greater certainty.

Sustainability Statement

Chapter 2: Economic

In 2025, AirAsia X carried over 4.02 million passengers, with OTP maintained at 73%, supported by increased aircraft availability, which enabled more options in aircraft rotation and recovery. However, our performance continued to be affected by external factors, including multiple volcanic activities in Indonesia and typhoons over the South China Sea, which disrupted our Taiwan, Korea and Japan routes. In addition, geopolitical unrest in India and the Middle East contributed to delays on our Indian and Central Asian routes. Operational challenges, such as temporary aircraft grounding due to engine shortage further affected some flights.

In response, operational planning and maintenance prioritisation were strengthened, alongside closer engagement with key suppliers to manage capacity constraints effectively. Continuous improvements in fleet reliability, supply chain resilience, and technical readiness remain central to driving operational excellence and supporting consistent service performance.

To address these challenges and enhance our OTP, AirAsia X has implemented several key initiatives, which are summarised as follows:



Precision Timing

The primary objective remains to streamline guidelines across all departments to achieve the planned 75-minute turnaround time.

The alignment from previous years continues to meet the required goal and continues to be more efficient as no delays have been attributed to inefficiencies in the Precision Timing Schedule ("PTC") process.



Dual Aerobridge Operations

This approach involves utilising two aerobridges (enclosed walkways linking the terminal and the aircraft) to expedite passenger boarding and disembarking.

It remains a current and effective practice for maintaining the target aircraft turnaround time of 75 minutes, as the efficient boarding and disembarking process helps to mitigate potential delays incurred during the previous sector.



Pre-Planned Aircraft Swaps

Shifts on duty proactively identified routes with minimal ground time and explored options to standardise ground times.

This approach has demonstrated a reduced impact on OTP. The scheduling team implemented advanced rescheduling for affected sectors, which successfully mitigated negative effects on OTP. This is in contrast to the previous year, where relying on ad hoc rescheduling for most flights led to an increase in delay percentages.



Periodical Ground and Block Time Reviews

Continuously update and review ground and block times to maintain efficiency and meet the targeted OTP.

This approach has proven efficient through consistent reviews and communication across all relevant parties. Delays attributed to block time issues have been minimal and were solely due to unavoidable weather factors.

Sustainability Statement

Chapter 2: Economic



Driving Technology, Innovation and Data Security

2025 Performance Overview

[GRI 3-3]

AirAsia X continues to advance its digital transformation journey, focusing on scaling digital initiatives while fostering an innovation-driven culture. Widely adopted solutions, including self check-in for guests and cloud-based systems for employees, have streamlined data management and significantly reduced paper usage and associated carbon emissions. At the same time, new digital innovations are being progressively integrated into our operations, creating long-term value for our guests, Allstars, and broader stakeholders. We are aiming to leverage AI to drive systemic efficiencies that ultimately reduce our carbon footprint by optimising resource utilisation and streamlining ground and flight-related processes.



Key Policies & Procedures

- Application Management Framework
- Data Center Access Policy
- Capacity Management
- Infrastructure Asset Management Policy
- Asset Management

Primary UN SDGs Supported



2025 in Numbers



Reduction of paper wastage via digitalisation initiatives

713,092 A4 papers



Kiosk recovery time

42 minutes



Response accuracy rate for AI-generated Allstars support

88%



Corporate Data Literacy Score

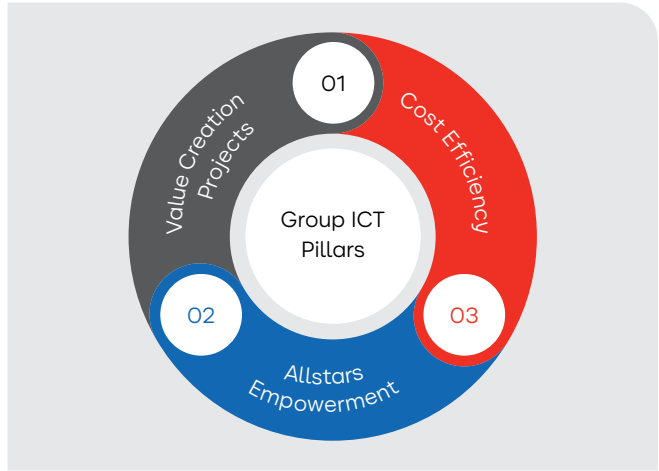
57.47%

Sustainability Statement

Chapter 2: Economic

Technology and Innovation

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. This involves leveraging cloud computing services for their scalability, flexibility, and cost-effectiveness over traditional on-premises solutions. This strategy accelerates innovation and improves system accessibility across the organisation. In 2025, the Group ICT team intensified its efforts to scale digital capabilities across the Group, focusing on three key areas: value-creating projects, cost efficiency, and the empowerment of Allstars.



Responsible AI Adoption and Innovation

In response to the rapid advancement of generative AI, the Group ICT team has proactively integrated AI-enabled solutions across aviation operations, while maintaining a strong focus on responsible adoption. One example is the Autonomous Stations project that enables kiosk machines to automatically detect and diagnose operational issues. This has equipped airport kiosks with self-reporting capabilities to identify and flag issues in real-time, such as the need for paper replacement for boarding pass and baggage tag printing. These enhancements have significantly improved kiosk reliability and guest self-service continuity.



Since its rollout in June 2025, the project has delivered measurable performance gains across compliance, incident resolution time, and fleet reliability. Service Level Agreement ("SLA") compliance rose from 98.75% at launch to 99.94% by July 2025 and has since reached a high of 99.98% in February 2026, reflecting a sustained upward trend driven by faster incident detection and resolution. Average resolution time has improved dramatically, from over four hours in September 2025 to just 42 minutes by February 2026, while the number of affected kiosks in the fleet decreased from 91 (18.1%) to 16 (3.2%) over the same period. These results demonstrate the tangible operational value of responsible AI adoption, reducing service disruptions, protecting revenue continuity, and enabling our ground teams to focus on higher-value guest interactions.



SLA Compliance: 99.98%



Faster incident resolution: 42 minutes

Internally, to support the development of a data-literate workforce, the ICT team has introduced *Asklvana*—the Intelligent Virtual Allstar and Assistant. Co-created with Google and powered by Gemini, Asklvana serves as an AI-generated platform that provides Allstars with instant access to company data and insights. Designed to represent a virtual woman in STEM, the platform received 10,119 queries in 2025, achieving an 88% response accuracy rate.



10,119 queries received from Allstars



Accuracy response rate: 88%

Sustainability Statement


Chapter 2: Economic

Building on the momentum of our key digitalisation initiatives in 2023, we further bolstered our efforts to improve our cost efficiency and minimise paper wastage in 2025, 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.

 607,140 sheets saved

 ≈ 3.5 - 4.3 tonnes CO₂e avoided

Auto-Upload of Passenger Manifest


Passenger manifests for both inbound and outbound Kuala Lumpur flights are automatically transmitted to the relevant immigration authorities within thirty minutes of the actual time of departure ("ATD"), thus enhancing operational efficiency.

 80,952 sheets saved

 ≈ 0.47 - 0.57 tonnes CO₂e avoided

E-Manuals

Hard copies of the Ground Operations Manual (Parts 1 and 2) and the Station Manager Manual are replaced by digital manuals.

 25,000 sheets saved

 ≈ 0.14 - 0.18 tonnes CO₂e avoided

Note: conversion rate based on UK GHG Conversion Factors 2025, cradle-to-gate

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 entirely on the ICT department.

What is Data Democratisation?

Data democratisation is the process of making data accessible, understandable and usable by everyone in an organisation – not just data analysts or IT teams.

Why is it 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 & transparency – supports data-driven strategies across teams.
- Leverage advanced technology – simplifies data collection, storage, and analysis.



Allstars Empowerment

Citizen Analytics Training

To enhance self-service analytics, we introduced Citizen Analytics training in 2023, 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 Academy by AirAsia Next, enables 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 Academy by AirAsia Next, whilst Level 3 is still under development and expected to be launched in 2026.

Sustainability Statement

Chapter 2: Economic

Level 1: Introduction to Data Democratisation

Allstars learn the fundamental skills of:

- Cleaning, preparing, and analysing data effectively
- Identifying and correcting errors
- Transforming data into usable formats



Level 2: Tools to Build and Visualise Data

Data visualisation through Tableau and Looker Studio:

- Accessing multiple data sources and creating custom charts and dashboards
- Visualising insights in real-time
- Querying data in natural language using LLM chatbots



Level 3: Machine Learning & Modeling

Enhancing visualisation with AI and ML:

- Covers topics such as Natural Language Processing ("NLP"), Advanced Statistical Modelling, and Machine Learning

Enhancing Allstars Experience

1. IT Assist Upgrade

To strengthen workplace productivity and digital service delivery, the Group ICT team introduced a 24/7 digital IT assist integrated with intelligent bot capabilities. The system efficiently handles common IT requests, such as password resets, account unlocks, and VPN access, ensuring consistent support regardless of Allstars' location or working hours. Standard inquiries experience zero queue time, enabling Allstars to resume work immediately, while more complex issues are escalated to live agents.

This initiative has reduced the manual workload for IT teams, allowing them to focus on higher-value and complex tasks. Overall, the IT Assist Upgrade enhances digital efficiency, and employee productivity by minimising downtime, optimising resource usage, and delivering scalable IT support across the organisation.



2. Crew Bag Tag & Allstars Booking System

The Group ICT team introduced a Self-Service Crew Bag Drop solution to enhance operational efficiency and employee experience. Previously, cabin crew shared check-in counters with other Allstars, which created strain on counter capacity and resulted in long queues, particularly during peak periods.

The introduction of self-service bag drops and dedicated lanes has accelerated the check-in process, reduced congestion at shared counters, and lowered reliance on ground staff. This initiative contributes to more efficient turnaround coordination, and a smoother check-in experience for all Allstars.



Sustainability Statement





Chapter 2: Economic

Data Literacy Score

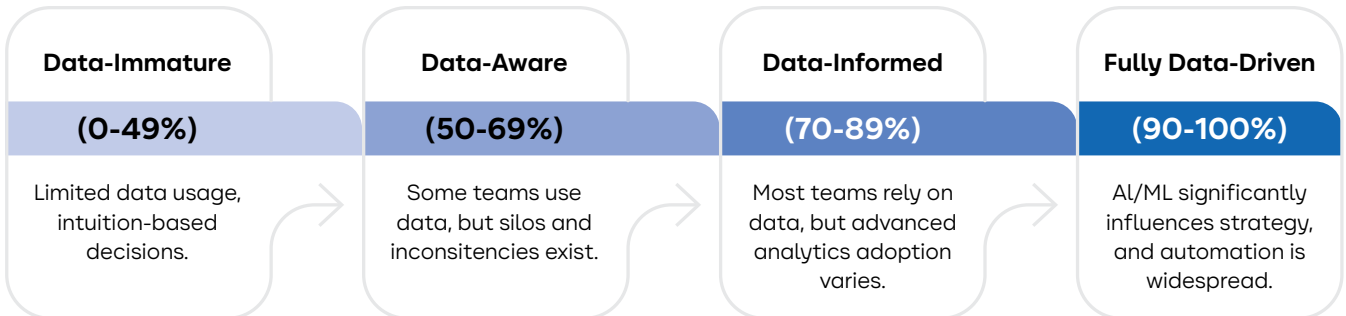
The Corporate Data Literacy (“CDL”) score measures an organisation’s ability to read, understand, create, and communicate data effectively. It evaluates both individual and organisational capabilities in leveraging data to make informed decisions.

By tracking this score, we can gauge how effectively our Allstars use data in their daily work and decision-making processes. Strengthening data literacy is essential, as it enables them to access information seamlessly, interpret insights with greater confidence, and ultimately enhance their performance and productivity.

Improving data literacy across the organisation can drive greater productivity in the following ways:

- 
Optimised Resource Usage
 With access to relevant data, Allstars can identify data gaps and operational inefficiencies, including in energy, fuel, and resource consumption, enabling more efficient use of resources and cost savings.
- 
Enhanced Decision-Making
 Data-driven insights empower Allstars at all levels to make more informed decisions, strengthening organisational agility and supporting effective strategic execution.
- 
Greater Efficiency and Accountability
 Access to real-time data helps reduce waste, enhance supply chain efficiency and enable predictive analytics for better aircraft maintenance, extending asset lifespans and lower emissions.
- 
Stronger Compliance
 Improved tracking of KPIs ensures better alignment with regulatory requirements and the corporate’s goals.

In 2025, AirAsia X achieved a CDL score of 57.47%, putting us in the data-aware category. In 2026, in addition to launching Level 3 of Citizen Analytics programme, the Group ICT team plans to conduct data roadshows and training sessions for Asklvana to increase Allstars’ awareness and increase the adoption level. Asklvana enables staff who previously lacked access to reports and dashboards to easily obtain data and insights. This initiative democratises data across the organisation, ultimately contributing to an improvement in the CDL score.



Sustainability Statement

Chapter 2: Economic



Cyber Security and Data Privacy

2025 Performance Overview

[GRI 3-3, 418-1]

AirAsia X is committed to protecting the information security and privacy of our customers, investors, employees and suppliers. As such, we strictly comply with all applicable cyber regulatory requirements across all operating regions that hold Air Operator's Certificate ("AOC"). Recognising the importance of customer data confidentiality, the Company has implemented measures to safeguard personal information and ensures that all data is managed in accordance with relevant data protection principles.

Cyber Security Policies and Frameworks

- Enterprise Cyber Security Policy
- Cyber Security Acceptable Use Policy
- Cyber Security Risk Management Framework
- Cyber Defence Framework
- Data Security Framework
- Identity & Access Management Framework
- Secure Development Framework
- Cyber Security Control Standard

Cyber Security Certifications

- ISO/IEC 27001:2022 Information security, cyber security and privacy protection - Information security management system requirements
- Payment Card Industry Data Security Standard (PCI DSS) v4.0.1
- IATA Operational Safety Audit (IOSA)- Cyber Security related requirements

Primary UN SDGs Supported



2025 in Numbers



Substantiated customer data privacy breaches

0

Information Security Governance

It is our priority to ensure adequate levels of information protection and cyber security across our operations and business processes.

To strengthen governance, the Company established a centralised Cyber Security function led by a Group Chief Information Security Officer ("CISO"). This department is staffed by experienced specialists who provide deep technical insights and robust risk management capabilities across the organisation.

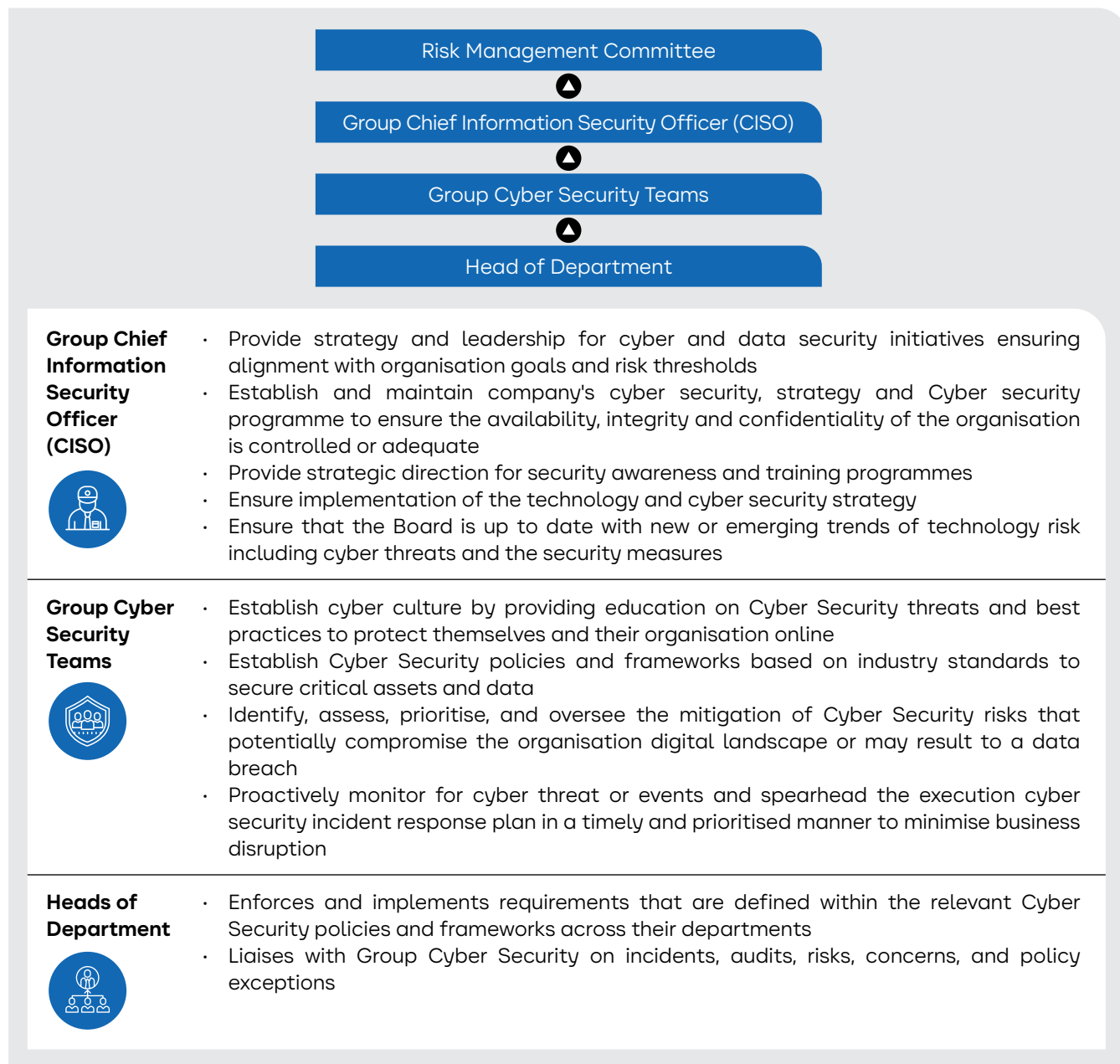
The Cyber Security team is mandated to oversee and protect the entire digital ecosystem, encompassing applications, systems, networks, and underlying infrastructure, thereby reinforcing the Company's resilience against evolving cyber threats.

In 2025, the Group appointed a Data Protection Officer ("DPO") to manage data protection matters within the data privacy domain. Cyber Security has commenced working closely with DPO on Cyber-related Data Privacy agenda.



Sustainability Statement

Chapter 2: Economic



Cyber Security Policies and Frameworks

AirAsia X collaborates with its affiliate's Cyber Security department to protect the Company against internal and external threats, whether intentional or unintentional, guided by the three core principles of cyber security: confidentiality, integrity and availability.

The policies and frameworks are built based on industry-leading standards, including the Payment Card Industry Data Security Standard ("PCI DSS"), ISO/IEC 27001:2022 Information Security Management System, National Institute of Standards and Technology ("NIST"), Information Security Forum ("ISF") and others.

We are committed to protecting customer data and ensuring compliance with cyber related requirements on data protection laws, including the Malaysian Personal Data Protection (Amendment) Act 2024, as well as similar regulations across our operating jurisdictions.

Sustainability Statement

Cyber Security Strategy

AirAsia X is committed to safeguarding Company, customer, and vendor data through a resilient and robust cyber security infrastructure. By adopting the shared information security framework, policies, and initiatives of our affiliates, the Company leverages the collective expertise of the network to protect all critical data and information assets. We also expect our third-party suppliers and vendors to align with our cyber security standards.

In 2025, our affiliate's Cyber Security team focused on the following four key workstreams:

- | | | |
|----|--|--|
| 01 | Workstream 1:
Cyber Governance,
Risk & Compliance | <ul style="list-style-type: none"> Set Cyber priorities, mandates and directions to secure the digital landscape and sensitive data including personal data Establish a risk-driven organisation by embedding cyber risk in business decision making, supply chain, and recovery processes |
| 02 | Workstream 2:
Cyber Architecture | <ul style="list-style-type: none"> Enforce secure-by-design principle throughout the project lifecycle to ensure applications Ensure data of different classification levels are secured and encrypted sufficiently |
| 03 | Workstream 3:
Cyber Defense | <ul style="list-style-type: none"> Build Cyber Security resilience by building visibility on the organisation's threat landscape, attack surface and vulnerabilities Continuously monitor for suspicious or malicious cyber events, or data breach and activate incident response plan to ensure minimal business disruption |
| 04 | Workstream 4:
Cyber Culture | <ul style="list-style-type: none"> Establish a cyber safe-culture within all personnel to enforce "Human-firewall" Ensure personnel is able to identify social engineering attempts to avoid or minimise data breach |

Cyber Security Roadshow 2025

In 2025, under the leadership of the affiliate's new Chief Information Security Officer, the Cyber Security team launched its inaugural Cyber Security Roadshow, which received strong engagement and positive feedback from employees and business units across our sister company, Capital A. The roadshow featured expert-led sessions addressing emerging and high-risk topics, including AI, deepfakes, phishing, hacking, and cyber extortion, alongside practical discussions on how cyber risks affect day-to-day operations.

This roadshow engaged approximately 3,500 participants, including senior leadership such as entity CEOs, Board members, and C-level executives, elevating cyber security discussions to the strategic leadership level. Specialised sessions were conducted with six cyber security strategic partners, while various operating entities shared operational cyber risk perspectives, strengthening cross-functional understanding.

An "AOC Cyber Tour" was also organised to engage directly with Air Operator Certificate ("AOC") leadership, providing a platform to discuss operational

cyber challenges and solutions. Concurrent roadshows were conducted in Malaysia, Indonesia, Thailand, and the Philippines, reinforcing the message that cyber security is a shared responsibility for every Allstar.

The roadshow strengthened organisation-wide awareness of cyber risk and reinforced accountability at all levels of the Company. By equipping leadership and Allstars with a clearer understanding of evolving threats and response expectations, this event enhanced incident preparedness and supported more informed decision-making, thereby helping to safeguard stakeholders from cyber risks.



Sustainability Statement

Chapter 2: Economic

Promoting a Cyber Security-Aware Culture

To increase cyber security awareness and knowledge among our Allstars, we offer training and programmes designed to foster a culture of compliance with security measures and protocols. Key programmes tailored to specific stakeholder groups include:

	<p>Information Security Awareness Training</p>	<p>Mandatory information security training is provided via Academy by AirAsia Next to new joiners and existing employees, equipping them to effectively prevent and address information security breaches.</p> <p>Allstars must score 80% or higher on a quiz to successfully complete the training.</p> <p>In 2025, 85.93% of AAX employees completed this online training.</p>
	<p>Internal Awareness Communications</p>	<p>Bi-weekly sharing of emerging cyber security trends, best practices, and key reminders on information security are shared via our internal communications platform, Workvivo, ensuring Allstars remain informed of relevant information security topics.</p>
	<p>Cyber Drills (Tabletop Exercise)</p>	<p>Tabletop exercises are conducted to simulate cyberattack scenarios on digital systems and operations.</p> <p>These exercises test established security procedures and response processes, with respective teams required to respond, troubleshoot, and implement remediation measures. Outcomes from the exercise support the Cyber Security team in identifying gaps and strengthening incident preparedness.</p>

In addition, secure coding awareness training is conducted for developers and software engineers. The training focuses on the principles of designing code that adheres to security best practices and aims to safeguard applications against known, emerging, and unforeseen vulnerabilities, including potential security exploits.

To further enhance our cyber security measures, phishing simulations are conducted annually to assess employee awareness and readiness, with targeted follow-up training provided to employees who do not meet the required performance threshold.

Leveraging AI to Strengthen Cyber Awareness

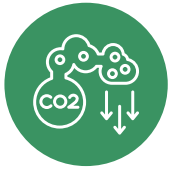
In December 2025, we introduced an AI-driven phishing simulation programme designed to strengthen employee's readiness against real-world cyber threats. This initiative deploys realistic "scam emails" to all Allstars, complemented by gamified learning elements and leaderboards to encourage engagement and awareness.

A phishing report button has been integrated into Gmail and browser, enabling Allstars to report suspicious emails, which will go straight to the Cyber Security team for monitoring and analysis. Further details on this programme's performance and key highlights will be disclosed in our 2026 Sustainability Statement.



Sustainability Statement

Chapter 3 Environmental



Towards Low-Carbon Operations

2025 Performance Overview

[GRI 3-3]

AirAsia X remains committed to addressing the impact of climate change and is working towards aligning with the International Civil Aviation Organization's ("ICAO") Long Term Aspirational Goal to achieve net zero emissions by 2050.

We are leveraging ICAO's four-pillar low-carbon transition strategies, namely investing in operational efficiency measures, new aircraft technologies, utilising sustainable aviation fuels ("SAF"), and offsetting remaining emissions with CORSIA eligible carbon credits to support the objective. These efforts are complemented by initiatives to reduce our greenhouse gas ("GHG") emissions and energy consumption.

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

Key Policies & Procedures

- AirAsia X Sustainability Policy
- International Civil Aviation Organisation ("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




2025 in Numbers

 Carbon intensity per ASK
59.5 gCO₂/ASK

 Carbon intensity per RPK
72.9 gCO₂/RPK

 CO₂ emissions avoided through the fuel efficiency programme
10,283 tCO₂e

 Total GHG emissions (Scope 1+2+3)*
1,621,692 tCO₂e

 Total energy consumption
18.2 million GJ

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

Sustainability Statement

Chapter 3: Environmental

Net Zero by 2050

2025 Overview

In October 2025, ICAO published the first positive Sectoral Growth Factor ("SGF") of its offsetting scheme, thereby confirming mandatory offsetting for hundreds of airlines based on the 126 States that opted to participate in CORSIA from 1 January 2024.

This represents the most significant development to advance the climate change transition of the global aviation sector as it sets up mandatory reduction and offsetting targets for thousands of airlines around the world. To meet this compliance, airlines have to step up to deliver on all four decarbonisation pillars.

AirAsia X's achievements to advance its net zero transition may be summarised as follows:

Strategies	Expected Contribution to 2030 Targets	Key Highlights
Operational Efficiencies	5%	<ul style="list-style-type: none"> Implemented 12 flight operations initiatives, delivering CO₂ reduction of 10,283 tonnes
Fleet Management	2%	<ul style="list-style-type: none"> AirAsia X and its affiliates ordered 354 new A321neos in 2025 AirAsia X's average fleet age is 13.8 years AirAsia X is expected to receive four new A321LR aircrafts in 2026
Sustainable Aviation Fuels	3%	<ul style="list-style-type: none"> Ongoing discussions with regional fuel suppliers on SAF production timelines
Carbon Offsetting	13%	<ul style="list-style-type: none"> Secured approvals from CAAM to introduce carbon fees from 2026 to cover CORSIA costs

Net Zero Modelling

In response to the first confirmed positive CORSIA SGF, AirAsia updated their net zero modelling to incorporate the latest operational data and two key refinements.

The updated modelling integrates the detailed delivery schedule of new aircraft through 2035, reflecting both fleet expansion and the phased replacement of older aircraft. It also incorporates the projected impact of new ground technologies expected to reduce jet fuel consumption by approximately 1% when fully implemented. As a result, the updated trajectory reflects a flatter emissions growth profile between 2027 and 2035, highlighting the increasing role of fleet modernisation and operational efficiencies.

With higher-than-expected CORSIA SGF levels, emissions reduction targets for AirAsia have been adjusted, with targets through 2035 aligned with CORSIA offsetting forecasts. As the current modelling does not include AirAsia X, we will continue to monitor operational performance, leverage efficiency improvements and assess alignment with the updated decarbonisation pathway in future reviews.

Additionally, following the successful acquisition of AirAsia Berhad and AirAsia Aviation Group Limited in January 2026, all AirAsia-branded airlines have been consolidated under a single platform. Accordingly, AirAsia X is broadening its net zero modelling to encompass the unified fleet, with full details to be disclosed in the next reporting cycle.

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This year's progress in advancing AirAsia X's four net zero pathways is detailed below.

Climate Transition Strategies

[GRI 305-5]

Pathway 1: Operational Efficiency

AirAsia X remains steadfast in our commitment to minimising carbon emissions through an industry-leading fuel efficiency program, which serves as the most immediate solution to reducing our carbon footprint. This approach has enabled us to continuously reduce our carbon intensity, whilst also lowering operational costs.

Throughout 2025, AirAsia X continued to strengthen its long-standing flight efficiency programme to reduce emissions at source. In total, AirAsia X operated 12 green operating procedures further enhancing flight efficiency.

The table below provides an overview of the key fuel efficiency initiatives that contributed to 2025's carbon emissions reductions.



Performance Highlights 2025

No.	Key Operational Efficiency Measures	Implementation Rate			2025 Fuel Savings (t)	2025 CO ₂ Emissions Avoided (tCO ₂)
		2023	2024 ¹	2025		
1.	Reduced Flap Landings	92%	93%	96%	118	373
2.	One Engine Taxi - Arrival	85%	50%	63%	363	1,147
3.	One Engine Taxi - Departure	55%	28%	39%	292	923
4.	Idle Reverse Landing	98%	100%	100%	267	844
5.	PACKs OFF Take-Off	99%	99%	100%	64	202
6.	Electronic Flight Bag ("EFB")	100%	100%	100%	96	303

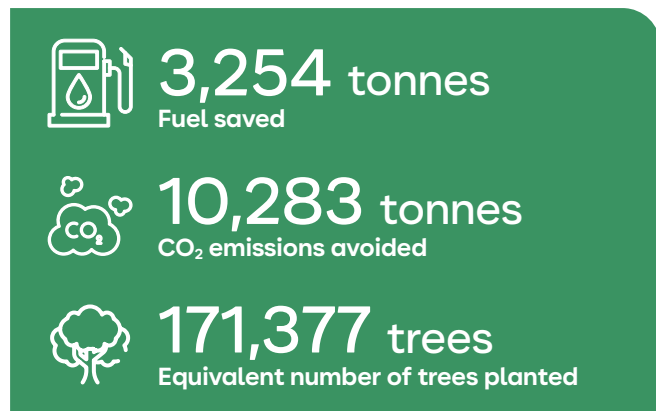
Note: Table highlights 6 out of 12 operational efficiency measures monitored.

¹ Due to the transition to new efficiency monitoring tools, approximately 20% of flight data in 2024 was undergoing processing. The updated data for 2024 here is with a 5% gap. Total fuel saved in 2024 was 2,063 tonnes with 6,520 tonnes of CO₂ emissions avoided.

Sustainability Statement

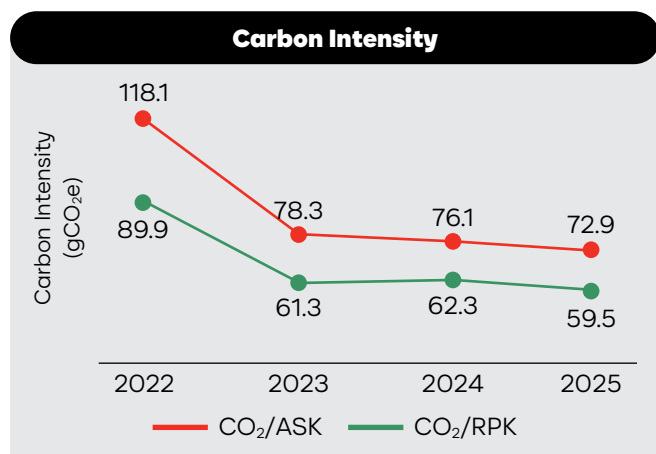
Chapter 3: Environmental

Through the 12 green operating procedures implemented, AirAsia X has avoided a total of 10,283 tCO₂ into the atmosphere, or equivalent to 171,377 trees planted.



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

Recognising that internal initiatives are approaching optimal utilisation, the airline focused on tackling systemic bottlenecks in air traffic management ("ATM"). The flight operations initiatives led to a 4.5% reduction in carbon intensity on a per-seat basis from 62.3 g/ASK to 59.5 g/ASK. Our carbon intensity on a per-passenger basis also decreased from 76.1 g/RPK to 72.9 g/RPK.



Pathway 2: Fleet Management

AirAsia X and its affiliates are adopting a two-pronged approach to managing its fleet replacement and expansion needs over the next decade. To support its global low-cost network strategy, AirAsia converted part of its A321neo to the A321LR (long range) variant, offering an estimated maximum range of 6.5-hours, to be operated by AirAsia X.

In July 2025, AirAsia signed a Memorandum of Understanding with Airbus to purchase up to 50 A321XLR (extra long range) aircraft with conversion rights for another 20. While AirAsia X maintains an order book with Airbus for 20 Airbus A321XLR aircraft from 2019. This would extend AirAsia's narrowbody network range to approximately 8 hours from its key aviation hubs. This will enable AirAsia to reach new destinations in West Asia and Central Asia with a more fuel efficient option than widebody alternatives as these are expected to be new developmental routes.

To enhance fuel efficiency, all new aircraft will be equipped with all-economy class and lightweight seats. New aircraft will also be pre-installed with software that allows implementation of our advanced fuel efficiency programme as detailed in the section above.

The information below provides an overview of AirAsia X's fleet.



As of 31 December 2025, AirAsia X's fleet of 19 Airbus A330-300 aircraft had an average age of 13.8 years - approximately a year younger than the global industry average age of 14.8 years, according to the International Air Transport Association ("IATA")'s 2025 Annual Review. Looking ahead, AirAsia X expects to induct our first Airbus A321LRs in 2026; and the Airbus A321XLR by 2028 as part of our long-term fleet renewal strategy. This is expected to further reduce our carbon emissions while maintaining a relatively young fleet age.

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Pathway 3: Sustainable Aviation Fuel

One of the main tools for shifting towards net zero emissions is the use of sustainable aviation fuels ("SAF"). SAF can reduce the life cycle CO₂ emissions by up to 80% compared to conventional jet fuels, directly affecting Scope 3 emissions from fuel extraction, refining and delivery. As a 'drop-in' fuel, SAF can be blended into existing airport fuel infrastructure and is fully compatible with our aircraft, with blends of up to 50% SAF.

The main challenge for AirAsia X in adopting SAF is its high cost, which is up to five times that of Jet A1 fuel. However, we continue to monitor SAF prices in the region, as well as the progress of SAF mandates across the destinations that we fly to.

As such, AirAsia X and its affiliates are actively engaged in regional SAF developments, focusing on policy frameworks and feedstock supply chain. In January, building on a 2024 partnership to explore decentralised SAF production in Southeast Asia, AirAsia and Airbus held preliminary discussions with researchers from Indonesia's IPB University to scope a study mapping biomass feedstock accessibility against Indonesia's supply. On the policy front, AirAsia submitted formal recommendations to the Malaysian Ministry of Transport regarding a national SAF mandate.

Pathway 4: Carbon Offsetting

Based on the ICAO's updated SGF, AirAsia X has forecasted its CORSIA compliance offsetting requirements through 2026 and commenced the mapping of carbon projects that meet the scheme's latest eligibility criteria. We also support regional advocacy efforts to advance the implementation of CORSIA and scale up the supply of CORSIA-Eligible Emissions Units ("CEUs") across ASEAN.

In April 2025, AirAsia extended its role for a second term as a technical expert on the ICAO CAEP CORSIA Working Group. This involvement provides critical insights into CORSIA developments, enabling aviation affiliates, including AirAsia X, to better forecast offsetting requirements and contribute insights to regulators on effective policy design. Beyond engagements with authorities, our affiliate also organised industry briefings to align on unified positions and recommend supportive policies to address CEU supply shortages.

Climate-Related Risks and Opportunities

AirAsia X acknowledges the increasing global imperative for transparent and comparable climate-related financial disclosures. Since 2024, we have aligned our climate-related risks and opportunities according to

the Task Force on Climate-related Financial Disclosures ("TCFD") framework. Starting this year, in alignment with the National Sustainability Reporting Framework ("NSRF"), directives issued by Securities Commission and Bursa Malaysia, we are actively preparing for the implementation of mandatory IFRS S2 Climate-related Disclosures, which is scheduled to take effect for the 2027 financial year, with reporting due in 2028.

Our transition readiness is currently focused on enhancing internal capabilities across all four pillars of the IFRS S2 framework: Governance, Strategy, Risk Management, and Metrics & Targets. In 2025, we conducted several briefings with the Chief Finance Officer, Chief Risk Officer and Chief Strategy Officer to map a process flow for gathering information for this exercise and identifying current information gaps.

Thereafter, we commenced a comprehensive reassessment of our climate-related financial risks. Our scope extends beyond that of many industry peers, as we incorporate airports as a key value chain component into our assessments. This initiative involves:



Transition Risk Assessment

Deepening the analysis of transition risks based on policy and legal, technology, market, and reputation drivers, aligned with the ICAO four pathways outlined in above section, including the financial implications of evolving carbon pricing mechanisms (like CORSIA and domestic schemes), changes in customer preferences, and the accelerating costs and availability of SAF.



Physical Risk Assessment

Updating the evaluation of potential impacts from acute and chronic physical risks, such as extreme weather events affecting operational uptime, route viability, and infrastructure resilience, including the airports that we operate in. In 2025, prior to conducting scenario analysis, a screening exercise covering the 179 airports in which the broader AirAsia aviation ecosystem operates was undertaken to identify and categorise climate-related disruptions across our network, and validate which of these disruptions resulted in material operational impacts on AirAsia. This screening enables the identification of representative airports and relevant climate hazards for further assessment, balancing practical analysis with operational efficiency.

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S Short-term (1-2 years) M Medium-term (2-5 years) L Long-term (>5 years)

Climate-Related Risks				
Risk Type	Risk Timeframe	Climate-Related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks				
Policy and Legal	S M L	<p>Imposition of new climate change regulations such as carbon taxes, emissions quotas or SAF mandates.</p> <p>As a participant of CORSIA, key exposures include changes to offset credit eligibility criteria, volatility in carbon credit prices, and the introduction of new national carbon pricing mechanisms. These developments could materially increase compliance costs and adversely affect operating margins.</p>	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>Ongoing discussions with fuel suppliers on SAF supply availability in the region.</p> <p>Set an internal carbon price to forecast our cost for carbon offsetting and introduce carbon fees to airfares.</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> <p>Leverage on peer sharing sessions on best practices and adoption of sustainability frameworks such as IFRS.</p>

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● Short-term (1-2 years) ● Medium-term (2-5 years) ● Long-term (>5 years)

Climate-Related Risks (continued)				
Risk Type	Risk Timeframe	Climate-Related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks				
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.	Negotiate aircraft order contracts that allow for upgrades of unfulfilled deliveries. Enhance fleet management strategy to build flexibilities in lease contracts.
Market	● S ● M ● L	Travellers and businesses respond to climate change by reducing their travel frequency.	Lower demand for air travel will impact revenue.	Implement a carbon offset programme. Encourage and support sustainable travel alternatives.
	● 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.	Increase in cost of flight delays and cancellations.	Operate seasonal schedules for high-risk routes.
		Extremely high or low temperatures that can render aircrafts to be inoperable.	Increase in cost of fuel consumption due to impacted aircraft performance.	
	● 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.

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S Short-term (1-2 years) M Medium-term (2-5 years) L Long-term (>5 years)

Climate-Related Risks (continued)				
Risk Type	Risk Timeframe	Climate-Related Risk Description	Potential Financial Impact	Mitigation Strategy
Physical Risks				
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 to airports that are adequately shielded from extreme weather events.

Climate-Related Opportunities		
Climate-related Opportunities	Potential Financial Impact	Mitigation Strategy
Administrative efficiency	Digitalisation strategy reduces manual paperwork and 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.	Ongoing 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 /RPK in the industry.	Engage in regular consultations with civil aviation authorities to implement new fuel efficiency and emissions reduction measures, including proposing new measures to be added to 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 KLIA 2.	Invest in climate forecasting tools and services to inform fleet planning and route planning strategies.

By integrating the requirements of IFRS S2 into our existing climate strategy and internal reporting cycles, AirAsia X aims to not only meet regulatory compliance but also provide investors and stakeholders with decision-useful information regarding our resilience and progress towards Net Zero by 2050.

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Our Carbon Footprint

[GRI 302-1, 302-4]

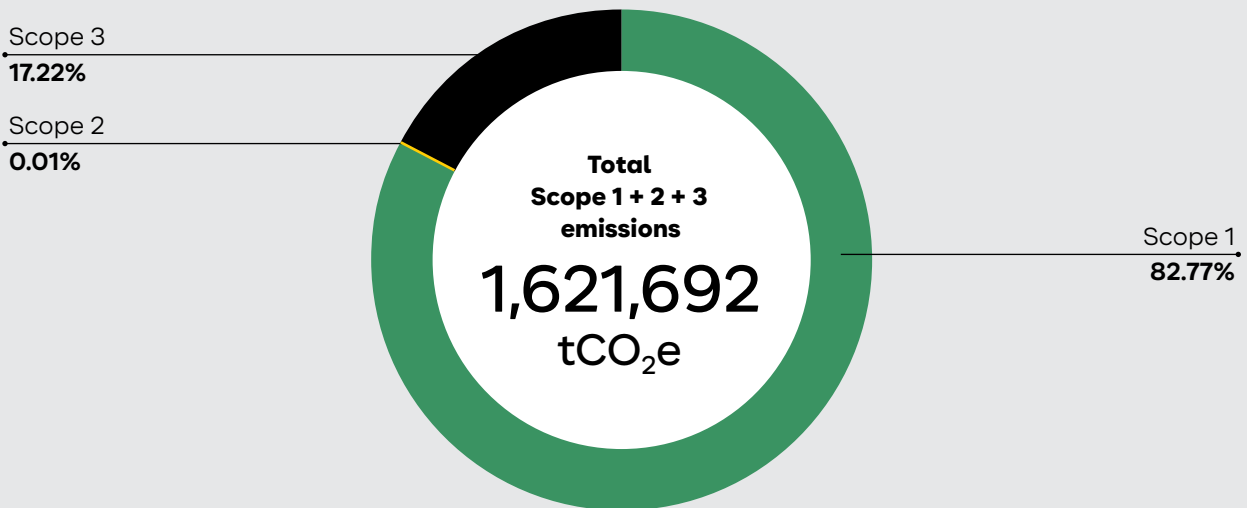
GHG Emissions Management

To ensure effective decarbonisation measures, a comprehensive understanding of our carbon emissions footprint is essential. In 2025, our total GHG emissions, encompassing Scope 1, 2, and 3, amounted to 1.6 million tCO₂e.

Our GHG inventory aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and applies the operational control method. Emissions are calculated using recognised emission factors, primarily sourced from the UK Greenhouse Gas Reporting Conversion Factors and US Environmental Protection Agency ("EPA") Emissions Factors.

Our Scope 1 emissions arise primarily from jet fuel consumption in airline operations, while Scope 2 emissions are mainly attributable to electricity consumption. Scope 3 emissions include indirect sources such as fuel and energy-related activities, business travel and employees commuting associated with 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	1,342,250 tCO ₂ e	239 tCO ₂ e	279,203 tCO ₂ e

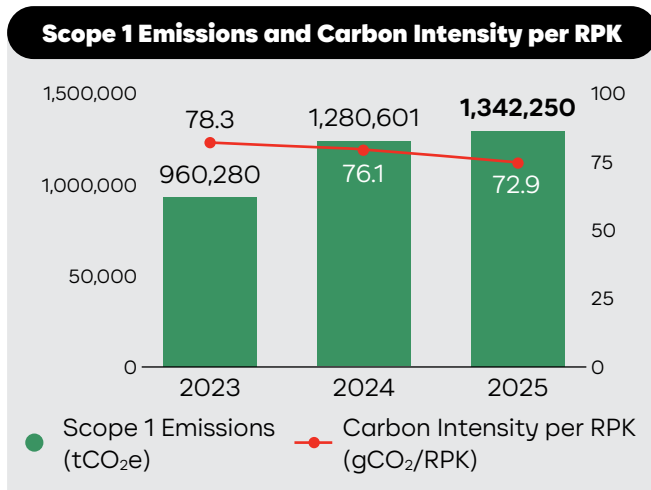
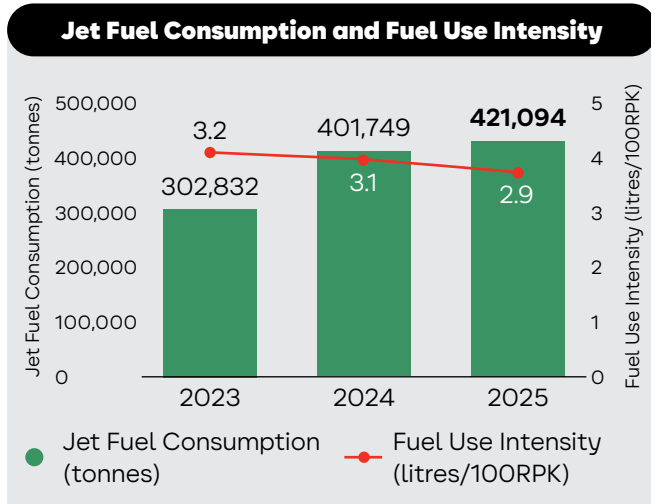


Sustainability Statement

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Scope 1 GHG Emissions

[GRI 302-1, 305-1, 305-4]



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

The GHG profile of AirAsia X is primarily defined by Scope 1 emissions, which arise from jet fuel consumption required for flight operations. Throughout 2025, our strategic network expansion including the launch of routes to Tashkent, and Istanbul, resulted in a marginal 5% rise in absolute Scope 1 emissions, which reached 1,342,250 tCO₂e. For AirAsia X, 2025 was characterised by a measured and strategic approach to capacity restoration. By the end of the year, our flight volumes have reached 67% of pre-pandemic 2019 levels.

While total emissions increased in line with expanded operations, our carbon intensity metrics continued to improve. Both fuel use intensity (liters/100 RPK) and carbon intensity per Revenue Passenger Kilometer (gCO₂/RPK) have trended downward, demonstrating that our efficiency gains are successfully outpacing our

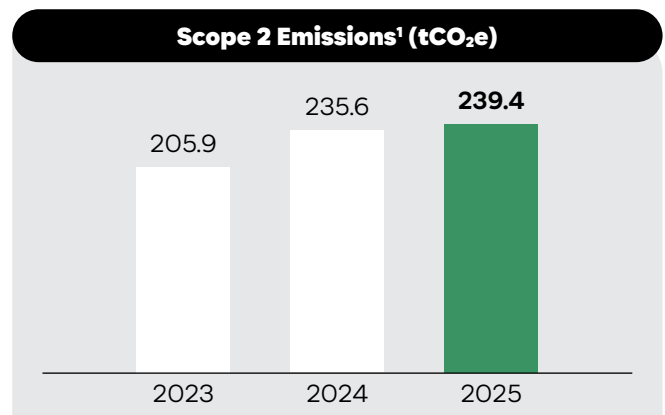
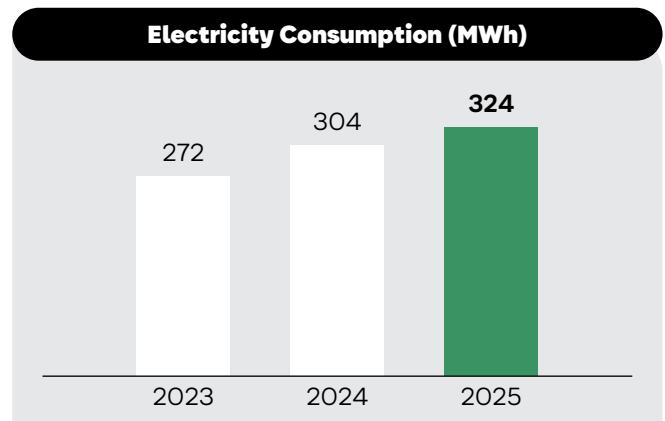
growth in capacity. This improvement is a direct result of enhanced flight path optimisation and sophisticated fuel management protocols.

In accordance with CORSIA, AirAsia X maintains full compliance with the rigorous Monitoring, Reporting, and Verification ("MRV") framework. Since 2019, we have consistently engaged accredited third-party verification bodies to conduct independent audits of our annual carbon emissions from international flights. At the time of writing, the independent verification process for our 2025 emissions data is currently underway.

Scope 2 GHG Emissions

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

Our electricity consumption is estimated based on the proportion of leased office space within RedQ, AirAsia X's head office location. In 2025, we experienced a 6.6% increase in electricity consumption, reaching 323.5 MWh. This rise, which resulted in an average carbon intensity of 0.37 tCO₂e/m², was primarily attributed to an increase in the number of events hosted throughout the year.



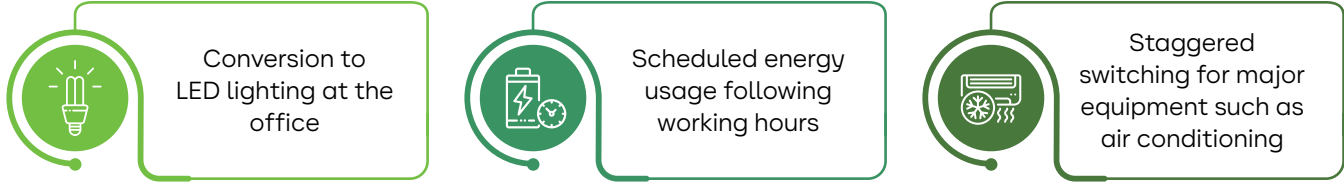
Notes:

1. The Grid Emissions Factor used is 0.74 tCO₂e/MWh, which is extracted from the Malaysian Energy Commission database (2022-2024 Peninsular).
2. The data reported here only encompasses AirAsia X's operations in our head corporate office (RedQ, Kuala Lumpur) 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.

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In line with the Group's energy conservation strategy, the RedQ Facilities Department has introduced a range of measures to improve energy efficiency and reduce overall resource consumption across the office. These initiatives include:



Categories	2023	2024	2025
Non-renewable fuel consumption (MJ) ¹	13,094,455,680	17,371,626,760	18,207,913,872
Non-renewable electricity consumption (MJ)	977,793	1,096,016	1,164,604
Total energy consumption (MJ)	13,095,433,473	17,372,722,776	18,209,078,476

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

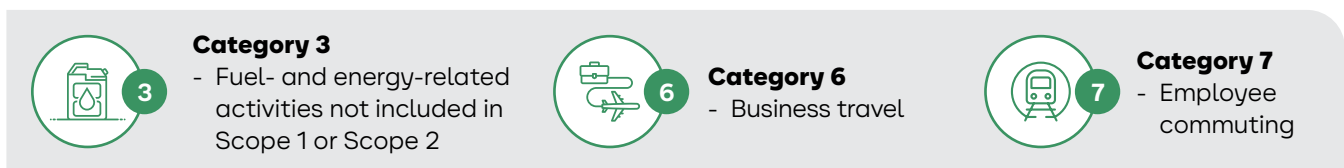
Scope 3 GHG Emissions

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

AirAsia X tracks Scope 3 emissions to capture the environmental impact of activities beyond our direct operations. Upstream jet fuel production, or well-to-tank ("WTT") emissions, remains the largest contributor.

To reduce emissions from business travel, we prioritise virtual meetings and require CEO and CFO approval for all trips, ensuring that travel is necessary and aligned with our sustainability objectives.

For employee commuting, we encourage low-carbon options through internal campaigns, promoting carpooling and public transport. Insights gathered from a survey on Allstars' commuting patterns contributed to the development of MyKLIA MTC, a Ministry of Transport initiative offering discounted KLIA Transit fares for Malaysian employees working at companies operating at KLIA Terminals 1 and 2. The scheme supports more sustainable commuting choices while helping reduce travel costs for our employees.



We continue collaborating with suppliers and partners to monitor and reduce Scope 3 emissions, expanding reported categories as appropriate each year to capture the full extent of our indirect carbon footprint.

Scope 3 Emissions Category	2023	2024	2025
3 - Fuel- and energy-related activities not included in Scope 1 or Scope 2 ^{1,2}	200,413	265,879	278,676
6 - Business travel ^{1,3}	68	269	174
7 - Employee commuting ^{1,4}	314	413	353
Total	200,795	266,561	279,203

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 UK Government GHG Conversion Factors for Company Reporting, version 1.0 year 2025.

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 commute data only covers employees that travel by car and are parked at our head corporate office (RedQ, Kuala Lumpur), due to data limitations.

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Other GHG emissions

[GRI 305-7]

In addition to carbon dioxide, aircraft engines produce other emissions, including nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), carbon monoxide ("CO"), and volatile organic compounds ("VOCs"), which may influence local air quality and atmospheric composition. To manage these impacts, ICAO establishes emission limits for aircraft engines under its Annex 16 environmental protection standards.

AirAsia X manages these emissions through continuous fleet renewal and the adoption of newer, more efficient engine technologies. Currently, all A330-300 aircrafts in operation meet the ICAO CAEP/8 NO_x emissions standard, demonstrating compliance with the most stringent international requirements for aircraft engine emissions.

Pollutants	2023	2024	2025
NO _x emissions (tonnes) ¹	349	470	479
NO _x emissions intensity (gNO _x /RPK) ¹	0.03	0.03	0.03
SO _x emissions (tonnes) ²	7.98	10.74	11.00
VOC emissions (kg) ²	27,600	37,126	37,869

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

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

100%

Compliant with ICAO Annex CAEP/8 NO_x emissions standards



Aircraft Noise Management

AirAsia X is committed to minimising aircraft noise and its impact on surrounding communities and ecosystems. All A330-300 aircraft currently in operation comply with the noise certification requirements under Annex 16 Chapter 14 of ICAO. Future fleet additions, including the A321neo, will also be certified to this standard.

Operationally, AirAsia X complies with all airport-specific noise abatement procedures, including curfews and local operating restrictions. Where feasible, we apply measures such as idle reverse thrust on landing, reduced flap settings during approach, and single-engine taxiing, which help lower ground-level noise while also improving fuel efficiency.

These practices are implemented in line with regulatory requirements from the Civil Aviation Authority of Malaysia ("CAAM") and international aviation standards. AirAsia X continues to work with airport operators to support effective noise mitigation and responsible airport operations.

100%

Compliant with ICAO Annex 16 Chapter 14 noise standards



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Managing Our Natural Resources

2025 Performance Overview

[GRI 3-3]

AirAsia X is committed to minimising its environmental impact through responsible management of waste and water consumption. Effective resource planning remains central to reducing resource use and mitigating associated environmental risks. We also strive to avoid and reduce waste and pollution wherever possible, while continuously improving the efficiency of our resource use.

Key Policies & Procedures

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

Primary UN SDGs Supported



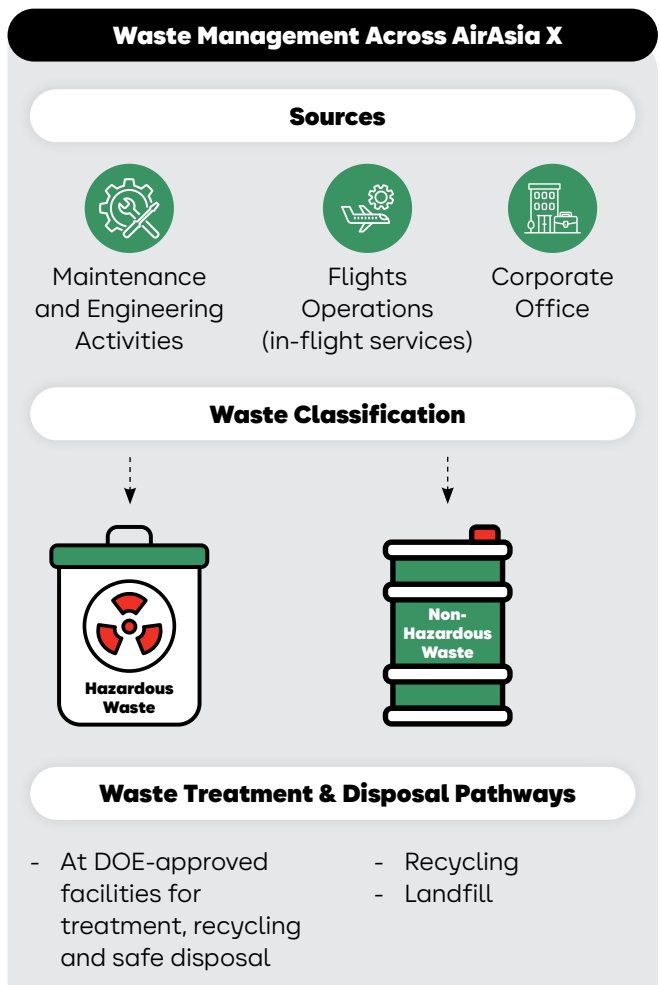
2025 in Numbers

- Solid hazardous waste generated**
13.65 tonnes
- Liquid hazardous waste generated**
15.63 kilo litres
- Total non-hazardous waste generated**
45.95 tonnes
- Total water consumption**
8,833 m³

Waste Management

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

We prioritise responsible consumption by optimising resource use and minimising waste generation. Through initiatives such as eliminating single-use plastics and adopting more environmentally friendly alternatives, we aim to keep waste production to a minimum while maintaining operational efficiency.



Our waste management efforts focus on minimising waste generated from flight operations, engineering activities, and corporate offices. As food, beverages, and drinking water are available for purchase during our in-flight services, non-hazardous waste is generated, primarily comprising food remnants and packaging materials.

Airport and engineering activities generate hazardous waste, mainly in the form of residual materials such as spent jet fuel and lubricants, absorbents, containers, filters, oil contaminated rags, as well as paint and grease from the servicing of aircraft and ground support equipment.

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In addition, waste is produced from daily office operations, including waste paper, cafeteria waste, or electronic waste from the disposal of obsolete technological equipment.

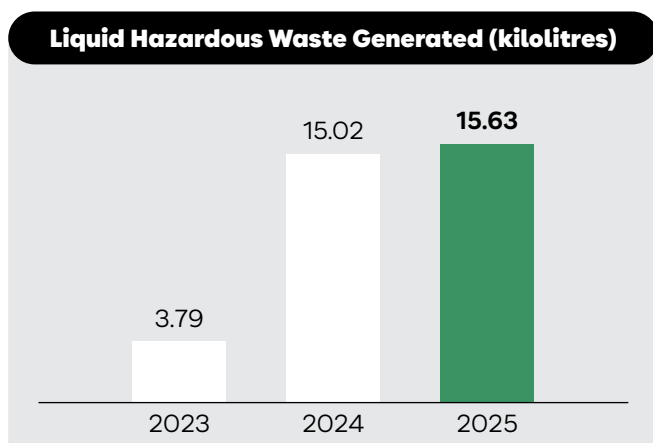
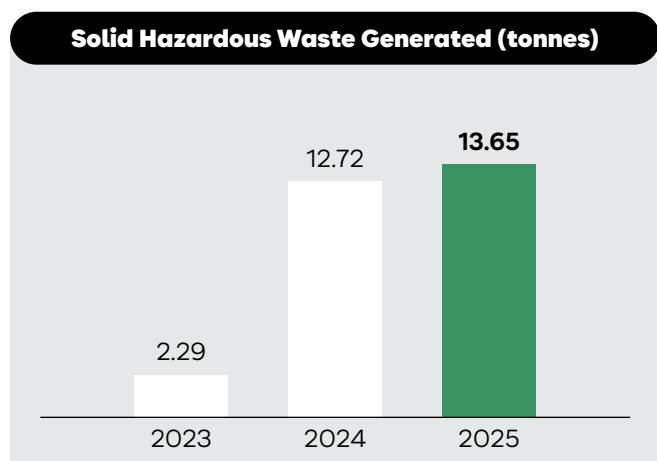
Guided by the principles of elimination, reduction, reuse, and recycling, we aim to continuously work to reduce landfill disposal and promote more responsible waste management practices. In 2025, no sanctions or instances of non-compliance with environmental laws and regulations were recorded.

Hazardous Waste

Hazardous waste poses significant risks to human health and the environment, and must therefore be managed and disposed of properly. The majority of our hazardous waste is generated from engineering operations and maintenance activities at our main hub in Kuala Lumpur. To ensure proper management, we engage licensed contractors approved by the Department of Environment ("DOE") to manage our scheduled waste, including its collection, transportation, and disposal in compliance with Malaysia's Environmental Quality (Scheduled Wastes) Regulations 2005.

From our operations, hazardous waste comprises two types: solid and liquid, which are measured using different units. As such, these categories are reported separately to ensure transparency and accuracy. Please refer to the chart and table below for further details.

In 2025, we generated 13.65 tonnes of solid hazardous waste, representing a 1.1-fold increase compared to 2024. Liquid scheduled waste amounted to 15.63 kilolitres compared to 15.02 kilolitres in 2024. The increase in hazardous waste generated in 2025 was primarily attributed to higher flight activity following the launch of new routes to Tashkent, Uzbekistan, and Istanbul, Turkiye, as well as the resumption of services to several destinations.



Hazardous Waste	2023	2024	2025
Waste Generated			
• Solid Hazardous Waste (tonnes)	2.29	12.72	13.65
• Liquid Hazardous Waste (kilo litres)	3.79	15.02	15.63
Waste Diverted from Disposal (tonnes)			
	-	-	-
Waste Directed to Disposal			
• Solid Hazardous Waste (tonnes)	2.29	12.72	13.65
• Liquid Hazardous Waste (kilo litres)	3.79	15.02	15.63

Non-Hazardous Waste

Our non-hazardous waste mainly consists of paper and food waste generated from our offices and in-flight warehouses. Other waste streams, such as cabin waste, are currently not tracked as monitoring is managed by airport authorities and the relevant data is unavailable. We are working to enhance our collection processes to improve waste reporting and transparency in the future.

Consistent with previous years, the Company continues to promote key sustainable practices among Allstars, including:



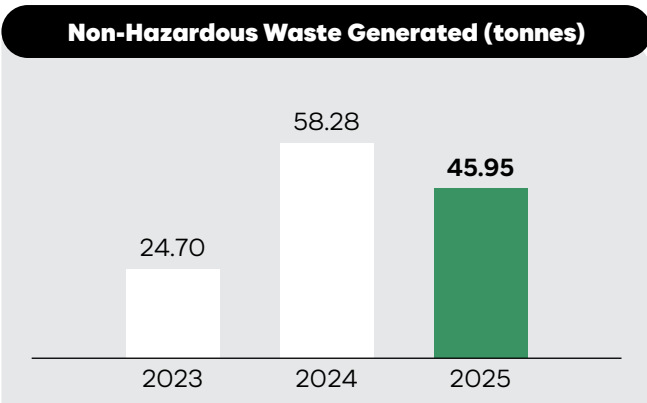
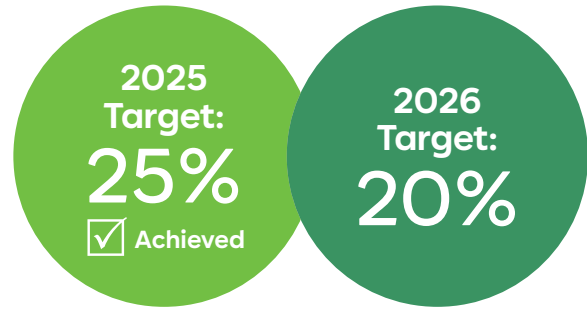
- Encouraging Allstars to bring their own reusable cutlery and food containers to the office
- Implementing an additional charge for Allstars who opt to use single-use plastic food containers
- Promoting waste segregation by category using the designated bins provided

We continue to explore various ways to improve our waste management.

Sustainability Statement

Chapter 3: Environmental

Overall, our non-hazardous waste decreased by 21% in 2025, reflecting improved waste management practices and lower volumes of food and office waste. Paper remained the largest component of recyclable office waste, highlighting continued opportunities to strengthen waste reduction. This is progressively being addressed through continuous digitalisation of our operations, such as through conversions to e-manuals and working with authorities to increase the scope of e-filings.



Non-Hazardous Waste	2023	2024	2025
Total Waste Generated (tonnes)	24.70	58.28	45.95
Food waste (tonnes)	24.70	45.58	36.82
Office waste (tonnes)	-	12.70	9.13
Waste Diverted from Disposal (tonnes)	-	0.77	0.74
Recyclable office waste (tonnes)	-	0.77	0.74
Waste Directed to Disposal (tonnes)	24.70	57.51	45.21

Minimising In-flight Food Waste


AirAsia X remains committed to reducing food waste onboard and its associated environmental impact, including land pollution. Through our collaboration with catering provider Santan, we encourage our guests to pre-order their meals by offering benefits such as discounts of up to 25%, wider variety of menu options, and more payment options.


In 2025, food waste was maintained within our internal target of 25%, an improvement from the 30% target set in the previous year. This improved performance was driven by enhanced meal demand forecasting and more efficient onboard consumption, which helped reduce overall food waste. Santan has also set a more ambitious target to reduce food waste to 20% in 2026, reflecting our continued focus on operational efficiency and waste minimisation.


To optimise catering uplift and minimise excess food, we implemented several initiatives across our operations. In 2025, AirAsia X generated 36.82 tonnes of food waste, representing a decrease of approximately 19% compared to 2024. This reduction was primarily driven by Santan's route-level loading optimisation, which leveraged accurate demand forecasting to better align catering uplift with actual consumption patterns, thereby reducing excess stock on each route. Additionally, our zero-wastage stock keeping unit ("SKU") planning approach prioritised high-rotation items with minimal spoilage risk, further limiting inventory losses. The overall reduction was also influenced by a 12% decline in passenger numbers during the year, which contributed to lower food waste generation.

The following initiatives were undertaken by AirAsia X in collaboration with Santan to further minimise food waste.

Initiatives to Minimise In-Flight Food Waste

- 

Wastage Cost to Revenue tracking
Santan introduced two new metrics to identify unprofitable products more efficiently: Availability-To-Purchase ("ATP") and Cost-To-Revenue ratio ("CTR"). These metrics enable Santan to quickly adjust catering uplift and minimise food waste. Both ATP and CTR can now be tracked through a centralised dashboard.
- 

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

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

Sustainability Statement

Chapter 3: Environmental

Reducing Single-Use Plastic

The growing demand for air travel has led to an increase in plastic waste from in-flight items such as cutlery, cups, and packaging. Recognising the environmental impact of single-use plastics ("SUPs"), we collaborated with Santan to actively reduce their use in our operations. In 2024, AirAsia X and Santan launched an initiative to replace all SUPs onboard with compostable alternatives, reinforcing our commitment to more sustainable in-flight practices. Since then, all meals and drinks served on AirAsia X flights have used compostable materials made from polylactic acid ("PLA"), a biodegradable material derived from organic sources such as corn starch and cassava.

In 2025, AirAsia and AirAsia X operations in Malaysia delivered the largest contribution to reducing the volume of non-biodegradable food packaging. The integrated rollout of this initiative resulted in a total reduction of 350 tCO₂ in Malaysia.



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

Initiatives to Reduce Single-Use Plastic Usage



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 at the office. We actively encourage this practice to reduce single-use waste.

Incorporating Recycled Materials in Our Cabin Crew Uniform

In 2025, we refreshed our cabin crew uniform by using an upgraded fabric blend containing up to 40% recycled materials, reducing the environmental footprint of our operations. The enhanced uniform now provides better comfort, greater flexibility, and ease of movement for crew during long flights.



Reducing Office Waste

Recycling bins for paper, plastic, and aluminium are available on every floor of our RedQ office. In 2025, a total of 0.74 tonnes of waste was recycled, reflecting the impact of increased cleanup initiatives. To reinforce our commitment to reducing plastic waste in our offices, we continued the 2024 #PlasticDetox campaign. This initiative encouraged Allstars to reduce single-use plastics by switching to reusable alternatives, such as bringing their own personal cutlery, food containers, water bottles, and reusable bags.



Sustainability Statement

Chapter 3: Environmental

Water Management

[GRI 303-1, 303-5]

In 2025, office water consumption reached 3,364 m³, a 1.9-fold increase from 2024, primarily due to a burst pipe. Prompt provisional repairs were carried out to minimise the water wastage. As AirAsia X's head office is located in RedQ, water consumption was estimated based on the proportion of leased office space within the building. The water supply for RedQ is sourced from municipal potable water sources.

While most commercial airlines fully fill the aircraft water tanks before each flight, regardless of actual in-flight water usage, AirAsia X tailors the amount of water uplifted to minimise overall aircraft weight based on flight duration and passenger load. This approach reduces water consumption while also improving fuel efficiency.

Water Consumption	2023	2024	2025
· Office water consumption	1,304	1,692	3,364
· In-flight water consumption	-	2,859	5,469
Total water consumption (m³)¹	1,304	4,551	8,833
Total water consumption (megalitres)	1.30	4.55	8.83

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 4

Social



Safety As Our Priority

Operational Safety

2025 Performance Overview

[GRI 3-3]

Our commitment to safety goes beyond mere compliance—it is a core principle embedded in our daily organisational culture. We foster an open and transparent environment where everyone is empowered to raise concerns and report hazards or incidents with confidence, knowing they will be heard and addressed appropriately. Supported by strong governance and continuous improvements, we aim 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 System
- ISO 45001:2018 Occupational Health and Safety
- Civil Aviation Directives 19 - Civil Aviation Authority of Malaysia
- International Civil Aviation Organization ("ICAO") Annex 19 and Doc 9859
- Occupational Safety and Health (Amendment) Act ("OSHA") 2022
- Alcohol and Drug Management Programme
- Emergency Response Manual

Primary UN SDGs Supported



2025 in Numbers



Number of work-related fatalities for employees

0



Lost-Time Incident rate

6.30



Total safety training hours

3,267



Number of safety reports filed

1,617



Percentage of hazards, incidents and accidents investigated and resolved

100%

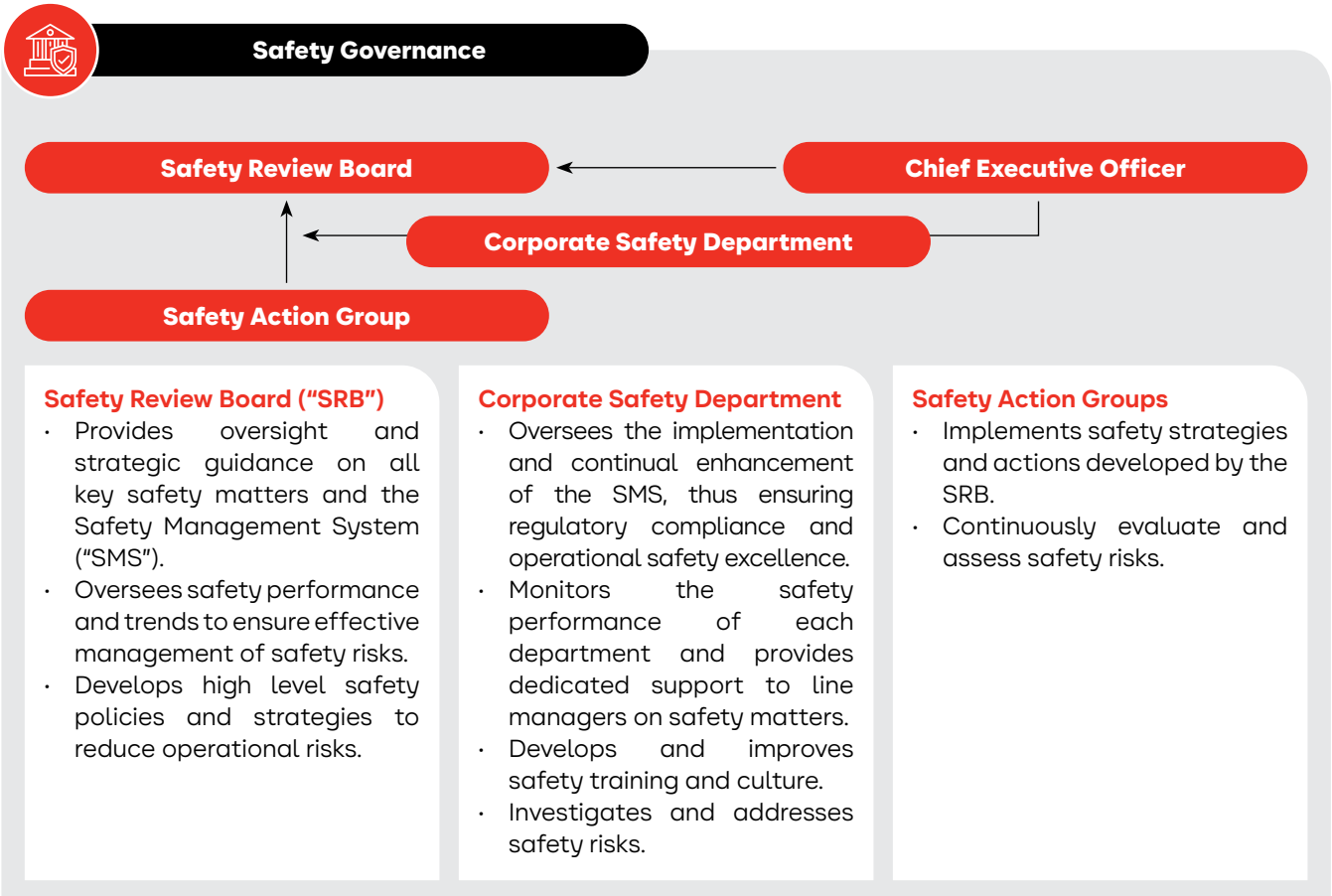
Sustainability Statement

Chapter 4: Social

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 shared responsibility, it requires commitment and accountability from everyone, from the Board of Directors to Allstars on the ground.




Sustainability Statement

Chapter 4: Social

Safety Management System

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



Safety Management System Manual

Safety Policy & Objectives
Establishes management's commitment to continually improving our safety record through:

- Management Commitments
- Safety Accountability & Responsibilities
- Appointment of Key Safety Personnel
- Emergency Response Planning
- SMS Documentation

Safety Risk Management
Determines the need for, and adequacy of, risk controls through:

- Hazard Identification
- Safety Risk Assessment and Mitigation

Safety Assurance
Evaluates the continued effectiveness of risk control strategies through:

- Safety Performance Monitoring and Measurement
- Management of Change
- Continuous Improvement

Safety Promotion
Inspires a positive safety culture across the entire organisation through:

- Training and Education
- Safety Communication

Safety Policy

Our Safety Policy Statement forms the basis of our commitment to upholding the highest safety standards. It sets out clear principles to ensure a strong safety culture and effective organisational performance. 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 comply 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 2025, we revised several safety-related policies and manuals to align with the latest requirements, as summarised below:

Safety Policy Statement	<p>The revised AirAsia X Safety Policy Statement was approved by the Civil Aviation Authority Malaysia ("CAAM") in January 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 wellbeing. • 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.
Safety Management System Manual	<ul style="list-style-type: none"> • Revised the manual to align the Safety Risk Likelihood and Risk Tolerability Matrix in accordance to CAAM CAD19
Safety Assurance	<ul style="list-style-type: none"> • Revised the monitoring metrics for Safety Performance Indicator and safety targets for the year 2026
Safety Promotion	<ul style="list-style-type: none"> • Revised recurrent training syllabus by combining the training for Accountable Manager and Senior Management

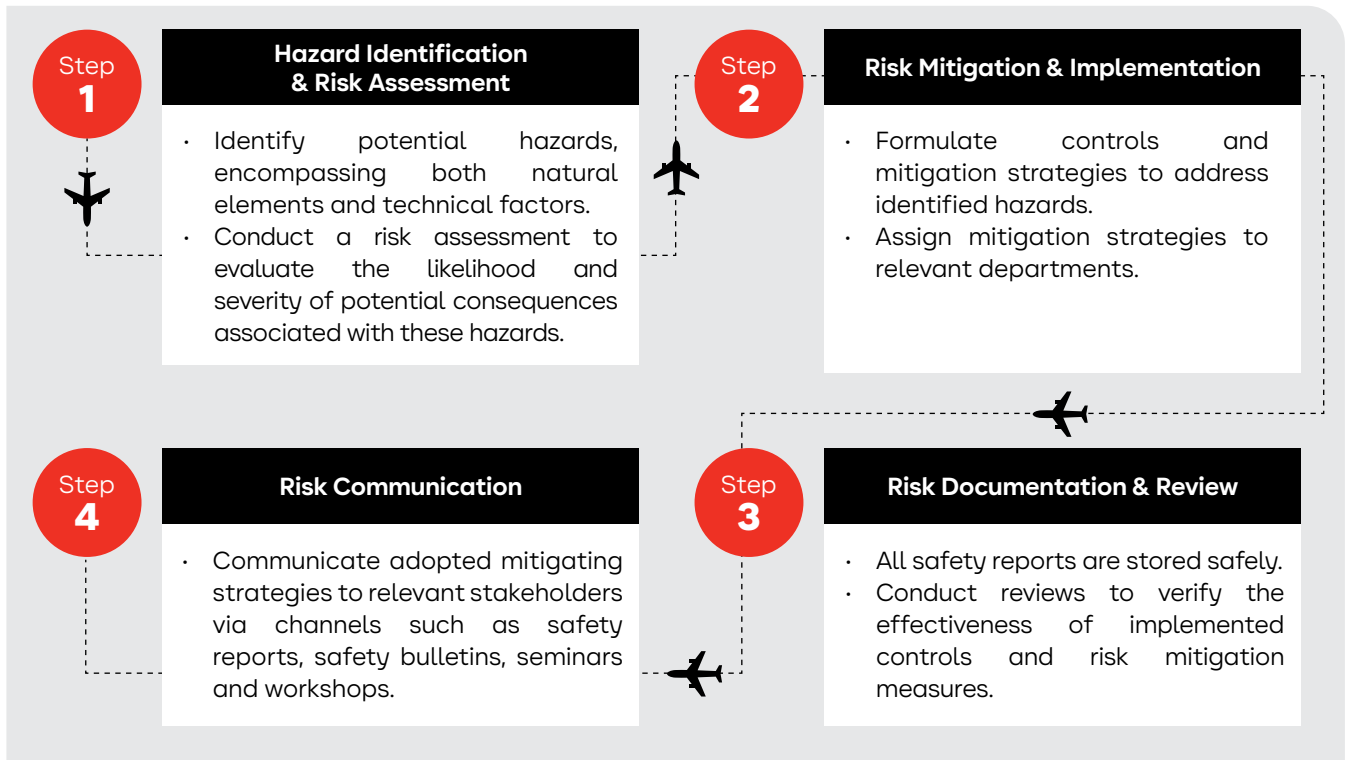
Sustainability Statement

Chapter 4: Social

Hazard Identification & Safety Risk Management

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

Our Safety Risk Management process identifies potential hazards and evaluates risks promptly, while implementing necessary corrective measures. Through the systematic four-step process outlined below, we create a safer work environment, minimising the likelihood of accidents and injuries.



Sustainability Statement

Chapter 4: Social

Flight Safety and Security

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

Safety is at the core of AirAsia X's operations from take-off to landing. We utilise advanced safety dashboards, conduct rigorous maintenance, and perform detailed aircraft inspections to ensure the safety and security of every flight. Various departments—Flight, Ground, Engineering, and Cabin Crew—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 and 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.

Sustainability Statement

Chapter 4: Social

Growing Impact of Climate Change on Turbulence

Turbulence remains a significant safety risk, and climate change contributes to an increased frequency and severity of turbulence events. Rising global temperatures intensify jet streams and disrupt wind patterns, leading to turbulence that often occurs without warning. Beyond safety concerns, turbulence also results in economic losses, including damage to equipment and cargo, as well as flight delays and cancellations. While our aircraft are built to withstand 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.

Our data shows a clear link between turbulence and geographical features, enabling us to refine our flight planning and safety protocols. Passengers are encouraged to keep their seatbelts fastened at all times. During turbulence, cabin crew temporarily pause service, including the serving of food and hot drinks, to ensure passenger safety.

To further improve safety, we have strengthened communication between flight and cabin crews regarding predicted turbulence areas. The Corporate Safety Department, in collaboration with flight operations, now conducts turbulence briefings during pre-flight and in-flight briefings to enhance cabin crew awareness.



Managing Emerging Onboard Safety Risks: Lithium Battery

In 2025, a key safety concern globally was the rising number of fire and overheating incidents linked to lithium-powered power banks. This development has brought to light a significant and growing onboard safety risk for the aviation sector. In response, AirAsia X announced a new policy on 1 April 2025 to restrict the use and charging of power banks during flights. Under this policy:



- Guests may carry power banks meeting the following criteria:
 - Up to 100 watt-hours (Wh) and less - maximum of 5 units
 - More than 100 Wh but less than 160 Wh - maximum of 2 units, with airline approval
- Use and charging of power banks during flight is prohibited

These measures are aligned with global aviation safety standards to reduce the risk of battery-related incidents during flights.

Safe Storage Measures

To enable early detection and rapid response in the event of an incident:

- Power banks must not be stored in overhead compartments
- Passengers are required to keep power banks on their person, or in the seat pocket in front of them, or in a bag placed under the seat

These measures ensure any signs of overheating can be identified and managed immediately.

Safety Communication

To reinforce compliance, safety reminders are communicated at multiple touchpoints including the boarding gate, after passenger boarding, and in-flight. This approach helps ensure consistent awareness among guests.

Crew Preparedness

Our cabin crew are already trained in lithium battery fire-fighting as part of mandatory recurrent Safety Emergency Procedures ("SEP") training conducted every 12 months. This ensures crew are well equipped to manage this evolving risk effectively.

Outcomes

In 2025, a single case involving expanded lithium-powered power banks was reported, with no subsequent impact to the remainder of the flight.

Sustainability Statement

Chapter 4: Social

Prioritising Health & Wellbeing

[GRI 403-6]

At AirAsia X, we recognise that mental wellbeing is as essential as physical safety, especially for our pilots and cabin crew. To prevent fatigue, stress, and substance-use risks, we have incorporated comprehensive controls and processes into our Safety Management System ("SMS"). By prioritising mental health and wellbeing, we enable Allstars to perform at their best, ensuring safer and more reliable operations. In 2025, we focused our attention to improve the health and wellbeing of our Allstars through 4 initiatives:

Allstar Peer Support Programme

The Allstars Peer Support Programme provides a confidential and supportive space where employees facing stress or challenging situations can seek guidance from trained peers. This initiative fosters a non-judgmental environment, ensuring Allstars receive timely emotional support. In more serious cases, Peer Supporters facilitate referrals to professional mental health providers. In 2025, we introduced a Patient Health Questionnaire-9 ("PHQ-9") as an integral part of the Peer Support Programme. Approved by our Clinical Psychologist, the PHQ-9 is used to screen, monitor and assess the severity of depression and is administered confidentially following peer support sessions.

IMSAFE

Safety starts with every Allstars taking the responsibility, 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 crew to assess their overall wellbeing before a flight.



Critical Incident Stress Management ("CISM")

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 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 wellbeing of our frontline teams.

Counselling Support

In 2025, we introduced an in-house counselling service at RedQ that offers 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 also book virtual therapy sessions via the Naluri health app.



Sustainability Statement




Chapter 4: Social

Fatigue Risk Management

Cabin crew undergo mandatory training to manage stress and fatigue effectively, in line with regulatory requirements. 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. In 2025, AirAsia X recorded zero confirmed cases of crew fatigue, as all reports are carefully assessed to verify if they constitute a fatigue case. Most reports raised were related to understaffing. To address these concerns, we adjusted rosters as needed, and encouraged personnel to seek fatigue management consultations and medical advice based on their individual conditions.

Alcohol & 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 and peer support, and continuous education. In 2025, we strengthened our testing protocols and expanded educational efforts through the Safety Management Systems training and safety newsletters. These enhancements support sustained compliance with CAAM requirements and reinforce our commitment to maintaining a safe, fit-for-duty Allstars.

- 
Reporting and Testing
- 
Medical intervention with rehabilitation and peer support
- 
Continuous Education

Embedding a Safety-First Culture

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

At AirAsia X, we adopt the “Just Culture” approach, which balances accountability with the opportunity to learn from mistakes. Allstars are encouraged to report incidents or near-misses without fear of undue punishment, as long as their actions are not negligent or reckless. This culture of peer-to-peer information sharing builds trust and cultivates a learning-focused environment where everyone takes ownership of safety. In 2025, we developed six courses covering topics such as office ergonomics, cabin air quality, “Just Culture” and the RedEye Series, all of which are available on Academy by AirAsia Next (previously known as Outclass).

Safety Training

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

In 2025, 1,307 Allstars attended a total of 3,267 hours of safety training conducted by our Corporate Safety department, compared to 1,211 Allstars with a total of 3,028 hours in 2024. The table below showcases the different types of trainings that our employees participated in 2025:

<p>Safety Management System</p> <p>To ensure that relevant personnel are trained and competent to perform their responsibilities towards safety.</p>	<p>2025 attendees:</p> <p>1,307</p>
<p>Safety Induction Training</p> <p>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.</p>	<p>2025 attendees:</p> <p>172</p>
<p>Ergonomic Awareness Training</p> <p>To educate our employees on the risk factors for musculoskeletal disorders, and how ergonomics can make their work easier, more efficient and safer.</p>	<p>2025 attendees:</p> <p>172</p>

Sustainability Statement

Chapter 4: Social

Special Assistance Team Training

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

2025 attendees:
204

Emergency Response Planning Training

To equip Station Managers and relevant departments with emergency response procedure.

2025 attendees:
73

Safety Awareness

Beyond safety training, our commitment to continuous safety promotion includes activities such as safety day, 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



RedEye: Safety Reporting On-the-Go

RedEye is a mobile application developed to simplify the reporting, tracking, and analysis of safety incidents. Launched in 2024, the app features live chat for real-time communication with safety teams, location-pinning to accurately identify incident sites, and automatic translation to support cross-language accessibility. Together, these features make RedEye a user-friendly and efficient tool for managing safety incidents on the go. All reports are routed to the relevant Safety Departments for categorisation, assessment, and investigation by subject matter experts.

In 2025, the app was further enhanced to provide essential information at a glance and enable easier access to submitted reports. This year, AirAsia X recorded 1,617 safety reports, representing a slight decrease of approximately 1% compared to the previous year. Despite this marginal decline, reporting levels remained consistently high, underscoring a mature safety culture where employees continue to proactively identify and report safety-related concerns.



1,617

safety reports recorded in 2025
(In 2024: 1,630)

Hazard Reporting Appreciation Award

In October 2025, the Safety Department launched an appreciation award to recognise Allstars who submit outstanding hazard reports. This initiative aims to support hazard prevention and promote continuous safety improvement. Since the launch of the award, 17 outstanding hazard reports have been identified and prizes have been awarded to the respective reporters.

Sustainability Statement

Chapter 4: Social

Safety Campaign

For this year's campaign, we collaborated with our affiliates to organise a safety campaign themed "Safety Starts With Me", emphasising that safety is a shared responsibility among all Allstars. Nearly all AirAsia X Allstars, with the exception of on-duty cabin crew and pilots, participated in Safety Day activities designed to raise safety awareness. The event featured interactive booths from various business lines, showcasing safety's role in their operations. Nominated Safety Heroes were also recognised on that day for their dedication and vigilance for safety.



Safety Assurance, Certifications & Awards

[GRI 403-1]

At AirAsia X, we implement 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 behavior and measures the effectiveness of our Safety Management System ("SMS"), enabling us to proactively mitigate risks and achieve safety goals.

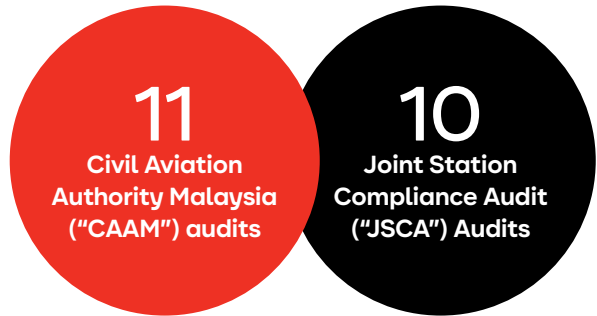
Management of Change

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, and other relevant factors. In 2025, operational

departments conducted 70 Management of Change ("MOC") and risk assessments, up from 45 in 2024. This increase was driven by the addition of two new stations, charter flight operations, and compliance with IOSA requirements, 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 ("MCAIR") and CAAM Civil Aviation Directives ("CAD"). These rigorous assessments drive continuous improvement, enhancing the safety and security of our operations. In 2025, AirAsia X carried out a total of 24 safety-related audits throughout the year:



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.



In January 2026, we successfully completed our external audit, International Air Transport Association ("IATA")'s Operational Safety Audit ("IOSA") certification. IOSA is a comprehensive evaluation system developed by IATA to assess airlines' operational management and control systems against globally recognised safety standards. It involves a rigorous audit process covering key areas of airline operations, including flight operations, maintenance, and safety management.

Sustainability Statement

Chapter 4: Social

Occupational Health and Safety

[GRI 403-1, 403-7, 403-8, 403-9, 403-10]

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 2025, AirAsia X recorded zero work-related fatalities and reported a Lost Time Incident Rate ("LTIR") of 6.30, a decrease from 6.40 in 2024. With increased awareness on medical benefits claim eligibility and the importance of proactive reporting, we anticipate continued improvements in safety transparency and accountability in the years ahead.

The table below summarises our safety performance in 2025:

Indicators	2023	2024	2025
Total man-hours worked	2,377,936	2,827,968	2,972,112
Number of work-related fatalities	0	0	0
Fatality rate	0	0	0
Number of recordable work-related injuries (number of incidents)	1	7	6
Rate of recordable work-related injuries	0.08	0.50	0.40
Lost-time Injury (number of lost workdays due to injuries)	12	90	93
Lost Time Incident Rate ("LTIR")	1.01	6.40	6.30
Number of employees participating in safety-related trainings	1,236	1,211	1,307

Notes:

- 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

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:

Operational Controls & Monitoring

- Routine scheduled microbiological, physical, and chemical verification of water, food products, and the environment
- Internal food safety audits conducted by Quality Assurance team

Regulatory & Legal Compliance

- Compliance with the Malaysia Food Act 1983 and Malaysia Food Regulations 1985

Certified Management System

- ISO 22000:2018 Food Safety Management System
- Halal certification by Department of Islamic Development Malaysia ("JAKIM")

Food Safety Systems & Internal Governance

- Good Manufacturing Practices("GMP") and Hazard Analysis and Critical Control Points ("HACCP")
- Supplier Quality Management Program
- Halal Assurance Systems
- IFSA - World Food Safety Guidelines For Airlines Catering
- ISO 22000:2018 Food Safety Management System
- FSSC 22000 Food Safety Systems

Sustainability Statement

Chapter 4: Social

In 2025, Santan's Quality Assurance team continued to uphold the highest supplier standards through comprehensive audits. These included detailed quality checks and compliance assessments at supplier facilities to ensure adherence to established food safety and standards. Notably, there were no incidents of non-compliance with food safety regulations that resulted in fines, penalties, or warnings during the reporting year.

To further strengthen its supplier oversight, Santan implemented regular performance reviews and Corrective Action and Preventive Action ("CAPA") plans. In the event of any non-compliance, a root cause analysis is conducted to identify underlying issues and implement appropriate corrective measures to prevent recurrence.

Other key activities conducted in 2025 included:

- Enhanced centralised monitoring under the Food Safety and QA Programme
- Reinforced allergen management through improved labelling practices and communication to passengers through catalog menu
- Improved risk assessment processes

Through these efforts, Santan demonstrates its ongoing commitment to delivering safe, high-quality meals to passengers while continuously improving supplier performance and food safety practices.

Promoting Healthier Choices for Our Passengers



In line with its commitment to enhancing passenger experience—ranging from the introduction of allergen information on menus to promoting healthier choices—Santan voluntarily enrolled in Malaysia's Healthier Choice Logo ("HCL") programme in 2025. This initiative, led by the Ministry of Health ("KKM"), supports consumers in making informed food choices through front-of-pack labelling.

The HCL guidelines set category-specific nutrient criteria, for calories, sodium and total sugars content. As of 2025, nine Santan meals and seven crafted beverages have been certified under the HCL programme, all of which are available on AirAsia X flights.



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Caring for Allstars

2025 Performance Overview

[GRI 2-7, 2-8, 3-3]

Allstars are the core drivers of AirAsia X's enduring success, and we recognise the immense passion and dedication they bring. We are committed to fostering a motivated and thriving workplace by continuously investing in the personal and professional growth of our top-tier talent. Developing a robust workforce is essential to achieving 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
- Diversity Recruitment Guidelines

Primary UN SDGs Supported



2025 in Numbers

- Women in the workforce**
49.18%
- Women at Board level**
16.67%
- Female engineers**
23.73%
- Female in digital roles**
92.31%
- Average training days per employee**
2.8 days

Promoting Diversity, Equity and Inclusion

[GRI 2-7, 2-8, 405-1, 405-2]

AirAsia X embraces and celebrates the rich diversity of our Allstars, who reflect our shared Asean heritage, values, and authentic identity as we expand globally. This diversity is a source of unique perspectives and strengths that we deeply value. We are committed to maintaining an inclusive culture where every individual is respected, valued, and empowered to succeed, regardless of race, religion, gender, age, sexual orientation, disability, or nationality. Our recruitment diversity guidelines ensure that equal employment opportunities are provided to all of our hires.



Workforce Diversity

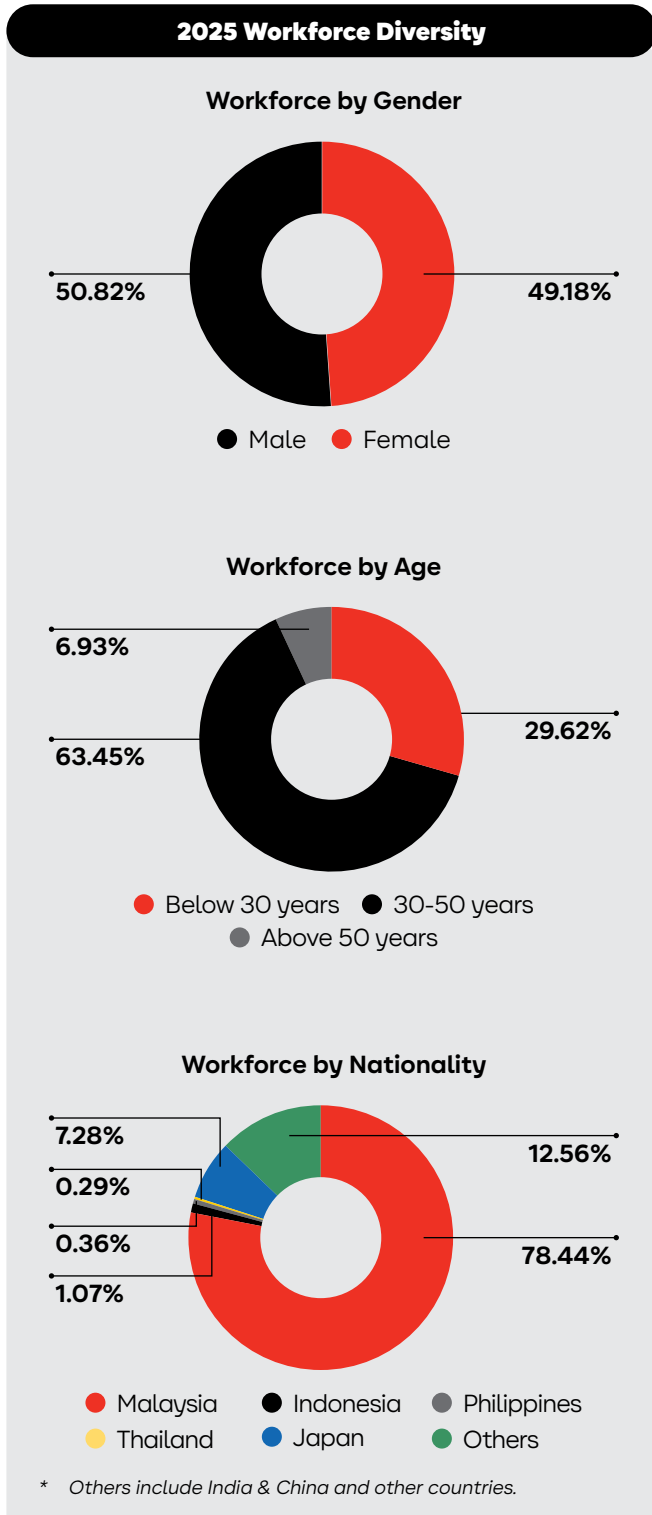
In 2025, our workforce comprised 1,401 employees, demonstrating an almost equal gender distribution with 50.82% men and 49.18% women. Permanent, full-time employees constituted 79.01% of our team. The remaining 20.99% are contracted or temporary employees, predominantly expatriate cabin crew, whose contracts are renewed annually based on performance. The majority of our employees fall within the 30-50 age bracket, and 78.44% of our workforce are Malaysian nationals.



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We prioritise cultivating an inclusive workplace, ensuring fair access to opportunities for development and advancement for every employee. Although male Allstars represent the larger share across most employment categories, with the exception of non-executive roles, we are actively working to improve gender diversity. A detailed overview of our workforce diversity follows:



Supporting Women at Work

Advancing Women in Leadership*

AirAsia X is committed to increasing the representation of women in leadership across all levels of the organisation, fostering a strong pipeline of talented women. In 2025, women held 16.67% of the Board of Directors seats, 33.33% of senior management positions, and 9.00% of the broader management team. While the percentage of women in leadership remains relatively low, these figures reflect year-on-year improvements across all levels.

We believe that a diverse and inclusive leadership team drives innovation, introduces fresh perspectives, and enhances our competitive edge, in line with the AirAsia X Board Charter. The NRC continues to prioritise, identify and promote highly qualified and diverse candidates for Board positions.

A notable example of women's strength in leadership is Ms. Chin Min Ming, who chairs our RMSC. Her expertise and leadership demonstrate 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.

Elevating Technical Excellence Through Women in STEM

AirAsia X is dismantling the structural barriers that have traditionally limited industry growth by intentionally expanding the presence of women across all STEM-related functions. We ensure that technical expertise and innovation are driven by a diverse pool of talent, creating specialised pathways for women to excel in STEM. While our overall female participation in STEM-related functions decreased slightly from 3.50% to 3.14% in 2025-this was largely due to a significant expansion in our total operational workforce. Despite this, we recorded remarkable growth in some of our most critical technical segments.

23.73%

Female engineers (2024: 16.67%)

92.31%

Female in digital roles (2024: 87.50%)

4.23%

Female pilots (2024: 4.74%)

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In 2025, female representation within our engineering department saw a significant leap from 16.67% to 23.73%, a testament to our inclusive, regulated technical training mandates which ensure every Allstar has equitable access to technical mastery. Similarly, our IT and data functions saw representation rise from 87.50% to 92.31% across our core digital roles, including programmers, software developers, and data scientists, nearly achieving full gender parity in our most critical digital functions. While our female pilot representation adjusted from 4.74% to 4.23%, this segment remains a critical foundation for our future technical leadership pipeline.

Gender Pay Gap

AirAsia X remains steadfast in our commitment to being an equal-opportunity employer, proactively identifying and addressing pay discrepancies to ensure an equitable workplace. Aligning with international best practices and the UK's statutory framework for gender pay gap reporting, we perform rigorous analyses across eight distinct job grades. This structured approach allows us to monitor fairness and foster inclusivity within the traditionally male-dominated aviation landscape.

The data presented in Figures 1 and 2 details our 2025 pay gap performance across all employment categories. Recognising that the extreme gender imbalances in pilot and cabin crew roles can obscure underlying trends, we have categorised our reporting into two distinct datasets: All Allstars and Allstars excluding Pilots & Cabin Crew. This segmentation enables us to filter out technical outliers and gain deeper, more actionable insights into potential biases within our broader organisation.

Figure 1: Hourly Pay Gap Analysis

(1a) All Allstars

Mean 279%

(2024: 187%)

Median 56%

(2024: 158%)

(1b) Allstars excluding pilots & cabin crew

Mean 27%

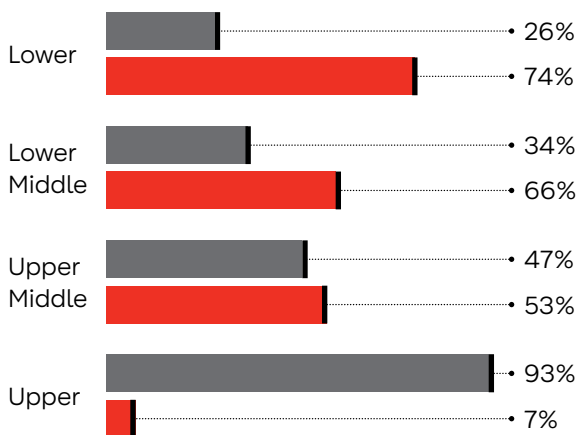
(2024: 26%)

Median 15%

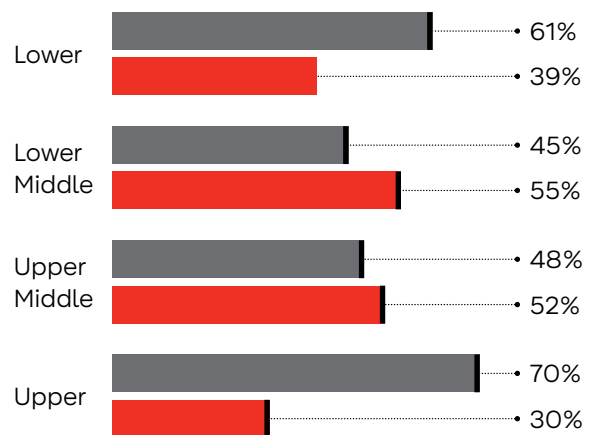
(2024: 5%)

Figure 2: Proportion of Employees in Quartiles by Gender

(2a) All Allstars



(2b) Allstars excluding pilots & cabin crew



● Male ● Female

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.

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Gender Pay Gap (Cont'd)

What does the data show?

All Allstars

Our company-wide analysis shows a mean pay gap of 279% and a median pay gap of 56%. These figures primarily reflect historical structural imbalances rather than pay inequality. Since pilots and cabin crew make up the vast majority of our staff at 79%, the remuneration structure of the flight deck is the primary driver of the pay gap. The current 4.23% female representation in pilot roles explains why the average pay remains significantly higher for male employees.

Despite these structural challenges, we achieved a significant milestone as the median pay gap contracted from 158% in 2024 to 56% in 2025. This substantial narrowing of the gap signifies that our efforts to enhance pay competitiveness and diversify our workforce are yielding results. While the widening mean gap highlights the concentration of men in long-tenured senior roles, the narrowing median confirms that the middle of our organisation is moving closer to parity.

Allstars excluding pilots & cabin crew

By evaluating our corporate and ground-based teams independently, we gain a more precise understanding of pay equity across our office-based functions. Within this specific demographic, the pay gaps are considerably more aligned, featuring a mean of 27% and a median of 15%.

The data reinforces a strong female talent pipeline within our core business functions. Women represent the majority in both the lower-middle (55%) and upper-middle (52%) quartiles. While the highest pay bracket is currently 70% male, the density of women in the quartiles immediately below it provides a robust internal resource for future leadership succession. This strong representation in our professional ranks ensures that our internal pipeline for future executive leadership remains diverse and inclusive.

How are we addressing the difference?



Inclusive Recruitment

Our approach to closing these gaps is driven by intentional recruitment and the removal of systemic bias. We leverage our Diversity Recruitment Guidelines to ensure a wide talent lens, focusing on unique perspectives and experiences. These guidelines promote fair and inclusive hiring practices by encouraging the use of gender-neutral language in job descriptions, skills-based interviews centred on core competencies, and transparent evaluation criteria. Through these measures, we aim to ensure that hiring decisions are based on merit while fostering a fair and inclusive recruitment environment.



Advancing Gender Equality

We have continued to strengthen our approach to gender equity through our participation in the Equality at Work ("EAW") Corporate Community led by LeadWomen. Building on these engagements, we were selected as part of the pioneering cohort of the UN Women Women's Empowerment Principles ("WEPs") Corporate Action Lab ("CAL") Programme, in collaboration with TalentCorp. Through this programme, we worked alongside other participating organisations to develop practical solutions aimed at fostering a more family-friendly workplace. As part of this initiative, we had the opportunity to represent the cohort at the UN Women's WEPs Forum, where we shared our experiences and the solutions developed through the programme with international stakeholders. We further formalised our commitment by becoming a signatory to the WEPs, aligning our efforts with globally recognised principles that support gender equality and women's empowerment in the workplace, marketplace, and community.

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Technical Resilience and Operational Support

Navigating the rigorous demands of flight schedules alongside maternal health is a unique structural challenge for women in operational aviation. To ensure career and financial continuity during their pregnancy, we developed the Field-to-Desk initiative under the WEPs CAL programme. Set to launch in 2026, this initiative offers pregnant Allstar crew to transition into temporary placements within corporate or operational departments, securing income stability and professional upskilling while away from active flying duties. This structural support allows us to retain our talent and ensures an inclusive workforce, proving that maternal health and family responsibilities do not become barriers to career progression.

Talent Attraction & Retention

AirAsia X is dedicated to supporting our Allstars throughout their entire professional lifecycle. From the initial point of recruitment to fostering long-term engagement and career progression, we remain deeply committed to nurturing our talent at every stage of their journey with us.

Recruiting Allstars

[GRI 401-1]

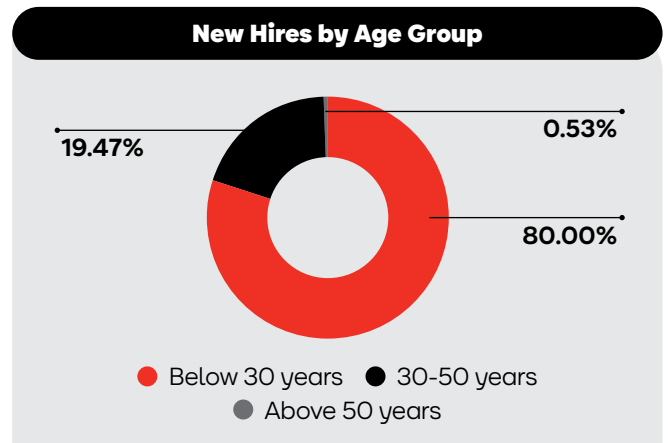
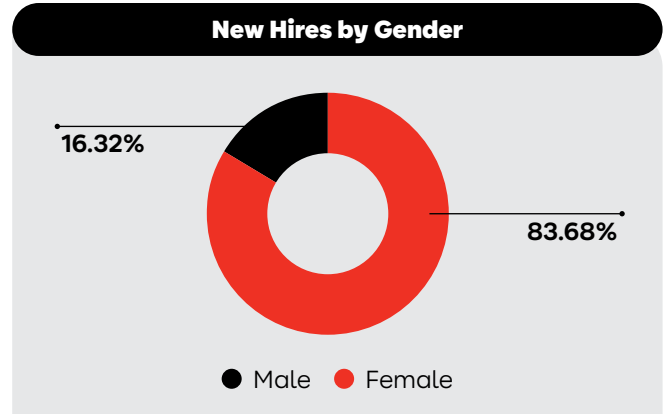
We look beyond traditional qualifications to identify individuals who are dynamic and innovative, embodying our "Dare to Dream" philosophy. Our recruitment team proactively sources talent through multiple channels including our career website, career fairs, internship programmes, and internal referrals. To ensure the highest standards of role suitability and professional integrity, all candidates undergo a comprehensive verification process involving background checks, interviews, and competency assessments.

Guided by our Diversity Recruitment Guidelines, we promote inclusive hiring practices at every stage of the recruitment process. We actively mitigate unconscious bias through the use of gender-neutral language in job descriptions, skills-based interviews centred on core competencies, and the maintenance of transparent and equitable compensation structures. In addition, we conduct knowledge-sharing sessions and briefings for hiring managers to reinforce fair and inclusive recruitment practices.

New Hires & Turnover

In 2025, AirAsia X welcomed over 190 new Allstars to the organisation. This cohort is characterised by its significant diversity and youthful energy, with nearly

84% being female and 80% under the age of 30. This influx of fresh perspectives is a critical component in our ability to innovate and shape the future of the aviation industry.



To ensure a seamless transition into the company, all new hires participate in a comprehensive full-day onboarding programme. This session provides an in-depth introduction to our mission and operational values while covering critical areas such as:

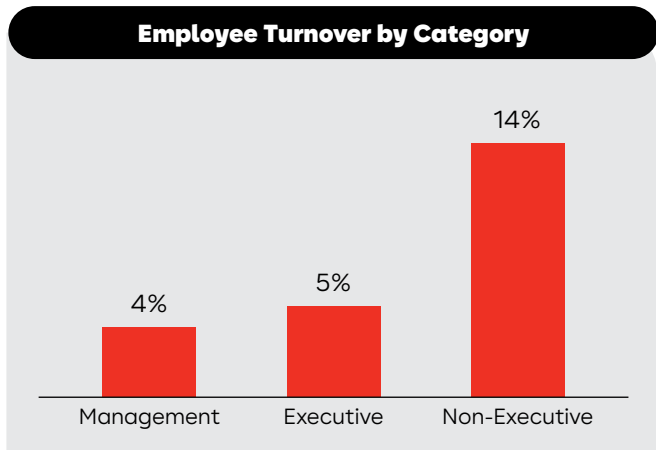
- 
Cultural Alignment
 Our company journey and core Allstar values.
- 
Governance and Safety
 Essential policies regarding safety, cybersecurity, anti-bribery, and anti-corruption etc.
- 
Digital Ecosystems
 Integration into our primary tools including Workday, Workvivo, Google Suite, and Redlcons.

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This comprehensive integration process is the first step in our broader retention strategy. In 2025, our overall turnover rate was 8.80%, compared to 11.62% in 2024, reflecting an improvement in employee retention. This serves as a key indicator of our organisational health and the effectiveness of our engagement efforts. While we recognise that a degree of turnover is a natural occurrence within any large-scale operation, we remain focused on cultivating a supportive environment designed to retain our high-performing talent.

We proactively address the needs of our Allstars through structured career development, internal mobility opportunities, and personal growth initiatives. By systematically gathering feedback and analysing turnover trends, we continuously refine our strategies to build a motivated and resilient workforce that is fully aligned with our long-term strategic objectives.



Investing in Allstars

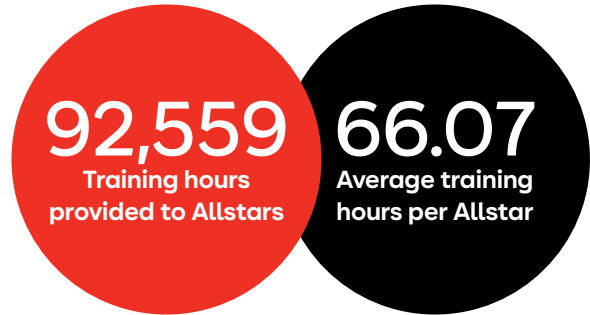
[GRI 404-1, 404-2]

AirAsia X remains committed to empowering our Allstars to lead their own professional and personal growth. Through a culture of continuous learning and upskilling, we provide our workforce with the technical, functional, and leadership competencies required to navigate the future of work. In partnership with Academy by AirAsia Next (previously known as Outclass), we deliver a sophisticated mix of in-person, virtual, and blended learning experiences, ensuring that professional development remains both dynamic and accessible across our global operations.

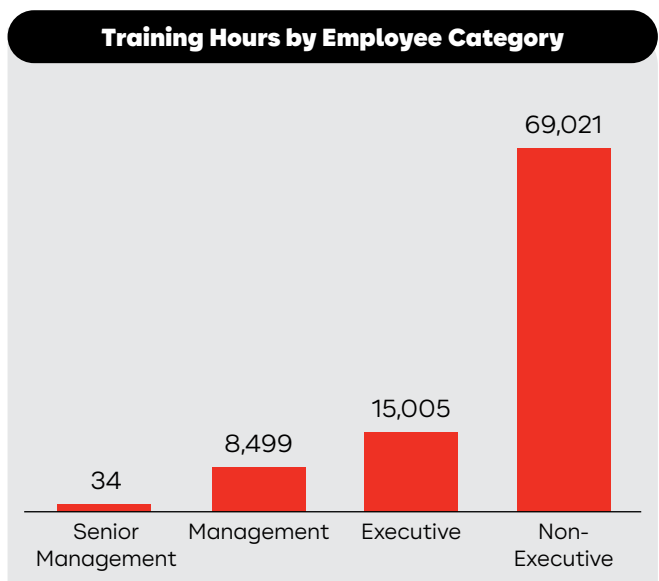
Our professional development initiatives are strategically designed to empower both executive and non-executive Allstars, providing the specialised expertise required to accelerate their career trajectories.

This targeted investment ensures our workforce remains resilient and uniquely prepared to excel within a dynamic and evolving aviation sector. This year, we invested over 92,559 training hours in our Allstars, equivalent to an average of 66.07 hours per Allstar, or 2.8 training days per employee.

Our 2025 performance highlights a substantial investment in the growth of our people:



Notably, we achieved a 1.5-fold increase in total training hours compared to 2024. This substantial growth reflects the continued integration of regulated technical training for our pilots, cabin crew, engineering teams, and ground operations, alongside an expansion in the number of participants across these programmes. In addition to internal programmes, employees also participated in external training and industry-led courses to strengthen specialised skills and stay aligned with evolving aviation standards. By centralising these critical safety, operational, and professional development requirements within our broader learning framework, we reinforce our commitment to excellence and technical mastery across every department.



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Core Skills Development through Coursera

To support continuous learning and future-ready capabilities, AirAsia X leverages curated learning pathways on the Coursera platform. Drawing from courses offered by leading universities and industry experts worldwide, these programmes provide structured learning opportunities that support the evolving needs of our Allstars.

In collaboration with Coursera, we identified four core capability areas that equip employees with essential skills to navigate a rapidly changing operating environment.

These focus areas include:

- Digital and data literacy through Generative AI and Big Data
- Holistic problem-solving through Systems Thinking
- Customer-centricity through Service Orientation
- Personal adaptability through Resilience and Agility

Together, these programmes support our workforce in strengthening both technical and behavioural competencies needed for long-term organisational growth.

Shaping Future Ready Leaders

Establishing a robust leadership pipeline is fundamental to securing the long-term success of AirAsia X. We prioritise the coaching, mentoring, and professional advancement of high-potential Allstars to ensure a steady transition into key management roles. By championing age diversity, we foster a multigenerational leadership exchange that blends fresh innovation with seasoned industry experience. This strategic focus on succession planning guarantees business continuity and organisational resilience through the following initiatives:

Executive Leaders Programme

This programme marks a significant evolution in our leadership development approach, building on previous offerings to deliver a more holistic and impactful learning experience. By integrating modern methodologies such as business simulations and real-world case studies, the programme strengthens strategic thinking and executive capability. Participants are challenged to exercise judgment and agility in environments that mirror complex organisational demands. A central feature is the "Shark Tank" project, where cohorts develop innovative solutions to business challenges and present their ideas to senior leadership, fostering critical thinking, problem-solving, and persuasive communication skills. In 2025, the programme was delivered across four cohorts in Malaysia, Thailand, Indonesia, and the Philippines.

Emerging Leaders Programme

The Emerging Leaders Programme serves as an enhanced version to our previous entry-level leadership framework, providing an early development pathway for high-potential Allstars to build core leadership capabilities. The programme combines foundational learning with practical application, designed to accelerate professional growth and strengthen the organisation's leadership pipeline. Participants develop key competencies such as self-awareness, collaboration, communication, and decision-making, equipping them with the mindset and confidence to take on expanded responsibilities.

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Engaging with Allstars

Employee Engagement Structure

Open and meaningful engagement between our Allstars and senior leadership is deeply embedded in our organisational culture and values. This reflects our commitment to inclusivity, transparency and mutual respect, while reinforcing a workplace where employees feel heard, valued and connected.

We foster this through regular town halls, focus group sessions and a range of engagement initiatives that bring Allstars together across the organisation. These include celebrations of major cultural festivals, recognition of organisational milestones and achievements such as Skytrax and World Travel Awards and our annual group company party. Collectively, these channels and activities create meaningful opportunities for Allstars to connect directly with Senior Management, share feedback and perspectives and strengthen the Allstars spirit across the Group.

Supporting these efforts is Workvivo, the Group's central internal communications platform and a key channel for two-way, real-time communication. It enables the timely sharing of leadership messages, operational updates, employee celebrations and engagement initiatives, while also providing pulse surveys and feedback channels that support continuous dialogue. This allows us to gather timely Allstar insights, respond more effectively to employee needs and inform operational decision-making.

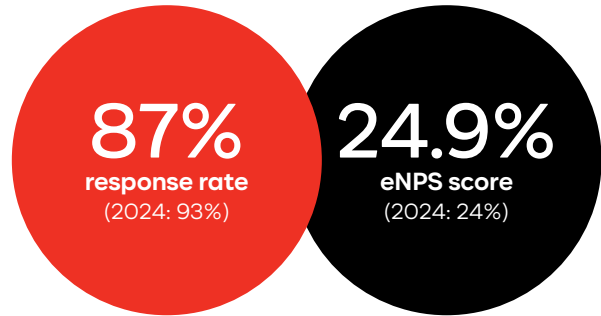
To streamline the employee experience, the Allstar Playbook serves as a one-stop digital guide for life at AirAsia X. This intranet portal provides seamless access to essential services, including ICT support, travel benefits, and internal career opportunities. Complementing this is Redgazine, our specialised newsletter dedicated to safety and operational excellence. By integrating safety updates with general news, we ensure that our Safety First culture remains top-of-mind, fostering an environment where every Allstar is equipped with the knowledge to perform their roles securely and effectively.

Allstars Feedback

AirAsia X is dedicated to fostering a transparent and inclusive environment where Allstars are empowered to contribute their perspectives. We believe that an open workplace culture is a primary driver of organisational health, directly enhancing both employee satisfaction and collective productivity.

In 2025, we conducted our annual Allstar Feedback Survey to measure organisational sentiment and identify areas for growth. The survey recorded a 87%

response rate, with our Employee Net Promoter Score ("eNPS") reaching 24.9%, compared to 24% in 2024. These insights are instrumental in refining our workplace strategies and ensuring our internal initiatives align with the needs of our workforce.



In response to previous feedback, we implemented a series of targeted interventions designed to address critical organisational gaps. These initiatives focused on enhancing leadership capability, improving role clarity, and ensuring a more balanced distribution of workloads. Furthermore, we expanded our professional development offerings through Academy by AirAsia Next and HRDC-claimable programmes to support continuous upskilling.

Beyond professional growth, we introduced meaningful enhancements to our employee benefits package. These include the expansion of travel benefits, such as the ID90 beneficiary replacement policy for deceased parents. While our results indicate that the majority of Allstars remain highly aligned with the company's strategic goals, we recognise that areas such as compensation, fairness and equality, and praises require ongoing attention. These findings will serve as a roadmap for our continued efforts to strengthen our workplace culture and the overall employee experience.

Rewards & Benefits

[GRI 401-2, 401-3]

AirAsia X strives to be the employer of choice by offering a sophisticated remuneration package that prioritises the holistic development and health of our Allstars. We adopt a multidimensional approach to wellness, providing robust resources to support the physical, emotional, financial, and social health of our people. We believe that long-term commitment is a cornerstone of our success. Our Long Service and Recognition Awards celebrate Allstars with over 10 years of dedication, reinforcing a culture of loyalty and bridging the gap between daily engagement and long-term retention.

Taking Allstars' feedback into consideration, we have further enhanced the benefits provided such as the introduction of 'Allstars Wellness Wallet' programme this year.

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Allstars Wellness Wallet: Enhancing Flexibility for Employee Wellness Needs

In 2025, we levelled up our Allstars benefits programme with the introduction of the new Allstar Wellness Wallet. With this new initiative, Allstars are empowered to utilise allocated benefits based on their individual preferences and priorities.

Under the Health Flex ("Flexi") category, Allstars can now access a wide range of wellness and fitness-related services, including classes such as Pilates, yoga, Zumba, and gym memberships.

Other flexible setup or claimables include personal medical insurance premium, prescription glasses or contact lenses, dietician consultations, traditional medicine, and pet medical treatment. This initiative reflects our continued commitment to supporting the holistic wellbeing of our employees by offering inclusive and adaptable benefits.



Physical Wellbeing

We provide comprehensive medical, life, and personal accident insurance coverage to ensure the long-term security of our employees. Our headquarter is equipped with premium facilities designed to integrate wellness into the workday, including an in-house gym, a medical clinic, and a dedicated physiotherapy centre. To support rest and recovery within our operational environment, Allstars have access to on-site rest pods, sauna facilities, and a professional laundromat.

Financial Wellbeing

To empower our workforce with financial literacy, we host specialised workshops led by experts from institutions such as EPF and LHDN. We also provide tangible daily support through a complimentary meal allowance and a "Wellness Wallet" programme. This flexible benefit allows Allstars to allocate funds toward personalised needs, including dental and optical care, fitness memberships, and even veterinary expenses, ensuring our compensation remains adaptable to individual lifestyles.

Social Wellbeing

Our social culture is built on a foundation of connection and purpose. Beyond our annual celebrations and cultural festivals, we encourage Allstars to engage in community impact initiatives. These include organised blood donation drives, natural disaster relief efforts, and airport volunteering. Furthermore, our unique "Allstar Specials" extend travel benefits to family and friends, featuring a replacement policy for deceased to parents-in-law or siblings, and complimentary baggage allowances to ensure our employee stays connected to their loved ones.

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Emotional Wellbeing

We recognise the importance of work-life harmony by offering an extensive range of leave policies and mental health resources. Our leave framework includes marriage, maternity, paternity, compassionate leave, alongside a comprehensive new scheme that consolidates existing benefits with newly introduced leave benefits called the Allstars Care Leave. Mental health is supported through a layered network of resources, including our Allstar Peer Support community and our partnership with The Pillars, an employee assistance programme providing five complimentary annual sessions with licensed therapists. Additionally, the Naluri platform offers Allstars direct access to specialised counselors and dietitians to manage their mental and nutritional health.

Allstars Enhanced Leave Benefit

In 2025, we upgraded our leave framework to be more inclusive and flexible to all Allstars by enhancing our Care Leave and introducing Special Maternity Leave.



Examination Leave:

Now includes a dedicated graduation leave day for the ceremony.



Representation Leave:

Support for Allstars representing their Country, State, or Federal Territory at official events.



Parental Leave:

Dedicated time for Allstar parents to attend to child-related matters.



Family Celebration Leave:

Applicable for significant milestones, including a child's marriage or the birth of a grandchild.



Special Maternity Leave:

Up to 30 additional flexible days for mothers whose newborns require extended medical attention or follow-ups.

Performance Review

[GRI 404-3]

AirAsia X utilises the Objectives and Key Results ("OKR") framework to modernise our performance management and appraisal processes. This streamlined approach to goal-setting ensures that individual contributions are precisely aligned with our broader business objectives, fostering a culture of clarity and high engagement across the organisation. To maintain momentum and ensure agility, we simplified the evaluation framework to three-point rating scale (A/B/C). This encourages clearer performance differentiation and more meaningful conversations between leaders and Allstars. We are pleased to report that in 2025, 100% of AirAsia X employees completed their formal performance appraisals.

To integrate sustainability into the business operations, the Board has approved the integration of Environmental, Social, and Governance ("ESG") performance metrics into the CEO's compensation structure, which links executive remuneration to key indicators, such as improvements in our ESG ratings and carbon intensity. This reinforces the alignment of sustainability with our core business objectives and underscores that ESG performance is a top priority for senior management.



Further details on CEO's OKR can be found in the Introduction chapter of this Statement.

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Upholding Human Rights

[GRI 406-1, 408-1, 409-1]

AirAsia X is committed to respecting human rights as a fundamental corporate principle. We recognise the inherent rights of all individuals and promote equality and non-discrimination across our workforce and value chain. Our approach is aligned with internationally recognised standards, including the International Bill of Human Rights and relevant international labour laws, a commitment further solidified within the AirAsia X Code of Conduct and Ethics.

The AirAsia X Code of Conduct and Ethics serves as a binding framework for all executives and employees, providing the necessary guidance to ensure that every decision aligns with the company's five inseparable areas of responsibility toward its shareholders, guests, employees, business partners, and society.

To embed these principles across its operations, AirAsia X:

- Integrates human rights principles into the AirAsia X Employee Handbook and Supplier Code of Conduct, strictly prohibiting any form of forced or child labor.
- Ensures all operations comply with local labour laws regarding minimum working age and exceed minimum wage standards while fostering a safe and inclusive workplace.
- Upholds compliance with local regulations governing working hours, rest periods and overtime practices, with a focus on proactively reducing excessive working hours to protect employee wellbeing.
- Enforces rigorous anti-harassment policies and actively works to prevent issues such as sexual harassment and human trafficking.
- Communicate its policies and expectations on labour standards and human rights to all employees globally.

Through ongoing assessments and decisive action, AirAsia X strives to protect human rights in all areas of its operations and ensures that its suppliers and partners also uphold these same essential standards.

In 2025, our affiliate, Capital A initiated the formalisation of a Group Human Rights Policy. The initiative aims to establish a unified framework that can be localised and adopted across entities within the Group, including AirAsia X.

Supported by an independent external advisor, the Group conducted a gap analysis and benchmarking exercise to establish a baseline understanding of

human rights governance and awareness among Allstars. This process included group-wide surveys, cross-functional focus group discussions, and targeted consultations to assess existing policies, governance mechanisms, and areas for improvement.

The findings highlighted a strong governance foundation while identifying opportunities to strengthen a more integrated Group-wide approach to human rights management across diverse operating environments. The Group Human Rights Policy is currently in its final review stage, with formal adoption and rollout expected in 2026, supported by management briefings and awareness programmes.

Children's Rights and Support for Working Parents

AirAsia X strongly respects and supports children's rights, in line with the principles set out in both domestic and international laws. We are committed to ensuring that our operations do not contribute to any form of child exploitation. As part of this commitment, our cabin crew and relevant frontline personnel are trained to recognise and respond to potential indicators of child trafficking and to escalate such cases in accordance with established protocols.

For our Allstars, we strive to create a supportive and inclusive workplace that enables employees to balance their professional and personal responsibilities. We have established systems and policies to support employees with childcare needs, including the newly introduced parental leave, as well as access to childcare assistance and facilities such as crèches and lactation rooms. These provisions are designed to support working parents, enhance employee wellbeing, and foster a family-friendly working environment.



For more information on Parental leave, please refer to the Rewards & Benefits section of this chapter.

Anti-Harassment

AirAsia X is dedicated to connecting people and cultures, a mission built on a foundation of mutual respect regardless of origin, gender, religion, age, or identity. We maintain a firm stance against discrimination and harassment, a standard we demand from every Allstar and all our business partners. To uphold this commitment, AirAsia X enforces a robust

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Anti-Harassment Policy supported by structured awareness initiatives, including in-house training through the Academy by AirAsia Next and high-visibility awareness campaigns at RedQ. These initiatives reinforce understanding of expected conduct, provided by clear reporting channels like AskPAC and our Whistleblowing Channel. All reports are handled with strict confidentiality, investigated promptly, and addressed with appropriate disciplinary action where necessary.

Our 2025 reporting metrics reflect a more mature level of transparency within the organisation, as evidenced by an increase in reported cases. This trend is attributed to our continued efforts to strengthen awareness and improve confidence in reporting mechanisms. We view this not as a decline in standards, but as a positive indicator of growing trust among Allstars in the reporting system. Appropriate action was taken in accordance with the severity of each case. In addition to the Anti-Harassment Policy, Allstars are continuously provided with relevant training to reinforce expected standards of conduct.

Anti-Human Trafficking

We are committed to protecting human rights and oppose all forms of human trafficking. As a critical stakeholder in the global transport sector, we recognise the aviation industry's unique responsibility to intercept human trafficking activities. Our Anti-Human Trafficking initiative is rigorously aligned with the IATA Resolution on Human Trafficking, the United Nations Guiding Principles on Business and Human Rights ("UNGPs"), and the ICAO Guidelines for Training Cabin Crew on Identifying and Responding to Trafficking in Persons (Circular 352).

To address evolving regional risks, AirAsia X has strengthened frontline protocols through the #KnowTheSigns e-learning module on Academy by AirAsia Next. This specialised curriculum equips Cabin Crew, Flight Operations, Security, and Airport Service staff with the situational awareness needed to identify warning signs, support victims, and collaborate with law enforcement, effectively transforming awareness into actionable intervention.

To ensure our defenses remain robust against the sophisticated methods used by traffickers, AirAsia X has implemented a triennial update mandate for this module. By refreshing the curriculum every three years, we ensure our training remains aligned with emerging global trends, technological shifts in trafficking operations, and updated international law enforcement guidelines.

The efficacy of our awareness outreach is reflected in the significant scaling of our training participation. In 2025, the number of Allstars who successfully completed the human trafficking awareness module rose from 19 participants in 2024 to 183, representing a nearly tenfold increase in our frontline vigilance.

Through the training, Allstars are empowered to report suspected human rights violations through our confidential whistleblowing infrastructure, ensuring that our mission to connect people and cultures is underpinned by an unwavering commitment to human dignity and the rule of law.

No. of case: 3

Outcomes and Action Taken

All 3 cases have been resolved according to the company's Anti-Harassment Policy, with only one resulting in dismissal action, while the other two received warnings.

2023

No. of case: 2

Outcomes and Action Taken

All 2 cases have been resolved according to the company's Anti-Harassment Policy, with one resulting in dismissal action, while the other one received a reprimand.

2024

No. of case: 7

Outcomes and Action Taken

Out of seven reported cases, five were substantiated and classified as minor. Disciplinary outcomes included four instances of formal action and one caution letter; two cases were closed with no further action following a comprehensive review.

2025

Sustainability Statement

Chapter 4: Social



Uplifting Our Communities

2025 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 2025, our community project focused on environmental and nature conservation.

Key Policies & Procedures

- AirAsia X Sustainability Policy

Primary UN SDGs Supported



2025 in Numbers



Total investment in communities

RM6,272



Total number of beneficiaries impacted

3 groups



Total volunteers

40



Number of volunteering hours

200



Value of volunteerism

RM7,400

Our Community Investment

AirAsia X reaffirmed our strong commitment to environmental stewardship and community support through our annual Corporate Social Responsibility ("CSR") initiative in December 2025. Allstars from across AirAsia X actively participated in this environmental initiative in collaboration with the Malaysia Nature Society ("MNS"), a key partner in our sustainability efforts. The programme focused on the Bagan Lalang coastline in Sepang, Selangor, where participants carried out beach clean-up activities alongside the planting of native coastal seeds. This initiative reflects our continued commitment to protecting coastal ecosystems and biodiversity, while supporting environmental conservation efforts in communities closely connected to our operations and the area surrounding our RedQ headquarters.

Led by AirAsia X CEO, Benyamin Ismail, the programme highlighted AirAsia X's top-down commitment to sustainability and was designed to deliver both immediate and long-term positive ecological benefits. Volunteers removed a significant volume of debris and a total of 163 kg of waste was collected over an estimated 300-metre stretch of Bagan Lalang Beach, successfully raising environmental awareness among participants and underscoring the continuous need for such interventions.

In addition to the beach clean-up, the team carried out mangrove seed planting to support the restoration and protection of coastal ecosystems. A total of 300 Red Mangrove seeds (*Rhizophora stylosa*) were planted, contributing to biodiversity conservation and the long term resilience of local coastal habitats.

This collective effort by AirAsia X Allstars delivers a meaningful contribution, particularly to the local communities, tourism operators, and visitors who depend on the health and long-term resilience of our coastal environments. Mangroves play a critical role in maintaining regional ecological balance, serving as natural barriers against coastal erosion while providing essential habitats for diverse marine life.

For the aviation industry, participating in such conservation efforts is a key element of a broader commitment to environmental responsibility. While our primary sustainability focus remains on operational efficiencies and long-term decarbonisation, our investment in mangrove restoration reflects a dedication to preserving the natural biodiversity of the regions in which we operate. By engaging in these restoration initiatives, AirAsia X supports the protection of vital natural resources and contributes to the long-term resilience of the environments that sustain our flight network.

Sustainability Statement

Chapter 4: Social

The Bagan Lalang initiative serves as a powerful example of AirAsia X's dedication to making a lasting, positive difference in the environments and communities we serve and the environments within which we operate. This strong focus on environmental and nature conservation through the beach clean-up and seed planting signifies an enhanced and impactful strategy for CSR and our corporate culture.



300
mangrove seeds planted



163kg
of waste collected



Assurance Statement

As part of our continuous effort to strengthen the credibility of the Sustainability Statement, selected data have been verified by the Company's Internal Audit Department using a sampling approach and approved by the Company's Audit Committee. This Statement has undergone review by respective Head of Departments ("HODs") and Risk Management Committee ("RMC"), and has been subsequently endorsed by the Board of Directors ("the Board") of AirAsia X.

The scope of this internal assurance aligns with the reporting boundaries defined by the Management, and the Internal Audit Department has verified data for the selected Sustainability Subject Matters

Subject Matter	Indicators	2025 Data
Emissions and Climate Strategy	i. Total energy consumption	18,209,078,476 MJ
	ii. Scope 1 emission in tonnes of CO ₂ e	1,342,250 tCO ₂ e
	iii. Scope 2 emission in tonnes of CO ₂ e	239 tCO ₂ e
	iv. Scope 3 emission in tonnes of CO ₂ e	279,203 tCO ₂ e
Corporate Governance	i. Percentage of employees who have received training on anti-corruption by employee category:	96.48%
	Senior Management	85.71%
	Management	98.18%
	Executive	96.59%
Non-Executive	93.94%	
ii. Percentage of operations assessed for corruption-related risks	100%	
iii. Confirmed incidents of corruption and action taken	Nil	
Guest Experience	i. Percentage of flights with more than 15 minutes delay	27%
	ii. On-Time performance ("OTP")	73%
	iii. Net Promoter Score ("NPS")	37
	iv. Total number of responses for NPS	177,837
	v. Customer Satisfaction Score ("CSAT")	87%
	vi. Total number of responses for CSAT	9,426
Information Security & Data Privacy	i. Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil
Talent Attraction & Retention	i. Total hours of training by employee category:	92,559 hours
	Senior Management	34 hours
	Management	8,499 hours
	Executive	15,005 hours
	Non-Executive	69,021 hours
	ii. Percentage of employees that are contractors or temporary staff	21%
	iii. Total number of employee turnover by employee category:	120
Senior Management	Nil	
Management	8	
Executive	31	
Non-Executive	81	
Health & Safety	i. Number of work-related fatalities	Nil
	ii. Lost time incident rate	6.3
Human Rights	Number of substantiated complaints concerning human rights violations	7

Performance Data Table

Indicators	Measurement Unit	2023	2024	2025
Robust Corporate Governance				
Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	76.92	85.71
Management	Percentage	0.00	87.44	98.18
Executive	Percentage	29.94	85.49	96.59
Non-Executive	Percentage	46.51	88.82	93.94
Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Confirmed incidents of bribery and corruption	Number	0	0	0
Sustainable Supply Chain				
Proportion of spending on local suppliers	Percentage	33.84	47.57	71.97
Enhancing Guest Experience				
On-Time Performance ("OTP")	Percentage	77.00	73.00	73.00
Net Promoter Score ("NPS")	Number	32	29	37
Customer Satisfaction Score ("CSAT")	Percentage	70.00	84.00	87.00
Passenger load factor	Percentage	80.00	83.00	82.00
Percentage of flights with more than 15 minutes delay	Percentage	23.00	27.00	27.00
Driving Technology, Innovation and Data Security				
Corporate data literacy score	Percentage	Nil	Nil	57.47
Cyber Security and Data Privacy				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Towards Low-Carbon Operations				
Total energy consumption	Megajoule	13,095,433,473	17,372,722,776	18,209,078,476
Total energy consumption	Megawatt	3,637,620.00	4,825,756.00	5,058,077.00
Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	960,280.00	1,280,601.00	1,342,250.00
Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	206.00	235.60	239.40
Scope 3 emissions in tonnes of CO ₂ e (inclusive of Category 3, 6, and 7)	Metric tonnes	200,795.00	266,561.00	279,203.00
Carbon Intensity Ratio (gCO ₂ /RPK)	gCO ₂ /RPK	78.3	76.1	72.9
Carbon Intensity Ratio (gCO ₂ /ASK)	gCO ₂ /ASK	61.3	62.3	59.5
NO _x emission	Metric tonnes	349	470	479
SO _x emissions	Metric tonnes	7.98	10.74	11
Volatile Organic Compounds ("VOC") emissions	Metric tonnes	27,600.00	37,126.00	37,869.00
CO ₂ emissions avoided through the fuel efficiency programme	Metric tonnes	5,395	5,637 ¹	10,283
Managing Our Natural Resources				
Total solid hazardous waste generated	Metric tonnes	2.29	12.72	13.65
Total liquid hazardous waste generated	Kilolitres	3.79	15.02	15.63

Performance Data Table

Indicators	Measurement Unit	2023	2024	2025
Total non-hazardous waste generated	Metric tonnes	24.72	58.28	45.95
Total non-hazardous waste diverted from disposal	Metric tonnes	0.00	0.77	0.74
Total non-hazardous waste directed to disposal	Metric tonnes	24.70	57.51	45.21
Total water consumption	Megalitres	1.304000	4.551000	8.833000
Safety as Our Priority				
Total man-hours worked	Hours	2,377,936	2,827,968	2,972,112
Number of work-related fatalities	Number	0	0	0
Lost time incident rate	Rate	1.01	6.40	6.30
Number of employees trained on health and safety standards	Number	1,236	1,211	1,307
Total safety training hours	Hours	3,090	3,028	3,267
Number of safety reports filed	Number	1,310	1,630	1,617
Percentage of reported hazards, incidents and accidents, which have been investigated and addressed	Percentage	100.00	100.00	100.00
Caring for Allstars				
Total number of employees	Number	1,362	1,351	1,401
Percentage of employees that are contractors or temporary staff	Percentage	28.00	20.36	20.99
Percentage of employees by gender and age group, for each employee category				
Gender Group by Employee Category:				
Senior Management Male	Percentage	83.33	76.92	66.67
Senior Management Female	Percentage	16.67	23.08	33.33
Management Male	Percentage	77.78	91.79	91.00
Management Female	Percentage	22.22	8.21	9.00
Manager Male	Percentage	72.41	Nil	Nil
Manager Female	Percentage	27.59	Nil	Nil
Executive Male	Percentage	49.88	54.01	56.29
Executive Female	Percentage	50.12	45.99	43.71
Non-Executive Male	Percentage	72.09	35.61	30.59
Non-Executive Female	Percentage	27.91	64.39	69.41
Age Group by Employee Category:				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	58.33	61.54	55.56
Senior Management Above 50	Percentage	41.67	38.46	44.44
Management Under 30	Percentage	0.00	0.48	0.00
Management Between 30-50	Percentage	66.67	68.60	66.00
Management Above 50	Percentage	33.33	30.92	34.00
Manager Under 30	Percentage	6.90	Nil	Nil
Manager Between 30-50	Percentage	72.41	Nil	Nil
Manager Above 50	Percentage	20.69	Nil	Nil
Executive Under 30	Percentage	30.69	17.75	18.08
Executive Between 30-50	Percentage	64.19	79.63	78.39

Performance Data Table

Indicators	Measurement Unit	2023	2024	2025
Executive Above 50	Percentage	5.21	2.62	3.55
Non-Executive Under 30	Percentage	55.81	49.90	52.97
Non-Executive Between 30-50	Percentage	39.53	49.69	46.50
Non-Executive Above 50	Percentage	4.65	0.41	0.52
Percentage of employee's nationality by gender				
Malaysian Male	Percentage	Nil	48.19	45.40
Malaysian Female	Percentage	Nil	35.90	33.05
Non-Malaysian Male	Percentage	Nil	5.26	5.42
Non-Malaysian Female	Percentage	Nil	10.66	16.13
Percentage of directors by gender and age group				
Male	Percentage	83.33	83.33	80.00
Female	Percentage	16.67	16.67	20.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Percentage of new employee hires by gender, and age group				
Male	Percentage	Nil	48.74	16.32
Female	Percentage	Nil	51.26	83.68
Under 30	Percentage	Nil	57.14	80.00
Between 30-50	Percentage	Nil	39.50	19.47
Above 50	Percentage	Nil	3.36	0.53
Total number of employee turnover by employee category				
Senior Management	Number	3	1	0
Management	Number	6	12	8
Manager	Number	5	Nil	Nil
Executive	Number	30	41	31
Non-Executive	Number	0	103	81
Total hours of training by employee category				
Senior Management	Hours	43	9	34
Management	Hours	358	6,884	8,499
Executive	Hours	18,580	13,215	15,005
Non-Executive	Hours	324	39,934	69,021
Number of substantiated human rights complaints	Number	3	2	7
Uplifting Our Communities				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,190.00	9,000.00	6,272.00
Employee volunteerism during paid working hours	MYR	Nil	6,048.00	7,400.00

Note:

¹ Due to the transition to new efficiency monitoring tools, approximately 20% of flight data in 2024 was undergoing processing. The updated data for 2024 here is with a 5% gap. Total fuel saved in 2024 was 2,063 tonnes with 6,250 tonnes of CO₂ emissions avoided.

Bursa Malaysia Prescribed Table

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,342,250	Net Zero by 2050 (from 2019 baseline)	Internal
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	239	—	Internal
GHG emissions	Total Scope 3	Metric tonnes of carbon dioxide equivalents (tCO2e)	279,203	—	Internal
GHG emissions	Scope 3 Cat.3: Fuel-and-e-energy-related activities (not included in Scopes 1 or 2)	Metric tonnes of carbon dioxide equivalents (tCO2e)	278,676	—	Internal
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	174	—	Internal
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	353	—	Internal

GRI Content Index

Statement of use	AirAsia X has reported the information cited in this GRI content index for the period 1 January 2025 until 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Pillars	GRI Standard	Disclosure	Location
General Disclosures	GRI 2: General Disclosures 2021	2-1 Organisational details	About This Statement
		2-2 Entities included in the organisation's sustainability reporting	
		2-3 Reporting period, frequency and contact point	
		2-4 Restatements of information	Restatement of data are noted in the sections where they appear
		2-5 External assurance	-
		2-6 Activities, value chain and other business relationships	Annual Report
		2-7 Employees	Caring for Allstars: Promoting Diversity, Equity and Inclusion
		2-8 Workers who are not employees	
		2-9 Governance structure and composition	Sustainability Governance
		2-10 Nomination and selection of the highest governance body	
		2-11 Chair of the highest governance body	
		2-12 Role of the highest governance body in overseeing the management of impacts	
		2-13 Delegation of responsibility for managing impacts	
		2-14 Role of the highest governance body in sustainability reporting	
		2-15 Conflicts of interest	-
		2-16 Communication of critical concerns	Robust Corporate Governance: Whistleblowing
		2-17 Collective knowledge of the highest governance body	Sustainability Governance
		2-18 Evaluation of the performance of the highest governance body	-
		2-19 Remuneration policies	https://www.airasiax.com/misc/AAX_Remuneration_Policy_Statement.pdf
		2-20 Process to determine remuneration	
		2-21 Annual total compensation ratio	-
		2-22 Statement on sustainable development strategy	Sustainability Framework
		2-23 Policy commitments	
		2-24 Embedding policy commitments	Robust Corporate Governance: Ethical Business Conduct
		2-25 Processes to remediate negative impacts	Robust Corporate Governance: Whistleblowing
		2-26 Mechanisms for seeking advice and raising concerns	

GRI Content Index

Pillars	GRI Standard	Disclosure	Location
General Disclosures	GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Robust Corporate Governance: Ethical Business Conduct
		2-28 Membership associations	-
		2-29 Approach to stakeholder engagement	Stakeholder Engagement
		2-30 Collective bargaining agreements	-
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Matters
		3-2 List of material topics	
		3-3 Management of material topics	
Economic	Robust Corporate Governance		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Robust Corporate Governance
	GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethical Business Conduct
		205-2 Communication and training about anti-corruption policies and procedures	
		205-3 Confirmed incidents of corruption and actions taken	
	Sustainable Supply Chain		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain
	GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supporting Local Suppliers
	GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier Selection Process
	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Supplier Code of Conduct
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Selection Process
	Enhancing Guest Experience		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Enhancing Guest Experience
	Driving Technology, Innovation and Data Security		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Driving Technology, Innovation and Data Security
	Cyber Security and Data Privacy		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Cyber Security and Data Privacy
	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

GRI Content Index

Pillars	GRI Standard	Disclosure	Location
Environmental	Towards Low-Carbon Operations		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Towards Low-Carbon Operations
	GRI 302: Energy 2016	302-1 Energy consumption within the organisation	GHG Emissions Management
		302-2 Energy consumption outside of the organisation	Scope 3 GHG Emissions
		302-3 Energy intensity	Scope 1 GHG Emissions & Scope 2 GHG Emissions
		302-4 Reduction of energy consumption	GHG Emissions Management
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Scope 1 GHG Emissions
		305-2 Energy indirect (Scope 2) GHG emissions	Scope 2 GHG Emissions
		305-3 Other indirect (Scope 3) GHG emissions	Scope 3 GHG Emissions
		305-4 GHG emissions intensity	Scope 1 GHG Emissions, Scope 2 GHG Emissions & Scope 3 GHG Emissions
		305-5 Reduction of GHG emissions	Climate Transition Strategies
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Other GHG Emissions
	Towards Low-Carbon Operations		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Managing Our Natural Resources
	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management
		303-4 Water discharge	Wastewater Management
		303-5 Water consumption	Water Management
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
		306-2 Management of significant waste-related impacts	
		306-3 Waste generated	
306-4 Waste diverted from disposal			
306-5 Waste directed to disposal			
Social	Safety as Our Priority		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Safety as Our Priority
	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safety Governance
		403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification & Safety Risk Management
		403-3 Occupational health services	
		403-4 Worker participation, consultation, and communication on occupational health and safety	Embedding a Safety-First Culture
		403-5 Worker training on occupational health and safety	
403-6 Promotion of worker health			

GRI Content Index

Pillars	GRI Standard	Disclosure	Location	
Social	GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
		403-8 Workers covered by an occupational health and safety management system		
		403-9 Work-related injuries		
		403-10 Work-related ill health		
	Caring for Allstars			
	GRI 3: Material Topics 2021	3-3 Management of material topics	Caring for Allstars	
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Recruiting Allstars	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Rewards & Benefits	
		401-3 Parental leave		
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Investing in Allstars	
		404-2 Programs for upgrading employee skills and transition assistance programs	Performance Review	
		404-3 Percentage of employees receiving regular performance and career development reviews		
	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Promoting Diversity, Equity and Inclusion	
		405-2 Ratio of basic salary and remuneration of women to men		
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Upholding Human Rights	
	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
	Uplifting Our Communities			
	GRI 3: Material Topics 2021	3-3 Management of material topics	Uplifting Our Communities	
	GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		

Corporate Governance Overview Statement

The Board of Directors ("the Board") of AirAsia X Berhad ("AirAsia X" or the "Company") presents this Corporate Governance Overview Statement ("CG Overview 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 2025 ("FYE 2025"). 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, to which the explanations on each application of the recommended practices are disclosed in the Company's Corporate Governance Report 2025 ("CG Report 2025").

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 2025 which is available on the Company's website at <http://www.airasiax.com>. The CG Report 2025 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 2025.

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:

- (a) Board leadership and effectiveness;
- (b) effective audit and risk management; and
- (c) integrity in corporate reporting and meaningful relationship with stakeholders.

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.

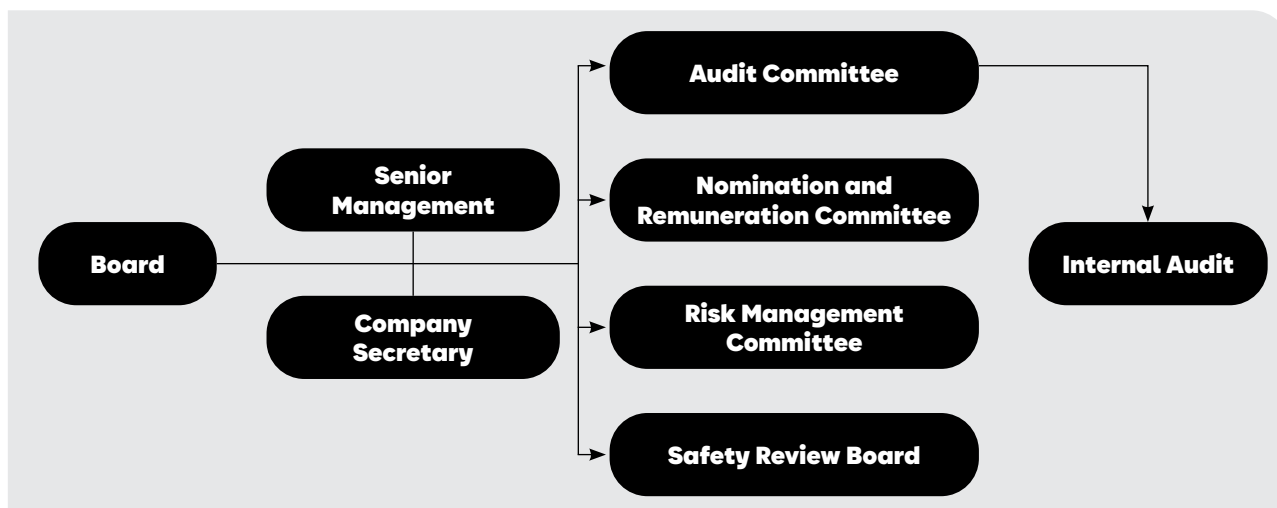
The Board recognises that having established and clearly defined roles and responsibilities of the Board and Senior Management is important to strike a reasonable balance between the strategy foundation and policy-making on the one hand, and the conformance roles of executive supervision and accountability 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 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.airasiax.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.

Corporate Governance Overview Statement

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



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 instill good corporate governance practices, leadership and effectiveness of the Board. He monitors the workings of the Board and the conduct of the Board meeting 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 MCCG.

Corporate Governance Overview Statement

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 Board 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.

vi) Risk Management Committee ("RMC")

The RMC was established to oversee the risk management systems and activities 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 responsible for reviewing and recommending appropriate sustainability strategies, policies, principles, and practices to the Group. It also 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.

Subsequent to FYE 2025, the Board has on 26 February 2026 resolved that the RMC be renamed as the Risk Management and Sustainability Committee to appropriately reflect its oversight of sustainability matters.

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 2025, through their attendance at the meetings of the Company as set out in the table below:

Directors	Board	AC	NRC	RMC	SRB
Dato' Fam Lee Ee (Non-Independent Non-Executive Chairman) ⁽¹⁾	10/10				4/4
Datuk Kamarudin bin Meranun (Non-Independent Executive Director)	10/10				
Tan Sri Asmat bin Kamaludin (Independent Non-Executive Director) - Retired as Board member on 18 June 2025	3/4		4/4		
Ms. Chin Min Ming (Independent Non-Executive Director)	10/10	8/8	6/6	4/4	
Dato' Sri Mohammed Shazalli bin Ramly (Independent Non-Executive Director) - Appointed as NRC Chairman on 18 June 2025	10/10	8/8	2/2	4/4	4/4

Corporate Governance Overview Statement

Dato' Abdul Mutalib bin Alias <i>(Independent Non-Executive Director)</i>	10/10	8/8	6/6	4/4	
Datuk Dr. Hj. Mazlan bin Hj. Ahmad <i>(Independent Non-Executive Director)</i> - Appointed as Board member on 21 August 2025 - Resigned as Board member on 7 January 2026	4/4				

Note:

⁽¹⁾ Redesignated as Non-Independent Non-Executive Director on 6 March 2026.

2. Board Composition

During the FYE 2025, the Board comprised one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Executive Director and four (4) Independent Non-Executive Directors. Following the retirement of Tan Sri Asmat bin Kamaludin on 18 June 2025, the number of Independent Non-Executive Directors was reduced to three (3). Subsequently, with the appointment of Datuk Dr. Hj. Mazlan bin Hj. Ahmad on 21 August 2025, the Board resumed having 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.

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 to 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, 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 06 to 11 of the Annual Report 2025. 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 remain open to the appointment of suitably qualified candidates, including women directors. 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 FYE 2025, the Board through its NRC had assessed the independence of all its Independent Non-Executive Directors and is satisfied that they have fulfilled the criteria under the definition of independent director as stated in the MMLR of Bursa Securities and are able to provide objective and independent judgment in deliberation of the Board's agenda.

Tan Sri Asmat bin Kamaludin voluntarily retired as Independent Non-Executive Director of the Company with effect from the conclusion of the Eighteenth Annual General Meeting ("AGM") held on 18 June 2025, after serving on the Board for over 12 years.

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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 2025, Dato' Fam Lee Ee and Datuk Kamarudin bin Meranun were subjected to retirement pursuant to the Constitution and all of them had been re-elected as Directors of the Company at the Eighteenth AGM held on 18 June 2025.

The names of the Directors seeking re-election at the forthcoming Nineteenth AGM are disclosed in the Notice of AGM dated 30 April 2026.

3. NRC

During FYE 2025, the NRC comprised three (3) Independent Non-Executive Directors. Dato' Sri Mohammed Shazalli bin Ramly served as the Chairman since 18 June 2025 (after the cessation of Tan Sri Asmat bin Kamaludin as Chairman of the NRC on 18 June 2025), while Ms. Chin Min Ming and Dato' Abdul Mutalib bin Alias were members of the NRC. The Terms of Reference of the NRC are available for reference at the Company's website at <http://www.airasiax.com>.

In respect of the FYE 2025, the following activities were undertaken by the NRC:

- (a) Reviewed and recommended to the Board the re-election of Directors who retired pursuant to the Company's Constitution.
- (b) Reviewed the performance of the Board, Board Committees, and individual Directors, including an assessment of the independence of the Independent Directors for the financial year ended 31 December 2024 ("FYE 2024") and made recommendations to the Board.
- (c) Reviewed the fees and benefits payable to Non-Executive Directors and made recommendations to the Board.
- (d) Reviewed the composition of the Board and its Committees and made recommendations to the Board.
- (e) Reviewed the Objectives and Key Results ("OKRs") of the CEO for FYE 2024 and made recommendation to the Board.
- (f) Reviewed the CG Overview Statement and CG Report for FYE 2024 and Notice of the Eighteenth AGM and made recommendation to the Board.
- (g) Reviewed the contract of the Non-Independent Executive Director and made recommendation to the Board.
- (h) Reviewed the guidance for the OKRs of the CEO and made recommendation to the Board.
- (i) Reviewed the proposed organisational structure for the AirAsia Aviation Group following the acquisition of 100% equity interest in both AirAsia Berhad and AirAsia Aviation Group Limited by AirAsia X ("Acquisition") and made recommendation to the Board.
- (j) Reviewed the proposed appointment of the Group Company Secretary of the Company post-Acquisition and made recommendation to the Board.

Corporate Governance Overview Statement

- (k) Reviewed the proposed appointment of an Independent Non-Executive Director and made recommendation to the Board.

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 and communicated to the Board. During the assessment, each Director who is interested in his/her own evaluation and remuneration was 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 2025 are outlined below:

Names	Programmes
Dato' Fam Lee Ee <i>(Non-Independent Non-Executive Chairman)⁽¹⁾</i>	<ul style="list-style-type: none"> • 2025 Tencent Cloud City Summit, 16 May 2025 • China (Jiangsu) – Malaysia Economic & Trade Cooperation Conference, 20 May 2025 • 2025 Cloud AI Summit, 21 May 2025 • ASEAN – CHINA Economic Forum & 3rd China International Supply Chain Promotion, 26 May 2025 • Global Outstanding Confucian Entrepreneurs Forum, 31 May 2025 • World Economic Forum, 24 & 26 June 2025 • China (Xinjiang) – Malaysia Economic & Trade Exchange Conference, 19 August 2025 • 2025 COMAC Customer Conference, 9 September 2025 • Tencent Global Digital Ecosystem Summit – “Aspiring Intelligence”, 16–17 September 2025 • Visit Brain Co, – China's first “Unicorn in China's” brain–computer interface (BCI) industry, 18 September 2025 • Panel Discussion on Johor–Singapore Special & Economic Zone (SEZ), 23 September 2025 • Single Family Office Scheme in Malaysia, 23 September 2025 • The Economic Impact of Trump 2.0 on Southeast Asia, 25 September 2025 • Guest of Honour at UTAR 41st Convocation, 22 October 2025 • ASEAN Business & Investment Summit 2025, 25 & 26 October 2025 • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025 • Keynote Speaker at HROOT Best Employer Awards Gala Dinner, 12 December 2025 • 11th Global Tourism Economy Forum, 15 & 17 December 2025
Datuk Kamarudin bin Meranun <i>(Non-Independent Executive Director)</i>	<ul style="list-style-type: none"> • Cyber Resilience Training by Phished Academy (Passed for Gold level), 29 August 2025 • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • Luncur Barakah Tea Talk, 4 December 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025 • The 7th IMBRICS Forum, 20 & 21 December 2025

Corporate Governance Overview Statement

Names	Programmes
Tan Sri Asmat bin Kamaludin <i>(Independent Non-Executive Director)</i>	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 19 & 20 February 2025
Ms. Chin Min Ming <i>(Independent Non-Executive Director)</i>	<ul style="list-style-type: none"> • Carbon Pricing and Markets: EU Insights And Implications for Malaysia, 17 February 2025 • Board Leadership in Industry Disruption: Steering Companies Through Market Shifts, 12 March 2025 • National Climate Governance Summit 2025, 7-11 April 2025 • Addressing Cybersecurity as a Rising Strategic Risk, 15 April 2025 • An Introduction to Gold Market, 15 April 2025 • Nominating Committees, 21 April 2025 • E-Invoicing and Its Impact on Directors, 9 May 2025 • The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme, 17 June 2025 • E-Invoicing for Directors – MyInvois and MyTax Portal Walkthrough with EY Malaysia, 26 June 2025 • Navigating the Opportunities and Trust Challenges of AI, 22 July 2025 • Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities, 25 July 2025 • Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme, 28 July 2025 • Generative AI: Misconceptions, Expectation and Reality, 31 July 2025 • Boardroom Blindspots: How Our Perceptions of Risk Influence Our Boardroom Effectiveness, 3 September 2025 • beVisioneers: Mentor Masterclass on “Building A Growth Mindset”, 17 October 2025 • Data to Disclosures Forum – Strengthening Data Capacity for NSRF Reporting Entities, 17 October 2025 • Asean Business and Investment Summit, 25 & 26 October 2025 • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • Global Forces Reshaping the Automotive & Manufacturing Sector, 2 December 2025 • Segmental Changes and Disruption in Local Automotive Landscape, 2 December 2025 • Signals From the Future: What MBMR Can't Afford to Ignore, 2 December 2025 • AI & Digitalisation – Rethinking Productivity, Reinventing Customer Journeys & Redefining Risk, 2 December 2025 • Board Culture as a Strategic Advantage in Diverse and Disruptive Contexts, 2 December 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025 • 2025 ABAC and Whistleblowing, 12 December 2025

Corporate Governance Overview Statement

Names	Programmes
Dato' Sri Mohammed Shazalli bin Ramly <i>(Independent Non-Executive Director)</i>	<ul style="list-style-type: none"> • Ceramah Program Retreat Pengurusan Media dan Komunikasi Strategik Jabatan di Bawah Menteri Undang-Undang, 14 February 2025 • Perbukitan Jemaah Menteri Kerajaan MADANI Tahun 2025, 21 February 2025 • 46th ASEAN Summit and Related Summits, 26 May 2025 • 2nd ASEAN GCC Summit + China, 27 May 2025 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP), 11 & 12 June 2025 • Taklimat Konsep Malaysia Madani, 14 August 2025 • Pembentangan RMK13 Di Dewan Negara, 25 August 2025 • 47th ASEAN Summit and Related Summits, 26-28 October 2025 • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025 • Amanat Malaysia MADANI: Komunikasi Strategik Kepada Pegawai Perhubungan Awam JPM, 10 December 2025 • Sesi Bersama Kadet Pegawai Tadbir Dan Diplomatik (Ptd) Program DPA Intan 2025/2026, 10 December 2025
Dato' Abdul Mutalib bin Alias <i>(Independent Non-Executive Director)</i>	<ul style="list-style-type: none"> • Future-Ready Boards: Implementing Strategies with Skills Matrix, 8 July 2025 • Harmony or Power Play? Decoding Board-Management Relationships, 15 July 2025 • Business Challenges and Regulatory Expectations – What Directors Need to Know, 24 July 2025 • Capital Market Director Programme (CMDP) Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors, 24 July 2025 • Rethinking Risk: Aligning Uncertainty with Opportunity – What Directors Need to Know (Fund Management), 28 July 2025 • Asia PE-VC Summit, 10 & 11 September 2025 • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • The People Lab – A Taste of High Performance Teams, 5 November 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025 • Cybersecurity Awareness, 18 December 2025
Datuk Dr. Hj. Mazlan bin Hj. Ahmad <i>(Independent Non-Executive Director)⁽²⁾</i>	<ul style="list-style-type: none"> • AirAsia Annual Board Sustainability Briefing, 29 October 2025 • Bursa Malaysia Mandatory Accreditation Programme (MAP) 2025, 8 & 9 December 2025 • AllStars International Anti-Corruption Day 2025, 9 December 2025

Notes:

⁽¹⁾ Redesignated as Non-Independent Non-Executive Director on 6 March 2026.

⁽²⁾ Appointed as Independent Non-Executive Director on 21 August 2025 and resigned on 7 January 2026.

6. Remuneration

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

Corporate Governance Overview Statement

The following table sets out the remuneration of the Directors of the Company and the Group for FYE 2025:

COMPANY AND GROUP						
Name	Fees ⁽⁵⁾ (RM'000)	Other Fees (RM'000)	Salaries (RM'000)	Bonuses (RM'000)	Allowance ⁽⁵⁾ (RM'000)	Total (RM'000)
Directors						
Dato' Fam Lee Ee <i>(Non-Independent Non-Executive Chairman)</i> ⁽¹⁾	238	-	-	-	22	260
Datuk Kamarudin bin Meranun <i>(Non-Independent Executive Director)</i>	-	-	1,200	-	-	1,200
Tan Sri Asmat bin Kamaludin <i>(Independent Non-Executive Director)</i> ⁽²⁾	58	-	-	-	7	65
Ms. Chin Min Ming <i>(Independent Non-Executive Director)</i>	276	-	-	-	40	316
Dato' Sri Mohammed Shazalli bin Ramly <i>(Independent Non-Executive Director)</i> ⁽³⁾	349	-	-	-	42	391
Dato' Abdul Mutalib bin Alias <i>(Independent Non-Executive Director)</i>	322	-	-	-	40	362
Datuk Dr. Hj. Mazlan bin Hj. Ahmad <i>(Independent Non-Executive Director)</i> ⁽⁴⁾	79	-	-	-	8	87
Chief Executive						
Benyamin bin Ismail <i>(Chief Executive Officer)</i>	-	-	1,260	341	-	1,601

Notes:

- ⁽¹⁾ Redesignated from Non-Independent Non-Executive Chairman to Non-Independent Non-Executive Director on 6 March 2026.
- ⁽²⁾ Retired as Independent Non-Executive Director and ceased as NRC Chairman on 18 June 2025.
- ⁽³⁾ Appointed as NRC Chairman on 18 June 2025.
- ⁽⁴⁾ Appointed as Independent Non-Executive Director on 21 August 2025 and resigned on 7 January 2026.
- ⁽⁵⁾ Directors' Fees and Allowances:
- Non-Executive Directors' Fees – Chairman (RM300,000 per annum), Members (RM218,000 per annum).
 - Audit Committee Fees – Chairman (RM83,000 per annum), Members (RM57,000 per annum).
 - Other Board Committees' Fees – Chairman (RM42,000 per annum), Members (RM27,000 per annum).
 - Board/Board Committees' Meeting Allowance – RM2,000 per attendance.

7. Limits of Authority

The Company has a Limits of Authority, which defines the decision-making limits of each level of Management within the Company and Group. It provides a framework of authority and accountability and facilitates decision-making at the appropriate level within the Group. 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.

Corporate Governance Overview Statement

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 Mutalib bin Alias, who is not the Chairman of the Board.

The AC provides independent oversight on both internal and external audit functions, financial reporting, and internal control systems of the Company, including reviewing the integrity of the financial reporting.

The Company has a policy which requires a former key audit partner to observe a cooling off period of at least three (3) years before being appointed as a member of the AC. During FYE 2025, 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 154 to 155 of the Annual Report 2025.

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 and policies of the Group.
- To implement and maintain sound ERM frameworks that identify, assess, manage and monitor the Group's strategic, financial, operational, compliance and information security risks.
- To develop and inculcate a risk awareness culture within the Group.

The ERM framework standardises the process of identifying, evaluating and managing risks faced by the Group for the FYE 2025.

The ERM framework covers the following key features:

- Risk governance along with roles and responsibilities of the Internal Audit Department ("IAD") and Risk Management Department ("RMD") and respective heads of departments
- Guidance on risk management processes and associated methodologies and tools
- Guidance on risk register and controls assessments

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 is 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 145 to 153 of the Annual Report 2025.

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 2025, the Company convened and held one (1) Extraordinary General Meeting ("EGM") on a virtual basis and one (1) AGM physically with sufficient notices served to the shareholders of the Company as summarised below:

Meeting Date	Type of Meeting	Notice Date	Notice Period
28 February 2025	EGM	13 February 2025	14 clear days
18 June 2025	Eighteenth AGM	30 April 2025	48 days

The digital copy of the Annual Report 2024 and Circular to Shareholders in respect of the Eighteenth AGM as well as the Circular to Shareholders in respect of the EGM were provided to the shareholders in a timely manner.

The voting at the EGM was conducted via online remote voting and was scrutinised by an independent scrutineer, whereas the Eighteenth AGM was conducted via an electronic poll voting system and was scrutinised by an independent scrutineer. All Directors, Chairmen of Board Committees, Senior Management, 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 24 April 2026.

Statement on Risk Management & Internal Control

As part of our commitment to corporate governance and adherence to best practices, AirAsia X Berhad ("AirAsia X") 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, as well as the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia. This statement outlines the nature and scope of the Group's internal controls and risk management framework.

- 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.

RESPONSIBILITIES AND ACCOUNTABILITIES

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 154 to 155 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:

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

Subsequent to FYE 2025, the Board resolved on 26 February 2026, to rename the RMC as the Risk Management and Sustainability Committee to appropriately reflect its oversight of sustainability matters.

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 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

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 154 to 155 of this Annual Report.

GOVERNANCE

Proper governance structure is established within AirAsia X, where responsibilities are clearly defined across all levels, structures and functions to promote accountability and contribute towards an effective and sound risk management and internal control system. 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 ERM Framework.

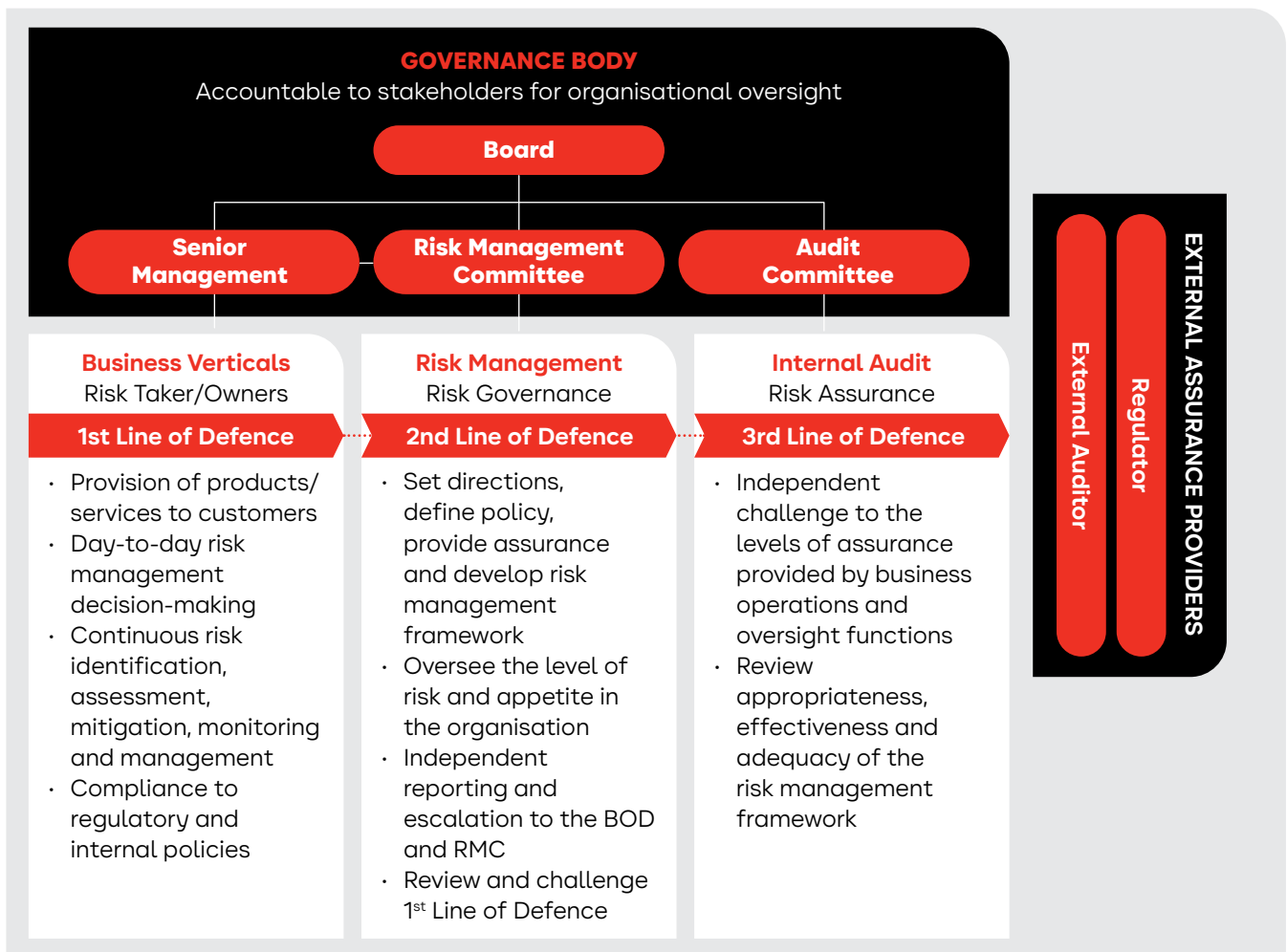


Figure 1 : Governance Structure (Three Lines Model)

Statement on Risk Management & Internal Control

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 designed and adapted as reasonably from 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

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.



Risk appetite is integral to the Group's risk assessment process and serves as the benchmark against which all identified risks are evaluated. It defines the amount and type of material risk the Group is willing to pursue, accept, and tolerate in achieving its strategic objectives, ensuring alignment between risk-taking activities and overall business goals. To ensure that exposures remain within these defined limits, the Group establishes specific Key Risk Indicators ("KRIs") and corresponding trigger thresholds for each material risk. These KRIs function as early warning indicators, enabling continuous monitoring, timely escalation, and proactive risk management.

KEY RISKS AND MITIGATION

The Board and Management of AirAsia X recognise that any major risk exposure inherent in its operating environment and business activities could significantly impede the achievements of the Group's business and corporate objectives and would adversely affect the Group's ability to create and protect value. During the financial year under review, the Group's activities were exposed to the following key risks:

Statement on Risk Management & Internal Control

RISK	MITIGATION
<p>Financial risk</p> <p>The Group's operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, and liquidity risk.</p> <p><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • Cash flow monitoring • Intercompany receivables/payables monitoring • Jet fuel price monitoring • Forex monitoring 	<p>AirAsia X actively monitors and manages its exposure to fuel price volatility by proactively adjusting base fares and/or review/imposes fuel surcharges based on the length of flight hours.</p> <p>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.</p> <p>The Board and Management have been actively looking into forex hedging and/or fuel hedging which are highly dependent on credit lines availability. Notwithstanding the continuous engagement with financial institutions, the ability to execute hedging policies effectively is also a function of credit lines availability.</p> <p>Cash flow is managed through daily bank balance monitoring and weekly cash flow reviews.</p>
<p>Cybersecurity risk</p> <p>There is an inherent potential risk of cyber attacks and incidents resulting from the increased complexity of the threat landscape (including AI-driven cyber attacks) and the expanding digital footprint of the Group.</p> <p><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • Cyber attacks and security incident reports • Data protection and privacy monitoring 	<p>Beyond maintaining the core Cyber Security Certifications (including ISO27001 and PCI DSS), the Cyber Security department has employed active cyber defense mechanisms to proactively track cyber threat campaigns, closely monitor internal digital activities and block any suspicious or malicious cyber activities.</p> <p>To secure our application ecosystem, the organisation adopts a "Security by Design" philosophy, integrating penetration testing, source code reviews, data security and least privilege access management throughout the entire software development lifecycle.</p>
<p>Business recovery risk</p> <p>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.</p> <p><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • The entry/exiting of competitors into newly launched markets • Market share 	<p>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.</p>

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><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • Aircraft availability • On-time performance monitoring • ICT Service Level Agreement performance monitoring 	<p>On supply chain issues, 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 a clear and comprehensive sustainability roadmap in response to the escalating climate emergency.</p> <p><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • ESG rating (FTSE4Good Index) • Carbon emissions monitoring 	<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>Oversight of compliance with Sustainable Aviation Fuel mandates imposed by the destinations AirAsia X serves.</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><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • Media coverage monitoring • Media sentiment monitoring • Number of complaint cases 	<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>
<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><u>Key risk indicators</u></p> <ul style="list-style-type: none"> • Conflict zone monitoring • Countries threat monitoring 	<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>

Statement on Risk Management & Internal Control

RISK	MITIGATION
<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><u>Key risk indicators</u></p> <ul style="list-style-type: none"> · Attrition rate · Allstars NPS score · Nominated Post Holder roles' vacancies 	<p>All nominated post holders must be approved by Civil Aviation Authority of Malaysia. 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><u>Key risk indicator</u></p> <ul style="list-style-type: none"> · Safety performance index 	<p>AirAsia X 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 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>
<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><u>Key risk indicators</u></p> <ul style="list-style-type: none"> · Emerging regulatory requirements and policies that may impact the business · Fines and penalties 	<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 stakeholders need to acknowledge their awareness of this policy.</p> <p>The policy is available on AirAsia X's corporate website: https://www.airasiox.com/misc/AAX_ABAC_Policy.pdf</p>

Statement on Risk Management & Internal Control

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 134 to 144 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

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 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.

Statement on Risk Management & Internal Control

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.

CYBERSECURITY

The Group Cyber 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, that consolidate Cybersecurity controls across various Cyber Security industry standards such as ISO27001:2022, country-specific regulations, compliance obligation (e.g., PCI DSS), and fulfill all six (6) NIST Cybersecurity Framework 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.
- 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, it is mandatory for all employees to complete Anti Bribery and Anti Corruption e-learning module and attestation to ensure they maintain and refresh their knowledge of the policy on an annual basis.

Statement on Risk Management & Internal Control

CONCLUSION

The Board has received assurance from the Group CEO and Group 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 FYE 2025 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.

This Statement covers AirAsia X and its subsidiaries. The Group's joint venture/associate are excluded from the scope of this Statement as it operates under a separate governance and control framework. The Board obtains oversight and assurance over the joint venture/associate through periodic financial and operational reporting, and material matters are escalated to the Board and relevant Board Committees as appropriate.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this Statement. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. It does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on the procedures performed, nothing has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control set out above has not been prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, nor was factually inaccurate.

This Statement on Risk Management & Internal Control was approved by the Board on 24 April 2026.

Audit Committee Report

This report outlines the activities of the Audit Committee ("AC") of AirAsia X Berhad ("AirAsia X" or the "Company") for the financial year ended 31 December 2025 ("FYE 2025").

This report has been reviewed by the AC and approved by the Board of Directors ("the Board") of AirAsia X on 24 April 2026, 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 its subsidiaries ("AirAsia X 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 consists of three (3) Independent Non-Executive Directors, including the Chairman and none of them is an alternate director. Dato' Abdul Mutalib bin Alias ("Dato' Abdul Mutalib") 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.airasiox.com.

B. ATTENDANCE OF MEETINGS

A total of eight (8) meetings were held during the FYE 2025 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 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 2025

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 2021 ("MCCG") and other best practices. A summary of the work of the AC during the FYE 2025 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 IFRS Accounting 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.
- 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.

Audit Committee Report

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 in conformity with the established procedures in adherence to the MMLR.

Annual Report

- Reviewed Annual Audited Financial Statement FYE 2025.
- 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 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 the FYE 2025 were based on a risk-based Internal Audit Plan approved by the AC. The main focus of the internal audit activities during the financial year was on high risk areas and auditable areas that were critical to the Group's business performances. During the financial year, Internal Audit reviewed revenue and cost controls, foreign exchange risk management, related party transactions, engineering maintenance planning, inflight payment operations, station controls and critical airline application security.

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 Head of Internal Audit, 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 2025 were RM834,834 compared to RM695,072 in FYE 31 December 2024.

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 2025 ("FYE 2025") 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 2025.

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 2025, 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 Capital Berhad (formerly known as AirAsia Group Berhad) ("AAC") 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 AAC on the basis of 1 new ordinary share in AAC 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 AAC of the listing status of AirAsia X and the admission of AAC to, and the withdrawal of AirAsia X from, the Official List with the listing and quotation of the entire enlarged issued share capital of AAC 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 AAB held by Capital A ("Proposed AAB Acquisition") (collectively referred to as the "Proposed Acquisitions").

On even date, AAC (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 AAC as initially proposed in the announcement dated 25 April 2024. Accordingly, AirAsia X and AAC had on 26 July 2024 mutually terminated the Internal Reorganisation Agreement.

In addition, on 26 July 2024, AirAsia X (as new purchaser), AAC (as original purchaser) and Capital A (as vendor) had on even date entered into supplemental agreements to the respective AAAGL SSPA and AAB SSPA. Pursuant to the supplemental agreements dated 26 July 2024, AirAsia X had assumed the rights, benefits, titles, interests, obligations and liabilities of AAC to the AAAGL SSPA and AAB SSPA as the purchaser in respect of the Proposed AAAGL Acquisition and Proposed AAB Acquisition respectively.

Additional Compliance Information

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 ("Dato' Fam"), 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.

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.

Additional Compliance Information

3. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees of the Company and its Group for FYE 2025 as below are also disclosed in Note 9 to the Financial Statements on page 221 of this Annual Report:

Audit Fees

	Group RM'000	Company RM'000
Audit fees paid to the External Auditors for the FYE 31 December 2025	875	772

Non-Audit Fees

	Group RM'000	Company RM'000
Non-audit fees paid to the External Auditors for the FYE 31 December 2025 in connection with non-assurance services	25	25

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

At the Eighteenth Annual General Meeting ("AGM") held on 18 June 2025, 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").

Additional Compliance Information

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 2025 are as follows:

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
Expenses				
1.	Capital A	<p>Provision of the following shared services by AAB, AirAsia SEA, AirAsia Aviation Group Limited, Airasia Aviation Management Services and AirAsia SEA TH/IHQ to AirAsia X:</p> <p>(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</p>	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM7,304,704
2.	Rokki Sdn. Bhd. ("Rokki")	Supply of in-flight entertainment system, hardware, software, content and updates by Rokki.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders 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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM2,503,289

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
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 Datuk Kamarudin</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM12,493,463
5.	Ormond Group ("Ormond")	Provision of food catering and hospitality services to AirAsia X.	<p>Interested Directors Datuk Kamarudin</p> <p>Interested Major Shareholders Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM841,352
6.	Ground Team Red Sdn. Bhd. ("GTR")	Provision of ground handling services at airports to AirAsia X.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM26,247,936
7.	AirAsia (Guangzhou) Aviation Service Limited Company ("AirAsia (Guangzhou)")	Provision of operational services by AirAsia (Guangzhou) to AirAsia X in China.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM4,360,583

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
8.	MOVE Travel Sdn. Bhd. ("Move Travel")	Appointment of MOVE Travel as preferred agent for flight and ancillary on airasia.com website and applications, where MOVE Travel 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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM7,259,612
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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM26,410,864
10.	Santan Food Services Sdn. Bhd. ("Santan")	Provision on inflight food, beverage, merchandise and duty free products and services to AirAsia X flights.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM22,887,925
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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM4,071,357

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
12.	MOVE Travel	Media service and advertising consultant for Santan catalogue ads and ambient ads from MOVE Travel to AirAsia X.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders 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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM15,760,712
14.	BigPay Malaysia Sdn. Bhd. ("BigPay Malaysia")	BigPay Malaysia 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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM10,006
15.	Asia Aviation Capital Limited	Provision of aircraft leasing services to AirAsia X.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM25,124,385
16.	BIGLIFE	Sale to AAB Group of loyalty points from BIGLIFE, which operate and manages a loyalty program branded as the airasia rewards programme.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
17.	BIGLIFE	Sale to AAAGL Group of loyalty points from BIGLIFE, which operate and manages a loyalty program branded as the AirAsia rewards programme.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
18.	AirAsia MOVE Sdn. Bhd. ("AirAsia MOVE")	Provision of platform services by AirAsia MOVE: Online distribution of AAB Group flight inventory via the AirAsia MOVE domain or AirAsia MOVE mobile app owned/operated by AirAsia MOVE.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
19.	AirAsia MOVE	Provision of platform services by AirAsia MOVE: Online distribution of AAAGL Group flight inventory via the AirAsia MOVE domain or AirAsia Superapp mobile app owned/operated by AirAsia MOVE.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
20.	AirAsia SEA Sdn. Bhd. ("AirAsia SEA") and AirAsia SEA Limited ("AirAsia SEA TH/HQ")	<p>Provision of the following shared services by AirAsia SEA, and AirAsia SEA TH/HQ to AAB Group:</p> <ul style="list-style-type: none"> (i) Finance and accounting support operation services; (ii) People department support operation services; (iii) Refunds; (iv) Customer Support; (v) Facilities; (vi) Procurement; (vii) Information security; and (viii) Supply chain 	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
21.	AirAsia SEA and AirAsia SEA TH/HQ	Provision of the following shared services by AirAsia SEA, and AirAsia SEA TH/HQ to AAAGL Group: (i) Finance and accounting support operation services; (ii) People department support operation services; (iii) Refunds; (iv) Customer Support; (v) Facilities; (vi) Procurement; (vii) Information security; and (viii) Supply chain	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
22.	ADE	Line Maintenance Agreement between ADE and AAB Group for the provision of resources to ensure the smooth operations of aircraft maintenance which include manpower, tooling and store.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
23.	ADE	Line Maintenance Agreement between ADE and AAAGL Group for the provision of resources to ensure the smooth operations of aircraft maintenance which include manpower, tooling and store.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
24.	IKHLAS	Provision of platform services by IKHLAS: Online distribution of AAB Group's flight inventory via the IKHLAS domain owned/operated by IKHLAS.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
25.	Santan	Santan entered into an agreement for supply chain services with AAB to supply airline catering, merchandise and duty free to AAB Group as part of the inflight services.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
26.	Santan	Santan entered into an agreement for supply chain services with AAAGL Group to supply airline catering, merchandise and duty free to AAAGL Group as part of the inflight services.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
27.	Big Pay Pte. Ltd. ("BigPay")	Act as acquirer for all Close Loop Transactions for AAB Group and responsible for including but not limited to, acquiring, servicing, billing to, collecting from, setting the Merchant Rate and authorising of BigPay card transactions.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
28.	BigPay	Act as acquirer for all Close Loop Transactions for AAAGL Group and responsible for including but not limited to, acquiring, servicing, billing to, collecting from, setting the Merchant Rate and authorising of BigPay card transactions.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL
29.	Brand AA	Provision of the rights to AAAGL Group to operate scheduled air services under the "AIRASIA" trade name and livery of Brand AA.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
30.	AirAsia MOVE	Media Services Agreement between AirAsia MOVE and AAB Group for managing the sales of aircraft media inventory.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
31.	AirAsia MOVE	Media Services Agreement between AirAsia MOVE and AAAGL Group for managing the sales of aircraft inventory.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
32.	Move Duty Free Sdn. Bhd. ("Move Duty Free")	Sales and distribution for duty free and merchandise products between Move Duty Free and AAB Group.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
33.	ADE	Provision of resources to AirAsia X to ensure the smooth operations of aircraft maintenance which include warehouse, aircraft health monitoring software and base maintenance check.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
34.	Move Duty Free	Sales and distribution for duty free and merchandise products between Move Duty Free and AirAsia X.	<p>Interested Directors Datuk Kamarudin</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
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.	Interested Directors Datuk Kamarudin Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM3,718,293.81
2.	Philippines AirAsia, Inc. ("PAA")	Provision of the following commercial services by AirAsia X to PAA, including but not limited to: (a) Airport management and group handling; and (b) Government and regulatory liaison.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM701,762
3.	Thai AirAsia Company Limited ("TAA")	Provision of the following commercial services by AirAsia X to TAA, including but not limited to: (a) Airport management and group handling; and (b) Government and regulatory liaison.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM931,332
4.	PT Indonesia AirAsia ("IAA")	Provision of the following commercial services by AirAsia X and AirAsia X Services Pty. Ltd. (Company No. 141 326 463) to IAA, including but not limited to: (a) Airport management and group handling; and (b) Government and regulatory liaison.	Interested Directors Datuk Kamarudin Dato' Fam Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin	RM1,789,263

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM2,125,161
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 Malaysia on 27 June 2018, for Teleport Malaysia to purchase cargo transportation capacity on routes operated by AirAsia X, to Teleport Everywhere.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM173,350,135
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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders Tan Sri Tony Fernandes Datuk Kamarudin</p>	RM14,053
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 Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
9.	BIGLIFE	Redemption of loyalty points when Big members use the loyalty points accumulated under the airasia rewards programme operated and managed by BIGLIFE for AAB Group's flights and other ancillary products and services.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
10.	BIGLIFE	Redemption of loyalty points when Big members use the loyalty points accumulated under the airasia rewards programme operated and managed by BIGLIFE for AAAGL Group's flights and other ancillary products and services.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
11.	Teleport Everywhere	Purchase of AAB Group's cargo transportation capacity by Teleport Everywhere on routes operated by AAB Group.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
12.	Teleport Everywhere	Purchase of AAAGL Group's cargo transportation capacity by Teleport Everywhere on routes operated by AAAGL Group.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
13.	Teleport Everywhere	Lease rental of freighter to AAB Group by Teleport Everywhere.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
14.	Capital A Berhad ("CAB") Group	<p>Provision of the following shared services by AAAMS to CAB Group:</p> <p>(a) Information and technology operation support services; (b) Information security; and (c) People department support operation services.</p>	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Aggregate value from 1 January 2025 to 31 December 2025
15.	AirAsia MOVE	Media Services Agreement between AirAsia MOVE and AAB Group for the sales of aircraft media inventory.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
16.	Move Duty Free	Sale and distribution for duty free and merchandise products between Move Duty Free and AAB Group.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
17.	Move Duty Free	Sale and distribution for duty free and merchandise products between Move Duty Free and AAAGL Group.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL
18.	MOVE Travel	Partnership agreement between Move Travel and AirAsia X for easy cancel products offered to the customers purchasing AirAsia X flight tickets.	<p>Interested Directors Datuk Kamarudin Dato' Fam</p> <p>Interested Major Shareholders AAB Tune Group Tan Sri Tony Fernandes Datuk Kamarudin</p>	NIL

Additional Compliance Information

The shareholdings of the interested Directors and interested Major Shareholders in our Company as at 31 December 2025 are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Directors				
Datuk Kamarudin	38,894,693	8.70	131,033,136 ⁽¹⁾	29.31
Dato' Fam	-	-	-	-
Interested Major Shareholders				
CAB	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	38,894,693	8.70	131,033,136 ⁽¹⁾	29.31

Note:

⁽¹⁾ Deemed interested via their interests in CAB 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 2025 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 31 March 2026

DISTRIBUTION OF SHAREHOLDINGS

Total Number of Issued Shares	: 3,360,838,386
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per Ordinary Share

Size of Holdings	Shareholders		Shareholding	
	No. of Holders	%	No. of Shares Held	%
Less than 100	11,013	10.583	482,463	0.014
100 to 1,000	36,678	35.246	17,952,160	0.534
1001 to 10,000	42,922	41.246	155,735,633	4.633
10,001 to 100,000	11,842	11.379	337,992,754	10.056
100,001 to less than 5% of issued shares	1,604	1.541	2,111,467,020	62.825
5% and above of issued shares	2	0.001	737,208,356	21.935
Total	104,061	100.00	3,360,838,386	100.00

SUBSTANTIAL SHAREHOLDERS

(As Per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Indirect Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Anthony Francis Fernandes	12,048,021	0.359	1,052,003,566 ⁽¹⁾	31.302
Datuk Kamarudin bin Meranun	39,658,497	1.180	1,052,003,566 ⁽¹⁾	31.302
Capital A Berhad	655,497,421	19.504	-	-
Tune Air Sdn. Bhd.	199,700,135	5.942	-	-
Tune Live Sdn. Bhd.	196,806,010	5.856	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in Capital A Berhad, Tune Air Sdn. Bhd. and Tune Live 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	%
Datuk Kamarudin bin Meranun	39,658,497	1.180	1,052,003,566 ⁽¹⁾	31.302
Tan Sri (Dr.) Jamaludin bin Ibrahim	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Ms. Chin Min Ming	-	-	-	-
Dato' Sri Mohammed Shazalli bin Ramly	-	-	-	-
Dato' Abdul Mutalib bin Alias	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in Capital A Berhad, Tune Air Sdn. Bhd. and Tune Live Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings

As at 31 March 2026

TOP THIRTY (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.	Capital A Berhad	537,508,221	15.993
2.	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - UBS AG, Singapore Branch for Tune Air Sdn. Bhd.	199,700,135	5.941
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (2)	119,657,001	3.560
4.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - SK Malaysia Investment I Pte. Ltd. for Capital A Berhad	117,989,200	3.511
5.	RHB Capital Nominees (Tempatan) Sdn. Bhd. RHB Islamic Bank Berhad Pledged Securities Account for Tune Live Sdn. Bhd.	100,711,207	2.996
6.	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - UBS AG, Singapore Branch for Tune Live Sdn. Bhd.	96,094,803	2.859
7.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kee Chit Huei (M09)	90,909,090	2.704
8.	Sagenuine (Hong Kong) Travel Co., Limited	90,000,000	2.677
9.	East and West Travel Limited	89,000,000	2.648
10.	Positive Boom Limited	64,609,095	1.922
11.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt AN for Guotai Junan Securities (Hong Kong) Limited (Client Account)	63,703,283	1.895
12.	HSBC Nominees (Tempatan) Sdn. Bhd. Exempt AN for BNP Paribas Singapore Branch (Local)	37,505,271	1.115
13.	Yeoh Yew Choo	31,227,263	0.929
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (AHAM AM)	29,119,000	0.866
15.	Cartaban Nominees (Tempatan) Sdn. Bhd. RHB Trustees Berhad for Kenanga Absolute Return Fund	28,479,119	0.847
16.	Citigroup Nominees (Asing) Sdn. Bhd. CBHK PBGSG for Global Asean Investment Limited	27,645,638	0.822
17.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	24,102,800	0.717
18.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	23,988,371	0.713
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiaqa Family Takaful Berhad (Family)	23,312,800	0.693
20.	Cartaban Nominees (Tempatan) Sdn. Bhd. TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund 2	22,000,000	0.654
21.	Kamarudin bin Meranun	19,857,298	0.590
22.	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - UBS AG, Singapore Branch for Kamarudin bin Meranun	19,801,199	0.589

Analysis of Shareholdings

As at 31 March 2026

No.	Name of shareholders	No. of shares	Percentage %
23.	Maybank Investment Bank Berhad IVT (9) ECD SW-H	19,578,300	0.582
24.	HSBC Nominees (Asing) Sdn. Bhd. Bjb Zur for Shiva Fernandes	19,197,285	0.571
25.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities Plc	18,200,252	0.541
26.	Kong Goon Khing	17,855,014	0.531
27.	Cartaban Nominees (Tempatan) Sdn. Bhd. icapital.Biz Berhad	17,012,700	0.506
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (AHAM AM 2)	15,964,479	0.475
29.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Nyuk Sang @ Freddy Lim (MQ0423)	15,143,880	0.450
30.	Cartaban Nominees (Tempatan) Sdn. Bhd. PAMB for Prulink Equity Fund	14,741,173	0.438
Total		1,994,613,877	59.349

Analysis of Warrant B Holdings

As at 31 March 2026

WARRANTS B 2025/2030 ("Warrants B")

Total Number of Warrant B Issued	: 223,535,280
Number of Warrant B Exercised	: 12,670
Number of Warrant B Unexercised	: 223,522,610
Maturity date	: 23 December 2030

Size of Holdings	Shareholders		Shareholding	
	No. of Holders	%	No. of Warrants B Held	%
Less than 100	9,158	29.355	336,139	0.150
100 to 1,000	14,001	44.879	6,486,836	2.902
1001 to 10,000	6,594	21.136	22,513,741	10.072
10,001 to 100,000	1,267	4.061	37,235,247	16.658
100,001 to less than 5% of issued warrants	174	0.557	88,950,267	39.794
5% and above of issued warrants	3	0.009	68,000,380	30.422
Total	31,197	100.00	223,522,610	100.00

SUBSTANTIAL WARRANT B HOLDERS

(As Per the Register of Substantial Warrant B Holders)

Name of Substantial Warrant B Holders	Direct Interest		Indirect Interest	
	No. of Warrants B Held	%	No. of Warrants B Held	%
Tan Sri Anthony Francis Fernandes	5,579,361	2.496	65,516,567 ⁽¹⁾	29.309
Datuk Kamarudin bin Meranun	9,514,046	4.256	65,516,567 ⁽¹⁾	29.309
Capital A Berhad	28,536,425	12.766	-	-
Tune Group Sdn. Bhd.	36,980,142	16.543	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in Capital A Berhad and Tune Group Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Warrant B Holdings

As at 31 March 2026

DIRECTORS' WARRANT B HOLDINGS

(As Per the Register of Directors' Warrant B Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants B Held	%	No. of Warrants B Held	%
Datuk Kamarudin bin Meranun	9,514,046	4.256	65,516,567 ⁽¹⁾	29.309
Tan Sri (Dr.) Jamaludin bin Ibrahim	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Ms. Chin Min Ming	-	-	-	-
Dato' Sri Mohammed Shazalli bin Ramly	-	-	-	-
Dato' Abdul Mutalib bin Alias	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in Capital A Berhad and Tune Group Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

TOP THIRTY (30) WARRANT B HOLDERS

No.	Name of Warrant B Holders	No. of Warrants B	Percentage %
1.	Capital A Berhad	28,536,425	12.766
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. RHB Islamic Bank Berhad Pledged Securities for Tune Group Sdn. Bhd.	26,075,155	11.665
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Kumpulan Sentiasa Cemerlang Sdn. Bhd. (TSTAC/CLNT)	13,388,800	5.989
4.	HSBC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - UBS AG, Singapore Branch for Kamarudin bin Meranun	9,513,947	4.256
5.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (7006233)	8,404,987	3.760
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Anthony Francis Fernandes (7006493)	5,565,186	2.489
7.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Bank AG Singapore Clt for Lee Hau Hian (KSC (S) PTE LTD)	5,563,900	2.489
8.	Santraprise Sdn. Bhd.	4,461,066	1.995
9.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (7006821)	2,500,000	1.118
10.	Yeoh Yew Choo	2,452,100	1.097
11.	Gautam Kumar Agarwal	2,000,000	0.894
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (UOB AM SC EQ)	1,664,350	0.744
13.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for UBS AG Singapore (Foreign)	1,475,000	0.659
14.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	1,193,513	0.533
15.	Lim Jze Sern	1,055,000	0.471

Analysis of Warrant B Holdings

As at 31 March 2026

No.	Name of Warrant B Holders	No. of Warrants B	Percentage %
16.	HSBC Nominees (Tempatan) Sdn. Bhd. BNPP Sin/2S for Pertubuhan Keselamatan Sosial (PKSUOBAM EQ)	1,000,000	0.447
17.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund	994,200	0.444
18.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Theresa Lee Sook Fun (E-TSA)	911,500	0.407
19.	Ng Joe Lum	869,000	0.388
20.	Universal Trustee (Malaysia) Berhad TA Dana Fokus	850,000	0.380
21.	CIMB Group Nominees (Asing) Sdn. Bhd. CIMB Commerce Trustee Berhad for Global Strategic Growth Fund (KSC 2)	761,000	0.340
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (MYBK AM SC E)	750,000	0.335
23.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Yat Teng	726,500	0.325
24.	Lee Lai Fong	697,000	0.311
25.	Yap Ming Hui	600,000	0.268
26.	Maybank Nominees (Tempatan) Sdn. Bhd. National Trust Fund Esg (IFM UOBAM) (447644)	590,000	0.263
27.	Cheng Jie Hao	552,850	0.247
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (MBBESGSEQ)	550,000	0.246
29.	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad for Malaysian Timber Council (OF-EQ)	545,000	0.243
30.	Tan Lye Beng	538,000	0.240
Total		124,784,479	55.826

Notice of 19th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth (“19th”) Annual General Meeting (“AGM”) of AirAsia X Berhad [Registration No. 200601014410 (734161-K)] (the “Company”) will be held at the Gateway Ballroom, Level 1, Sama-Sama Hotel, KL International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan, Malaysia on Thursday, 25 June 2026 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 2025 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 the Non-Executive Directors of the Company as set out in the explanatory note for the period from 26 June 2026 until the next AGM of the Company to be held in the year 2027.
Please refer to Explanatory Note B. **(Ordinary Resolution 1)**
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’ Sri Mohammed Shazalli bin Ramly; and **(Ordinary Resolution 2)**
 - (b) Dato’ Abdul Mutalib bin Alias. **(Ordinary Resolution 3)****Please refer to Explanatory Note C.**
4. To re-elect Tan Sri (Dr.) Jamaludin bin Ibrahim who retires pursuant to Rule 124 of the Company’s Constitution and who being eligible had offered himself for re-election.
Please refer to Explanatory Note C. **(Ordinary Resolution 4)**
5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.
Please refer to Explanatory Note D. **(Ordinary Resolution 5)**

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** **(Ordinary Resolution 6)**

“**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**”).

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.

Notice of 19th Annual General Meeting

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 earlier".

Please refer to Explanatory Note E.

7. **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 7)**

"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 revenue or trading nature with the related parties as set out in the circular to shareholders of the Company dated **30 April 2026** ("**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 commence immediately upon the passing of this resolution in relation to the RRPTs set out in Sections 2.3A and 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 Nineteenth 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 19th Annual General Meeting

AND THAT the estimates given for the RRPTs specified in Sections 2.3A and 2.3B 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 2.7 of the Circular."

Please refer to Explanatory Note F.

8. **PROPOSED CHANGE OF NAME FROM "AIRASIA X BERHAD" TO "AIRASIA GROUP BERHAD" ("PROPOSED CHANGE OF NAME")** **(Special Resolution)**

"THAT the name of the Company be changed from "AirAsia X Berhad" to "AirAsia Group Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company.

THAT all references in the Constitution of the Company in relation to the name of "AirAsia X Berhad", wherever the same may appear, shall be substituted with "AirAsia Group Berhad".

AND THAT the Directors and/or the Secretary of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name."

Please refer to Explanatory Note G.

9. 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 19th 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 15 June 2026 to determine the members who shall be entitled to attend the 19th AGM or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

RUTHRAINEE KARTHIGESU

LS0010689

(SSM PC No. 202308000109)

Group Company Secretary

Selangor Darul Ehsan

30 April 2026

Notice of 19th Annual General Meeting

SUBMISSION OF QUESTIONS BEFORE AND DURING THE MEETING

1. A member may submit questions in relation to the agenda items for the 19th AGM prior to the meeting via Vistra Share Registry and IPO (MY) portal ("**the Portal**") at <https://srmy.vistra.com> by selecting "e-Services" to login, pose questions and submit them electronically not later than **10.30 a.m. on Tuesday, 23 June 2026**. The responses to these questions will be shared at the 19th AGM.
2. During the 19th AGM, members who are physically present at the venue of the 19th AGM will be able to ask questions in person. The Board and senior management will be in attendance at the 19th AGM venue to provide responses accordingly.

APPOINTMENT OF PROXY

1. A member must be registered in the Record of Depositors at 5.00 p.m. on 15 June 2026 ("**General Meeting Record of Depositors**") in order to attend and vote at the 19th AGM. A depositor shall not be regarded as a member entitled to attend the 19th 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 19th 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 19th 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 19th 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 19th 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 the Portal at <https://srmy.vistra.com>. Kindly refer to the Administrative Details for the procedures on electronic lodgement of the Form of Proxy via the Portal.
7. Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

Notice of 19th Annual General Meeting

8. Last date and time for lodging the Form of Proxy, whether in hard copy form or by electronic means, is **Tuesday, 23 June 2026 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 19th 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 19th AGM will be put to vote by way of poll.

EXPLANATORY NOTES:

A. Audited Financial Statements for the financial year ended 31 December 2025 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 ("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 that there shall be no change in the Non-Executive Directors' remuneration for the period from the 19th AGM until the next AGM of the Company to be held in the year 2027, save for the following:-

- a. To remove the fees of RM115,000 per annum for Non-Executive Deputy Chairman as the Company does not have a Non-Executive Deputy Chairman.

Notice of 19th Annual General Meeting

Accordingly, the Non-Executive Directors' remuneration for the period from the 19th AGM until the next AGM of the Company to be held in the year 2027 would be as follows:-

Non-Executive Directors' Fees (per annum)	Non-Executive Chairman (RM)	Per Non-Executive Director/ Per Committee Member (RM)
Board	300,000	218,000
Audit Committee	83,000	57,000
NRC	42,000	27,000
Safety Review Board	42,000	27,000
Risk Management and Sustainability Committee	42,000	27,000
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 26 June 2026 until the next AGM of the Company to be held in the year 2027 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, 3 and 4)

In accordance with Rule 119 of the Company's Constitution, Dato' Sri Mohammed Shazalli bin Ramly and Dato' Abdul Mutalib bin Alias are due to retire by rotation, and being eligible, had offered themselves for re-election at the 19th AGM.

In accordance with Rule 124 of the Company's Constitution, Tan Sri (Dr.) Jamaludin bin Ibrahim ("**retiring directors**") is due to retire, and being eligible, had offered himself for re-election at the 19th AGM.

For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the 19th 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 2025 and on its corporate website at <https://www.airasia.com/>

Notice of 19th Annual General Meeting

D. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration (Ordinary Resolution 5)

The AC was satisfied with the suitability of BDO PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by BDO PLT to the Company for the financial year ended 31 December 2025 did not in any way impair their objectivity and independence as external auditors of the Company.

The Board reviewed the recommendation of the AC and recommended the appointment of BDO PLT as Auditors of the Company for the ensuing year to be tabled for approval at the 19th AGM of the Company.

E. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act and Waiver of Pre-emptive Rights (Ordinary Resolution 6)

The Company had at its Eighteenth AGM held on 18 June 2025, 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 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 19th 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 19th AGM.

The proposed **Ordinary Resolution 6** 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 6**, if passed, will empower the Directors of the Company 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**"). The Renewed General Mandate, if granted at the 19th 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 2027 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).

F. 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 7)

The proposed **Ordinary Resolution 7**, 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 Part A of the Circular to Shareholders of the Company dated 30 April 2026 which are necessary for its day-to-day operations. This 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 2027, 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 Part A of the Circular to Shareholders dated 30 April 2026 for further information.

Notice of 19th Annual General Meeting

G. Proposed Change of Name from "AirAsia X Berhad" to "AirAsia Group Berhad" ("Proposed Change of Name") (Special Resolution)

The Proposed Change of Name is intended to reflect the strategic consolidation of AirAsia Group's aviation businesses following the completion of the acquisition of a 100% equity interest in AirAsia Berhad and AirAsia Aviation Group Limited by AAX from Capital A Berhad. Please refer to Part B of the Circular to Shareholders dated 30 April 2026 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 Annual General Meeting ("**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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

Statement Accompanying Notice of 19th AGM (PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

DIRECTORS STANDING FOR RE-ELECTION AT THE 19TH AGM

The following are Directors retiring pursuant to Rule 119 and 124 of the Company's Constitution and standing for re-election:

Rule 119: Retirement by rotation

1. Dato' Sri Mohammed Shazalli bin Ramly; and
2. Dato' Abdul Mutalib bin Alias.

Rule 124: Retirement after appointment to fill casual vacancy

1. Tan Sri (Dr.) Jamaludin bin Ibrahim

The profiles of the above Directors are set out in the Profile of Directors section of this report.

The assessment of the Directors seeking re-election are provided in the Corporate Governance Overview Statement in this report.

None of the above Directors has:

- i) Any interest in the securities of the Company and its related corporation.
- ii) Any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.
- iii) Any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- iv) Any conviction for offences within the past five (5) years and particulars of any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2025 (other than traffic offences).

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

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 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is providing long haul air transportation services. The subsidiaries, an associate and a joint venture of the Group are involved in investment holding, provision of management logistical, marketing services and aircraft leasing facilities. Further information of the subsidiaries, an associate and a joint venture are disclosed in Notes 17, 18 and 19 to the financial statements respectively.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, representing profit attributable to owners of the Company	179,252	179,256

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 shares and debentures during the financial year.

WARRANTS B 2025/2030

During the financial year ended 31 December 2025, the Company issued 223,535,280 free Warrants B 2025/2030 ("Warrants") on the basis of one (1) warrant for every two (2) ordinary shares held by the entitled shareholders as at 18 December 2025. The Warrants were issued on 24 December 2025 and listed on the Main Market of Bursa Malaysia Securities Berhad on 31 December 2025.

Each Warrant entitles the holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.64 per share at any time during the exercise period commencing from 24 December 2025 to 23 December 2030 ("Exercise Period"), subject to any adjustments in accordance with the provisions of the deed poll dated 4 December 2025. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

No Warrants were exercised during the financial year and the number of Warrants that remain unexercised at the end of the financial year comprises 223,535,280 Warrants.

SHARE OPTIONS

Other than the Warrants issued, no option was granted by the Company to any parties to take up unissued shares of the Company during the financial year.

Directors' Report

DIVIDEND

No dividend has been paid, declared or proposed 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

The Directors of the Company who have held office during the financial year and up to the date of this report are:

Dato' Fam Lee Ee
 Datuk Kamarudin bin Meranun
 Chin Min Ming
 Dato' Abdul Mutalib bin Alias
 Dato' Sri Mohammed Shazalli bin Ramly
 Tan Sri (Dr.) Jamaludin bin Ibrahim (Appointed on 24 February 2026)
 Datuk Dr. Hj. Mazlan bin Hj. Ahmad (Appointed on 21 August 2025 and resigned on 7 January 2026)
 Tan Sri Asmat bin Kamaludin (Retired on 18 June 2025)

The Directors of the subsidiaries of the Company who have held office during the financial year and up to the date of this report (not including those Directors listed above) are:

Benyamin bin Ismail
 Jean Marc Kin Voon Likamtin
 Ashive Kanoosingh
 Daveena Ramsamy

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, other than the Warrants issued, 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 disclosed in Notes 8 and 36 to the financial statements) 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.

The Directors' benefits are as follows:

2025	Group and Company RM'000
Salary	1,200
Fees	1,323
Defined contribution plan	144
Short term employee benefits	159
	2,826

Directors' Report

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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 RM293,878.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and Warrants of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Acquired	Disposed	
The Company				
Datuk Kamarudin bin Meranun				
Direct interest	37,070,993	1,823,700	-	38,894,693
Indirect interest *	131,033,136	-	-	131,033,136

	Number of Warrants			As at 31.12.2025
	As at 1.1.2025	Granted	Disposed	
The Company				
Datuk Kamarudin bin Meranun				
Direct interest	-	19,447,346	-	19,447,346
Indirect interest *	-	65,516,567	-	65,516,567

* Deemed interest by virtue of his shareholding in Capital A Berhad and Tune Group Sdn. Bhd. pursuant to Section 8A of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year held any interest in the ordinary shares and Warrants of 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 that 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 (12) 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 as and 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

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) Subsequent to the financial year ended 31 December 2025, the Company completed the acquisition of 100% equity interest in AirAsia Berhad ("AAB") and AirAsia Aviation Group Limited ("AAAGL") from Capital A Berhad ("Capital A") (the "Acquisitions"). The Group, AAAGL and its subsidiaries, and AAB and its subsidiaries are collectively known as the Enlarged Aviation Group.

The Acquisitions were settled through:

- (i) the allotment and issuance of 2,307,692,307 new ordinary shares in the Company ("Consideration Shares") to Capital A and its entitled shareholders; and
- (ii) the Company's assumption of RM3.8 billion previously owed by Capital A to AAB.

Concurrently, the Company undertook a private placement and allotted and issued 606,060,606 new ordinary shares ("Placement Shares") to independent third-party investors. The private placement raised gross proceeds of RM1.0 billion at an issue price of RM1.65 per share, and was reported as fully subscribed. The Consideration Shares and Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 19 January 2026.

As the Acquisitions were completed after the reporting date, the financial statements for the financial year ended 31 December 2025 did not include the financial results, assets and liabilities of AAB and AAAGL. The Acquisitions will be reflected in the financial statements for the financial year ending 31 December 2026.

- (b) The ongoing geopolitical tensions in the West Asia have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements.

The Group has assessed these developments and considers the conflict as a non-adjusting event after the reporting period. The potential financial effects, including increased operating costs from fuel price movements cannot be reliably estimated at this stage, as the situation remains fluid and rapidly evolving. The Group continues to monitor these developments and has begun implementing operational and pricing adjustments, including fare revisions and fuel surcharges where appropriate, to minimise any potential impact.

Directors' Report

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group	Company
	RM'000	RM'000
Statutory audit	875	772
Non-statutory audit	25	25
	900	797

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Dato' Fam Lee Ee
Director

Kuala Lumpur, Malaysia
24 April 2026

.....
Dato' Abdul Mutalib bin Alias
Director

Statements of Profit or Loss

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	3,351,340	3,261,520	3,349,387	3,260,293
Operating expenses					
- Staff costs	5	(298,596)	(277,974)	(292,719)	(273,019)
- Depreciation	6	(221,226)	(206,070)	(221,226)	(206,070)
- Aircraft fuel expenses	7(a)	(1,385,937)	(1,512,315)	(1,385,937)	(1,512,315)
- Maintenance and overhaul	7(b)	(716,967)	(537,284)	(716,967)	(537,284)
- User charges	7(c)	(387,185)	(324,841)	(387,185)	(324,841)
- Aircraft operating lease expenses		(8,169)	(28,100)	(8,169)	(28,100)
- Other operating expenses	9	(253,758)	(196,590)	(252,466)	(205,951)
Other income	10	21,683	82,087	21,683	82,087
Net (losses)/gains on impairment of financial assets	11(a)	(72)	15,288	(5,243)	15,288
Operating profit		101,113	275,721	101,158	270,088
Finance income	11(b)	57,772	34,038	57,772	34,038
Finance costs	11(c)	(97,108)	(105,025)	(97,108)	(105,025)
Net operating profit		61,777	204,734	61,822	199,101
Net foreign exchange gain	11(d)	167,257	29,781	167,216	29,781
Share of results of an associate	18	-	-	-	-
Share of results of a joint venture	19	-	-	-	-
Profit before taxation		229,034	234,515	229,038	228,882
Taxation					
- Current taxation	12	851	144	851	144
- Deferred tax expense	12	(50,633)	(27,534)	(50,633)	(27,534)
		(49,782)	(27,390)	(49,782)	(27,390)
Profit for the financial year		179,252	207,125	179,256	201,492
Earnings per share (sen)					
- Basic	13	40.1	46.3		
- Diluted	13	39.0	46.3		

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 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year	179,252	207,125	179,256	201,492
Other comprehensive (loss)/income				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation differences	(32)	5,545	-	-
Other comprehensive (loss)/income for the financial year, net of tax	(32)	5,545	-	-
Total comprehensive income for the financial year	179,220	212,670	179,256	201,492

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	73,947	45,324	73,947	45,324
Right-of-use assets	15	1,033,441	1,184,206	1,033,441	1,184,206
Deferred tax assets	16	523,741	574,374	523,741	574,374
Investments in subsidiaries	17	-	-	4	4
Investment in an associate	18	-	-	-	-
Investment in a joint venture	19	-	-	-	-
Trade and other receivables	21	609,286	736,780	609,286	736,780
Amounts due from subsidiaries	22	-	-	29,137	29,146
Amount due from an associate	23	23,239	26,208	-	-
		2,263,654	2,566,892	2,269,556	2,569,834
Current assets					
Inventories	20	12,856	8,693	12,856	8,693
Trade and other receivables	21	426,164	185,802	426,024	184,244
Amounts due from subsidiaries	22	-	-	1,674	3,021
Amounts due from related parties	24	657,920	421,606	657,920	420,899
Current tax assets		1,492	940	1,492	940
Deposits, cash and bank balances	25	87,255	174,771	86,825	174,359
		1,185,687	791,812	1,186,791	792,156
Total assets		3,449,341	3,358,704	3,456,347	3,361,990

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Current liabilities					
Sales in advance	33	463,560	543,751	463,560	543,751
Trade and other payables	29	392,283	333,441	378,125	323,025
Amounts due to subsidiaries	26	-	-	14,099	6,040
Amount due to an associate	27	3,992	19,128	3,992	19,128
Amounts due to related parties	28	193,404	115,371	192,367	115,371
Lease liabilities	30	184,117	191,248	184,117	191,248
Provision for aircraft maintenance	31	196,031	103,497	196,031	103,497
Provision for profit-sharing	32	5,753	10,000	5,753	10,000
		1,439,140	1,316,436	1,438,044	1,312,060
Net current liabilities		(253,453)	(524,624)	(251,253)	(519,904)
Non-current liabilities					
Sales in advance	33	-	39,253	-	39,253
Trade and other payables	29	-	2,632	-	2,228
Lease liabilities	30	966,414	1,222,711	966,414	1,222,711
Provision for aircraft maintenance	31	535,722	434,827	535,722	434,827
Provision for profit-sharing	32	-	14,000	-	14,000
		1,502,136	1,713,423	1,502,136	1,713,019
Total liabilities		2,941,276	3,029,859	2,940,180	3,025,079
Net assets		508,065	328,845	516,167	336,911
Equity attributable to owners of the Company					
Share capital	34	51,029	51,029	51,029	51,029
Foreign currency translation reserve		(69)	(37)	-	-
Retained earnings		457,105	277,853	465,138	285,882
Total equity		508,065	328,845	516,167	336,911

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Group	← Attributable to owners of the Company →				
	← Non-Distributable →			Distributable Retained earnings	Total equity
	Number of ordinary shares '000	Share capital RM'000	Currency translation reserve RM'000		
At 1 January 2025	447,073	51,029	(37)	277,853	328,845
Profit for the financial year	-	-	-	179,252	179,252
Other comprehensive loss for the financial year, net of tax	-	-	(32)	-	(32)
Total comprehensive (loss)/ income for the financial year	-	-	(32)	179,252	179,220
At 31 December 2025	447,073	51,029	(69)	457,105	508,065
At 1 January 2024	447,073	51,029	(5,582)	70,728	116,175
Profit for the financial year	-	-	-	207,125	207,125
Other comprehensive income for the financial year, net of tax	-	-	5,545	-	5,545
Total comprehensive income for the financial year	-	-	5,545	207,125	212,670
At 31 December 2024	447,073	51,029	(37)	277,853	328,845

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 2025

Company	← Attributable to owners of the Company →			
	Number of ordinary shares '000	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2025	447,073	51,029	285,882	336,911
Profit for the financial year	-	-	179,256	179,256
Other comprehensive income for the financial year, net of tax	-	-	-	-
Total comprehensive income for the financial year	-	-	179,256	179,256
At 31 December 2025	447,073	51,029	465,138	516,167
At 1 January 2024	447,073	51,029	84,390	135,419
Profit for the financial year	-	-	201,492	201,492
Other comprehensive income for the financial year, net of tax	-	-	-	-
Total comprehensive income for the financial year	-	-	201,492	201,492
At 31 December 2024	447,073	51,029	285,882	336,911

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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		229,034	234,515	229,038	228,882
Adjustments for:					
Depreciation of property, plant and equipment	14	9,918	8,587	9,918	8,587
Depreciation of right-of-use assets	15	211,308	197,483	211,308	197,483
(Reversal of)/allowance for expected credit losses:					
- trade and other receivables	21	(609)	(14,812)	(609)	(14,812)
- amount due from an associate	23	-	2,808	-	-
- amounts due from subsidiaries	22	-	-	5,171	2,808
- amounts due from related parties	24	681	(3,284)	681	(3,284)
Reversal of provision for profit-sharing	32	(14,655)	(22,000)	(14,655)	(22,000)
Net provision for aircraft maintenance	31	255,075	158,497	255,075	158,497
Finance income	11	(57,772)	(34,038)	(57,772)	(34,038)
Finance costs	11	89,970	99,062	89,970	99,062
Loss on lease remeasurement and modification		754	24,226	754	24,226
Net loss of discounting effect on financial instruments	31	7,138	5,963	7,138	5,963
Net unrealised foreign exchange gain	11	(174,801)	(17,134)	(174,860)	(17,134)
Operating profit before working capital changes		556,041	639,873	561,157	634,240
Changes in working capital:					
Inventories		(4,163)	(1,725)	(4,163)	(1,725)
Trade and other receivables		(104,524)	(252,279)	(105,942)	(252,279)
Amounts due (to)/from subsidiaries, related parties and an associate		(136,896)	128,013	(137,306)	123,562
Trade and other payables		44,283	(35,734)	40,945	(25,471)
Sales in advance		(119,444)	(84,612)	(119,444)	(84,612)
Cash flows generated from operations		235,297	393,536	235,247	393,715

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Cash flows generated from operations		235,297	393,536	235,247	393,715
Interest received		1,281	2,084	1,281	2,084
Tax paid		(545)	(583)	(545)	(598)
Tax refunded		844	-	844	-
Net cash generated from operating activities		236,877	395,037	236,827	395,201
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of property, plant and equipment	14	(38,541)	(18,616)	(38,541)	(18,616)
Deposits with licensed banks with maturity period of more than three (3) months		(14,628)	(12,196)	(14,628)	(12,196)
Net cash used in investing activities		(53,169)	(30,812)	(53,169)	(30,812)
CASH FLOWS FROM FINANCING ACTIVITY					
Payments of lease liabilities, representing net cash used in financing activity	30	(281,117)	(261,795)	(281,117)	(261,795)
Net (decrease)/increase in cash and cash equivalents		(97,409)	102,430	(97,459)	102,594
Effects of movement in foreign exchange rates		(4,735)	2,456	(4,703)	2,456
Cash and cash equivalents at beginning of the financial year		162,575	57,689	162,163	57,113
Cash and cash equivalents at end of the financial year	25	60,431	162,575	60,001	162,163

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

RECONCILIATION OF LIABILITY ARISING FROM FINANCING ACTIVITY

Group and Company	Lease liabilities (Note 30)	
	2025 RM'000	2024 RM'000
At 1 January	1,413,959	1,512,025
Cash flows:		
Lease payments	(281,117)	(261,795)
Non-cash flows:		
Addition	122,724	-
Modification	-	77,364
Remeasurement	(61,427)	22,103
Accretion of interest	89,970	99,062
Foreign exchange differences	(133,578)	(34,800)
At 31 December	1,150,531	1,413,959

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2025

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 providing long-haul air transportation services. The principal activities and the details of the subsidiaries are disclosed in Note 17 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new Amendment to MFRS during the financial year. The new Amendment to MFRS adopted during the financial year is disclosed in Note 2.2 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

Subsequent to the reporting date, the Company acquired AirAsia Aviation Group Limited ("AAAGL") and AirAsia Berhad ("AAB"), as disclosed in Note 41 to the financial statements. The Enlarged Aviation Group (collectively, the Group, AAAGL and its subsidiaries, and AAB and its subsidiaries) continues to generate positive operating cash flows from its aviation business activities and has access to credit facilities and cash management arrangements to support its operational requirements (as disclosed further in Note 37(c) to the financial statements).

In addition, the Group has performed a review of its projected cash flows for the next twelve (12) months, taking into consideration the availability of external funding arrangements, in order to assess whether sufficient funds are available to support ongoing business operations and to meet obligations as and when they fall due. Based on the cash flow forecast prepared and taking into consideration of the treasury management practices of the Enlarged Aviation Group and funding arrangements, management is of the view that the Enlarged Aviation Group has adequate liquidity to continue its operations and to meet its liabilities as they fall due.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.1 Basis of preparation (continued)

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

2.2 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendment to the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

The adoption of the above Amendment did not have any material impact on the financial performance or position of the Group and of the Company.

2.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including voting rights of the Group relative to others, contractual arrangements, and past voting patterns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profits, losses, and other comprehensive income ("OCI") are attributed to the equity holders of the parent company. When necessary, adjustments are made to align the accounting policies of the subsidiaries with the Group. 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.

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.

2.6 Investments in an associate and a joint venture

The Group holds interests in an associate and a joint venture as disclosed in Notes 18 and 19 to the financial statements respectively.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Investments in an associate and a joint venture (continued)

The Group uses the equity method for its investments in an associate and a joint venture reports the share of profit or loss from an associate and a joint venture separately in the profit or loss.

Investments in an associate and a joint venture are initially recorded at cost. The carrying amount is adjusted for changes in the share of the associate's or joint venture's net assets of the Group.

In the separate financial statements of the Company, investments in an associate and a joint venture are stated at cost less accumulated impairment losses.

Results from an associate and a joint venture are included in the profit or loss and OCI of the Group. Unrealised gains and losses from transactions with an associate and a joint venture are eliminated to the extent of the interest of the Group. The financial statements of an associate and a joint venture are aligned with the reporting period of the Group 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, if any. 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 are as follows:

Aircraft service potential of engines and airframe	5 to 10 years
Aircraft furniture, fixtures and fittings	5 years
Aircraft spares	5 to 10 years
Motor vehicles	5 years
Office equipment, furniture and fittings	5 years

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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses, if any.

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 recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 most recent budgets and forecasts of the Group and of the Company, covering a period of five years. A long-term growth rate is applied to project future cash flows beyond the fifth year.

Impairment losses are recognised in the statements 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.

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

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, landing gear, 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 year 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 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Leases (continued)

Group and Company as a lessee (continued)

(i) ROU assets

The Group and the Company recognise ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Aircraft and engines	2 to 14 years
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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 as disclosed in Note 2.9 to the financial statements.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar values as the ROU assets in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Leases (continued)

Group and Company as a lessee (continued)

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of office buildings and warehouse (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets RM20,000 and below recognition exemption to leases of equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.12 Inventories

Inventories comprising consumables used internally for repairs and maintenance and in-flight merchandise, are measured at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

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 for the asset or liability or, if not available, the most advantageous market accessible by the Group and the Company. The measurement considers assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use appropriate valuation techniques, maximising the use of observable inputs and minimising unobservable ones, with fair value measurements categorised into three levels based on the significance of inputs:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 and deposits with licensed banks with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 the 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 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, an associate 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 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Income taxes (continued)

(ii) Deferred tax (continued)

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 for:

- 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, an associate 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 and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws 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.

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.17 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. Consideration received for seats sold for which transportation services have not yet been rendered is recognised as sales in advance and is recognised as revenue when the related performance obligation is fulfilled.

(ii) Charter flights

Revenue from charter flights is recognised upon the rendering of transportation services.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.17 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

(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.

For revenue from contracts with customers, where the Group and the Company act as a principal in an arrangement, the total consideration received is treated as revenue and allocated to the separate performance obligations based on relative stand-alone selling prices. The allocated revenue from such contracts is recognised in the statements of profit or loss upon the satisfaction of each performance obligation, and where the Group and the Company act as an agent between the service provider and the end customer, the net commission is recognised as revenue on the satisfaction of the performance obligation.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve (12) months.

(b) Management fees

Management fees are recognised on an accrual basis.

2.18 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in RM, 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 profit or loss of the Group. However, if a monetary item is designated as part of a hedge of the net investment of the Group 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. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Foreign currencies (continued)

(ii) Transactions and balances (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group and the Company initially recognise the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group and the Company determine the transaction date for each payment or receipt of advance consideration.

(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.

2.19 Financial assets

(i) Initial recognition and measurement

Financial assets are categorised at initial recognition based on their contractual cash flow characteristics and the business model of the Group 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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Financial assets (continued)

(i) Initial recognition and measurement (continued)

The business model of the Group 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, established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that 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.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised 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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Financial assets (continued)

(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.

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 contractual 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, 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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 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, or payables designated as effective hedging instruments.

Upon initial recognition, all financial liabilities are recorded at fair value, with 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

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.

Gains or losses on these liabilities are recognised in the statements 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

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.

(iii) Derecognition

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.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.21 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates.

The significant judgements made by management in applying the accounting policies are assessed on an ongoing basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 losses, unutilised investment allowances and unabsorbed capital allowances. 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.

(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 in accordance with specified return conditions. A provision is recognised for these obligations based on the present value of the expected costs required to satisfy the contractual maintenance and return conditions.

The measurement of the provision involves significant management judgement and estimation uncertainty due to the long-term nature of the obligations. Key assumptions applied include expected costs, projected aircraft utilisation, escalation rates, discount rates commensurate with the expected obligation maturity and long-term maintenance schedules. At each reporting date, the provision is reassessed and updated to reflect the best estimate of the expected future costs to be borne by the Group and the Company.

These assumptions are inherently judgemental and subject to uncertainty, and actual outcomes may differ from estimates, particularly due to variations in aircraft utilisation patterns, maintenance schedules and the timing of maintenance events.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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: (continued)

(iii) Recoverability of amounts due from subsidiaries, an associate and related parties

During the financial year, the Group and the Company conducted assessments of the credit risks associated with amounts due from an associate, subsidiaries, 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 due from subsidiaries, an associate, and related parties are disclosed in Notes 22, 23 and 24 to the financial statements respectively.

(iv) 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 projected EBITDAR for financial year 2026. The actual profit-sharing payout may differ from the amount provided if actual financial performance deviates materially from the projections.

(v) Determination of incremental borrowing rate ("IBR")

The Group and the Company cannot readily determine the interest rate implicit in the lease; therefore, it uses incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation of when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

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4. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	3,349,387	3,260,293	3,349,387	3,260,293
Management fee	1,953	1,227	-	-
	3,351,340	3,261,520	3,349,387	3,260,293
Revenue from contracts with customers				
Type of goods or services				
Scheduled flights	2,000,784	2,035,048	2,000,784	2,035,048
Charter flights	12,816	1,531	12,816	1,531
Freight services	217,636	210,795	217,636	210,795
Ancillary revenue	1,118,151	1,012,919	1,118,151	1,012,919
	3,349,387	3,260,293	3,349,387	3,260,293
Timing of revenue recognition				
At a point of time	3,349,387	3,260,293	3,349,387	3,260,293

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 39 to the financial statements.

5. STAFF COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Wages, salaries, bonuses and allowances	274,534	255,593	269,218	250,638
Defined contribution plan	24,062	22,381	23,501	22,381
	298,596	277,974	292,719	273,019

Included in staff costs are Directors' remuneration as disclosed in Note 8 to the financial statements.

6. DEPRECIATION

	Group and Company	
	2025	2024
	RM'000	RM'000
Property, plant and equipment (Note 14)	9,918	8,587
Right-of-use assets (Note 15)	211,308	197,483
	221,226	206,070

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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.

8. DIRECTORS' REMUNERATION

Details of remuneration paid to Directors of the Company are as follows:

Group and Company	Salary RM'000	Fees RM'000	Defined contribution plan RM'000	Short term employee benefits RM'000	Total RM'000
2025					
Executive Director:					
Datuk Kamarudin bin Meranun	1,200	-	144	-	1,344
Non-Executive Directors:					
Dato' Fam Lee Ee	-	238	-	22	260
Tan Sri Asmat bin Kamaludin	-	58	-	7	65
Chin Min Ming	-	276	-	40	316
Dato' Sri Mohammed Shazalli bin Ramly	-	350	-	42	392
Dato' Abdul Mutalib bin Alias	-	322	-	40	362
Datuk Dr. Hj. Mazlan bin Hj. Ahmad	-	79	-	8	87
	-	1,323	-	159	1,482
Total Directors' remuneration	1,200	1,323	144	159	2,826

Notes to the Financial Statements

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8. DIRECTORS' REMUNERATION (continued)

Details of remuneration paid to Directors of the Company are as follows: (continued)

Group and Company	Salary RM'000	Fees RM'000	Defined contribution plan RM'000	Short term employee benefits RM'000	Total RM'000
2024					
Executive Director:					
Datuk Kamarudin bin Meranun [^]	797	-	96	-	893
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
	-	741	-	104	845
Total Directors' remuneration	797	741	96	104	1,738

[^] Re-designated as Executive Director on 2 May 2024.

The Directors of the subsidiaries do not receive any remuneration in their capacity as the Directors of the subsidiaries.

Further analysis of remuneration paid to the Directors are as follows:

Group and Company	Executive		Non-Executive	
	2025	2024	2025	2024
Range of remuneration:				
Less than RM100,000	-	-	1	-
RM100,001 to RM150,000	-	-	1	1
RM150,001 to RM200,000	-	-	-	3
More than RM200,000	1	1	4	1

Notes to the Financial Statements

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9. OTHER OPERATING EXPENSES

The following items have been charged/(credited) in arriving at other operating expenses:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Management fee	-	-	4,523	4,721
Auditors' remuneration				
Statutory audit				
Current year	875	747	772	700
Under provision in prior year	51	-	51	-
Non-statutory audit				
Current year	25	-	25	-
Under provision in prior year	15	-	15	-
Short-term leases and leases of low-value assets:				
- Rental of office space	839	749	839	749
- Rental of equipment	41	17	41	17
Advertising cost	22,332	9,857	22,332	9,857
Brand license cost	15,761	15,300	15,761	15,300
Sales commission	26,945	43,432	26,945	43,432
Credit card charges	18,492	20,597	18,492	20,597
Late payment interests	28,590	4,434	28,590	4,434
In-flight meal expenses	13,206	15,845	13,206	15,845
Insurance expenses	22,563	23,756	22,563	23,756

10. OTHER INCOME

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Insurance claims	319	8,021	319	8,021
Aircraft operating lease income	3,728	5,860	3,728	5,860
Reversal of provision for profit-sharing	14,655	22,000	14,655	22,000
Reversal of provision for travel voucher	-	41,883	-	41,883
Others	2,981	4,323	2,981	4,323
	21,683	82,087	21,683	82,087

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11. NET (LOSSES)/GAINS ON IMPAIRMENT OF FINANCIAL ASSETS, FINANCE INCOME/(COSTS) AND NET FOREIGN EXCHANGE GAIN

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Net (losses)/gains on impairment of financial assets:				
Allowance for expected credit losses on:				
- amounts due from subsidiaries (Note 22)	-	-	(6,089)	(2,808)
- amount due from an associate (Note 23)	-	(2,808)	-	-
- amounts due from related parties (Note 24)	(681)	-	(681)	-
Reversal of expected credit losses on:				
- trade and other receivables (Note 21)	609	14,812	609	14,812
- amounts due from subsidiaries (Note 22)	-	-	918	-
- amounts due from related parties (Note 24)	-	3,284	-	3,284
	(72)	15,288	(5,243)	15,288
(b) Finance income:				
Interest income from deposits with licensed banks	1,281	2,084	1,281	2,084
Interest income on amount due from a related party	56,491	31,954	56,491	31,954
	57,772	34,038	57,772	34,038
(c) Finance costs:				
Interest expense on lease liabilities (Note 30)	(89,970)	(99,062)	(89,970)	(99,062)
Impact of discounting effect on financial instruments	(7,138)	(5,963)	(7,138)	(5,963)
	(97,108)	(105,025)	(97,108)	(105,025)
(d) Net foreign exchange (loss)/gain:				
Realised	(7,544)	12,647	(7,644)	12,647
Unrealised	174,801	17,134	174,860	17,134
	167,257	29,781	167,216	29,781

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12. TAXATION

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
Malaysian income tax				
Current income tax	109	898	109	898
Over provision in prior years	(960)	(1,042)	(960)	(1,042)
	(851)	(144)	(851)	(144)
Deferred tax expense (Note 16):				
Relating to origination and reversal of temporary differences	50,633	27,534	50,633	27,534
	49,782	27,390	49,782	27,390

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% (2024: 24%) of the estimated assessable profit for the period.

A reconciliation of taxation applicable to profit before taxation at the statutory income tax rate to taxation at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	229,034	234,515	229,038	228,882
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	54,968	56,284	54,969	54,932
Tax effects in respect of:				
Expenses not deductible for tax purposes	7,871	14,450	7,870	15,802
Income not subject to tax	(12,097)	(11,558)	(12,097)	(11,558)
Utilisation of previously unrecognised temporary differences	-	(30,744)	-	(30,744)
	50,742	28,432	50,742	28,432
Over provision in prior years:				
Income tax	(960)	(1,042)	(960)	(1,042)
	49,782	27,390	49,782	27,390

Notes to the Financial Statements

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12. TAXATION (continued)

Tax on each component of other comprehensive income are as follows:

Group	Before tax RM'000	Tax effect RM'000	After tax RM'000
2025			
Item that may be subsequently reclassified to profit or loss			
Foreign currency translation differences	(32)	-	(32)
2024			
Item that may be subsequently reclassified to profit or loss			
Foreign currency translation differences	5,545	-	5,545

13. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)	179,252	207,125
Weighted average number of ordinary shares in issue ('000)	447,073	447,073
Basic earnings per ordinary share (sen)	40.1	46.3

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13. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

Diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)	179,252	207,125
Weighted average number of ordinary shares in issue ('000)	447,073	447,073
Effects of dilution:		
- Warrants B 2025/2030 ('000)	12,847	-
Adjusted weighted average number of ordinary shares in issue ('000)	459,920	447,073
Diluted earnings per share (sen)	39.0	46.3

14. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Aircraft furniture, fixtures and fittings RM'000	Aircraft spares RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
2025				
Carrying amount				
At 1 January 2025	117	45,156	51	45,324
Additions	15,452	23,054	35	38,541
Depreciation charge for the financial year	(1,566)	(8,335)	(17)	(9,918)
At 31 December 2025	14,003	59,875	69	73,947
2024				
Carrying amount				
At 1 January 2024	1,101	34,102	92	35,295
Additions	64	18,514	38	18,616
Depreciation charge for the financial year	(1,048)	(7,460)	(79)	(8,587)
At 31 December 2024	117	45,156	51	45,324

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

The reconciliation of the cost and the accumulated depreciation at the beginning and end of the reporting period are as follows:

Group and Company	Aircraft engines, airframes and service potential RM'000	Aircraft furniture, fixtures and fittings RM'000	Aircraft spares RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
2025						
Cost	721	24,579	212,430	2,778	18,121	258,629
Accumulated depreciation	(721)	(10,576)	(152,555)	(2,778)	(18,052)	(184,682)
Carrying amount	-	14,003	59,875	-	69	73,947
2024						
Cost	721	9,127	189,376	2,778	18,086	220,088
Accumulated depreciation	(721)	(9,010)	(144,220)	(2,778)	(18,035)	(174,764)
Carrying amount	-	117	45,156	-	51	45,324

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 2 to 14 years. The obligations of the Group and of the Company under these leasing arrangements 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 year:

Group and Company	Aircraft and engines RM'000
At 1 January 2025	1,184,206
Addition	122,724
Remeasurement	(62,181)
Depreciation charge for the financial year	(211,308)
At 31 December 2025	1,033,441

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15. RIGHT-OF-USE ASSETS (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year: (continued)

Group and Company	Aircraft and engines RM'000
At 1 January 2024	1,306,448
Modification	60,453
Remeasurement	14,788
Depreciation charge for the financial year	(197,483)
At 31 December 2024	1,184,206

The following are the amounts recognised in profit or loss:

	Group and Company	
	2025 RM'000	2024 RM'000
Depreciation on right-of-use assets (included in depreciation)	211,308	197,483
Expense relating to short-term leases and leases of low-value assets (included in other operating expenses)	880	766
Interest expense on lease liabilities (included in finance cost) (Note 30)	89,970	99,062
Loss on modification and remeasurement (included in other operating expenses)	754	24,226
Total amount recognised in profit or loss	302,912	321,537

16. DEFERRED TAX ASSETS

	Group and Company	
	2025 RM'000	2024 RM'000
At 1 January	574,374	601,908
Recognised in profit or loss (Note 12)	(50,633)	(27,534)
At 31 December	523,741	574,374
Presented after appropriate offsetting as follows:		
Deferred tax assets	781,365	862,556
Deferred tax liabilities	(257,624)	(288,182)
	523,741	574,374

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16. DEFERRED TAX ASSETS (continued)

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 and of the Company:

	Unutilised tax losses, investment allowances and unabsorbed capital allowances	Sales in advance	Lease liabilities	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	310,747	139,921	339,350	72,538	862,556
Recognised in profit or loss	2,949	(28,667)	(63,223)	7,750	(81,191)
At 31 December 2025	313,696	111,254	276,127	80,288	781,365
At 1 January 2024	295,287	160,228	362,886	96,748	915,149
Recognised in profit or loss	15,460	(20,307)	(23,536)	(24,210)	(52,593)
At 31 December 2024	310,747	139,921	339,350	72,538	862,556

Deferred tax liabilities of the Group and of the Company:

	Property, plant and equipment	Right- of-use assets	Total
	RM'000	RM'000	RM'000
At 1 January 2025	(3,972)	(284,210)	(288,182)
Recognised in profit or loss	(5,625)	36,183	30,558
At 31 December 2025	(9,597)	(248,027)	(257,624)
At 1 January 2024	(27,608)	(285,633)	(313,241)
Recognised in profit or loss	23,636	1,423	25,059
At 31 December 2024	(3,972)	(284,210)	(288,182)

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16. DEFERRED TAX ASSETS (continued)

The availability of unutilised tax losses for offsetting against future taxable profits of the Group and of the Company in Malaysia are subject to guidelines issued by tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Unutilised tax losses of the Group and of the Company incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

Year of expiry of unutilised tax losses are analysed as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Expiring in 2031	559,619	559,619
Expiring in 2034	672,805	672,805
Expiring in 2035	48,298	-
	1,280,722	1,232,424

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Unquoted investments, at cost	4	4

The details of the subsidiaries are as follows:

Name	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
		%	%	
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

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17. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Held under AAX Aviation Capital Ltd				
AAX Leasing One Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Two Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Five Ltd ("AAXL5")**	Malaysia	-	100	Struck off
AAX Leasing Eight Ltd ("AAXL8")**	Malaysia	-	100	Struck off
AAX Leasing Eleven Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Twelve Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Fifteen Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Seventeen Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities
AAX Leasing Eighteen Ltd*	Malaysia	100	100	Provision of aircraft leasing facilities

* Not audited by BDO PLT or BDO Member Firms.

^ Struck off during the financial year.

During the financial year, AAXL5 and AAXL8, indirect subsidiaries of the Group, have been struck off pursuant to Section 151(5) of the Labuan Companies Act 1990 ("LCA 1990") and there was no material financial impact to the financial position and financial performance of the Group and of the Company.

18. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted investments, at cost	21,122	21,122	21,122	21,122
Share of post-acquisition losses	(21,122)	(21,122)	-	-
Accumulated impairment losses	-	-	(21,122)	(21,122)
	-	-	-	-

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18. INVESTMENT IN AN ASSOCIATE (continued)

Details of the associate are as follows:

Name	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2025 %	2024 %	
Thai AirAsia X Co., Ltd ("TAAX")	Thailand	49	49	Commercial air transport services

TAAX is an operator of commercial air transport services, which is based in Thailand. This associate is a strategic investment of the Group and forms an essential part of the growth strategy of the Group. 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	
	2025 RM'000	2024 RM'000
<u>Current:</u>		
Cash and cash equivalents	19,701	40,028
Other current assets	213,719	275,499
Total current assets	233,420	315,527
<u>Non-current:</u>		
Assets	1,287,166	1,183,255
<u>Current:</u>		
Financial liabilities	(1,121,554)	(985,076)
Other current liabilities	(22,082)	(8,859)
Total current liabilities	(1,143,636)	(993,935)
<u>Non-current:</u>		
Liabilities	(1,017,050)	(1,033,486)
Net liabilities	(640,100)	(528,639)

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18. INVESTMENT IN AN ASSOCIATE (continued)

Summarised statement of profit or loss and other comprehensive income

	TAAX	
	2025	2024
	RM'000	RM'000
Revenue	1,570,881	1,678,711
Gain arising from debt rehabilitation	-	24,255
Other income	14,923	33,570
Net foreign exchange gain	99,789	33,413
Other expenses	(1,745,587)	(1,645,807)
Finance income	2,371	2,382
Finance cost	(67,803)	(68,782)
(Loss)/Profit before tax	(125,426)	57,742
Taxation	3,152	3,055
(Loss)/Profit after tax	(122,274)	60,797
Other comprehensive loss	-	(15,861)
Total comprehensive (loss)/income	(122,274)	44,936

Reconciliation of summarised financial information

	TAAX	
	2025	2024
	RM'000	RM'000
Net liabilities at 1 January	(528,639)	(585,609)
Total comprehensive (loss)/income for the financial year	(122,274)	44,936
Foreign exchange differences	10,813	12,034
Net liabilities at 31 December	(640,100)	(528,639)
Cumulative unrecognised share of losses as at 1 January	(245,939)	(273,855)
Share of (loss)/profit for the financial year	(59,914)	22,019
Foreign exchange differences	5,298	5,897
Cumulative unrecognised share of losses as at 31 December	(300,555)	(245,939)

The Group has not recognised its share of results of TAAX during the financial year as the cumulative share of losses of the Group has exceeded its carrying amount of investment in TAAX. Accordingly, the Group has not recognised its share of TAAX's net loss for the financial year amounting to RM59,914,000.

In the previous financial year, although TAAX recorded a net profit of RM22,019,000, the share of profit of the Group was applied against previously unrecognised losses. Accordingly, no share of profit has been recognised in the profit or loss of the Group in the previous financial year.

As at 31 December 2025, the Group's cumulative unrecognised share of losses of TAAX amounted to RM300,555,000 (2024: RM245,939,000). The Group resumes recognising its share of profits when the cumulative unrecognised losses have been fully recovered.

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19. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unquoted investments, at cost	53,888	53,888	53,888	53,888
Share of post-acquisition losses	(53,888)	(53,888)	-	-
Accumulated impairment losses	-	-	(53,888)	(53,888)
	-	-	-	-

The details of the joint venture are as follows:

Name	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2025	2024	
		%	%	
PT Indonesia AirAsia Extra ("IAAX")*	Indonesia	49	49	Dormant

* Not audited by BDO PLT or BDO Member Firms.

IAAX is a private company for which there is no quoted market price available for its shares.

The contingent liabilities relating to the investment in IAAX of the Group are disclosed in Note 40 to the financial statements.

The unaudited financial statement of the associate has been used in applying the equity method of accounting. The use of the unaudited financial statements is not expected to have any significant effects on the consolidated financial statements of the Group.

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	
	2025	2024
	RM'000	RM'000
<u>Current:</u>		
Assets	2,580	2,956
<u>Non-current:</u>		
Assets	114,564	131,209
<u>Current:</u>		
Liabilities	(536,046)	(613,930)
<u>Non-current:</u>		
Liabilities	(6,110)	(6,998)
Net liabilities	(425,012)	(486,763)

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19. INVESTMENT IN A JOINT VENTURE (continued)

Set out below is the summarised financial information for the joint venture which is accounted for using the equity method: (continued)

Summarised statement of profit or loss and other comprehensive income

	IAAX	
	2025	2024
	RM'000	RM'000
Revenue	-	-
Cost of sales	-	-
Other operating expenses	-	-
Net foreign exchange gain	-	-
Profit after tax	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

Reconciliation of summarised financial information

	IAAX	
	2025	2024
	RM'000	RM'000
Net liabilities at 1 January	(486,763)	(495,329)
Foreign exchange differences	61,751	8,566
Net liabilities at 31 December	(425,012)	(486,763)
Cumulative unrecognised share of losses as at 1 January	(238,514)	(242,711)
Foreign exchange differences	30,258	4,197
Cumulative unrecognised share of losses as at 31 December	(208,256)	(238,514)

20. INVENTORIES

	Group and Company	
	2025	2024
	RM'000	RM'000
At cost		
Consumables and in-flight merchandise	12,856	8,693

Cost of inventories recognised as operating expense during the financial year amounted to RM27,475,000 (2024: RM19,061,000).

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21. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Deposits	(c)	368,252	427,743	368,252	427,743
Prepayments	(d)	241,034	309,037	241,034	309,037
Total non-current receivables		609,286	736,780	609,286	736,780
Current					
Trade receivables		37,924	30,670	37,924	30,670
Less: Allowance for expected credit losses		(1,249)	(1,249)	(1,249)	(1,249)
Trade receivables, net	(a)	36,675	29,421	36,675	29,421
Other receivables		306,764	388,762	306,654	387,234
Deposits	(c)	95,531	105,296	95,531	105,296
		402,295	494,058	402,185	492,530
Less: Allowance for expected credit losses					
- Other receivables		(286,064)	(381,665)	(286,064)	(381,665)
- Deposits		(6)	(1,931)	(6)	(1,931)
		(286,070)	(383,596)	(286,070)	(383,596)
	(b)	116,225	110,462	116,115	108,934
Prepayments	(d)	273,264	45,919	273,234	45,889
Other receivables, net		389,489	156,381	389,349	154,823
Total current receivables		426,164	185,802	426,024	184,244
Total trade and other receivables		1,035,450	922,582	1,035,310	921,024

(a) Trade receivables

- (i) The normal trade credit terms of the Group and of the Company ranged from 15 to 30 days (2024: 15 to 30 days). Trade receivables comprised mainly amounts due from travel agents and credit card merchants.

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31 December 2025

21. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

(ii) Credit risk

Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

	Gross carrying amount RM'000	Lifetime expected credit losses RM'000	Net balance RM'000
2025			
Collective assessment			
Current (not past due)	36,022	-*	36,022
Past due			
1 to 30 days past due	306	-*	306
31 to 60 days past due	168	-*	168
61 to 90 days past due	143	-*	143
More than 90 days past due	36	-*	36
	653	-*	653
Individual assessment	1,249	(1,249)	-
	37,924	(1,249)	36,675
2024			
Collective assessment			
Current (not past due)	28,597	-*	28,597
Past due			
31 to 60 days past due	94	-*	94
61 to 90 days past due	127	-*	127
More than 90 days past due	603	-*	603
	824	-*	824
Individual assessment	1,249	(1,249)	-
	30,670	(1,249)	29,421

* Expected credit losses are negligible.

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.

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

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31 December 2025

21. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

(ii) Credit risk (continued)

Movements on the allowance for expected credit losses of trade receivables are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
<u>Credit impaired</u>		
At 1 January/31 December	1,249	1,249

(b) Other receivables

(i) Other receivables of the Group and of the Company include sundry debtors and refunds of goods and service tax receivable from the authorities in various countries in which the Group and the Company operate.

(ii) Credit risk

Movements on the allowance for expected credit losses of other receivables are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
<u>Lifetime expected losses</u>		
At 1 January	381,665	396,477
Reversal of expected credit losses	(609)	(14,812)
Written off	(64,410)	-
Foreign exchange differences	(30,582)	-
At 31 December	286,064	381,665

(c) Deposits

(i) Deposits of the Group and of the Company at the reporting date are with a number of external parties, which include security deposits paid to lessors for leased aircraft, funds placed with lessors in respect of maintenance of leased aircraft and deposits for acquisition of aircraft.

(ii) Movements on the allowance for expected credit losses of deposits are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	1,931	1,991
Written off	(1,753)	-
Foreign exchange differences	(172)	(60)
At 31 December	6	1,931

Notes to the Financial Statements

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21. TRADE AND OTHER RECEIVABLES (continued)

(d) Prepayments

Prepayments include prepayments for maintenance of aircraft, advances made for purchases of fuel, lease of aircraft and maintenance of engines.

(e) The other classes within receivables do not contain impaired assets.

(f) 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.

(g) The currency profile of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	42,518	37,640	42,518	37,445
United States Dollar	449,526	511,983	449,526	510,454
Australian Dollar	361	1,932	251	1,932
Indian Rupee	1,808	2,550	1,808	2,550
Chinese Renminbi	16,084	10,018	16,084	10,018
Japanese Yen	10,818	1,910	10,818	1,910
Others	37	1,593	37	1,789
	521,152	567,626	521,042	566,098

22. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Non-current		
Amounts due from subsidiaries	29,506	29,146
Less: Allowance for expected credit losses	(369)	-
	29,137	29,146
Current		
Amounts due from subsidiaries	25,975	24,393
Less: Allowance for expected credit losses	(24,301)	(21,372)
	1,674	3,021
Total amounts due from subsidiaries	30,811	32,167

(a) Amounts due from subsidiaries represent advances and payments made on behalf, which are interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.

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22. AMOUNTS DUE FROM SUBSIDIARIES (continued)

(b) Movements on allowance for expected credit losses of amounts due from subsidiaries are as follows:

	Company	
	2025	2024
	RM'000	RM'000
At 1 January	(21,372)	(774,819)
Allowance for expected credit losses	(6,089)	(2,808)
Reversal of expected credit losses	918	-
Written off	-	755,160
Foreign exchange differences	1,873	1,095
At 31 December	(24,670)	(21,372)

(c) The amounts from subsidiaries are denominated in United States Dollar.

23. AMOUNT DUE FROM AN ASSOCIATE

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Amount due from an associate	23,239	26,208

(a) Amount due from an associate, TAAX, is unsecured, interest free and repayable over four (4) years in cash and cash equivalents. In the previous financial year, the Group had written off a sum of RM756 million in amount due from TAAX, following the finalisation of the debt claim process, in accordance with the terms of the debt rehabilitation plan detailed in Note 18 to the financial statements.

(b) Movements on allowance for expected credit losses of amount due from an associate are as follows:

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	-	(755,160)
Allowance for expected credit losses	-	(2,808)
Debt settlement and waiver of debts pursuant to the debt rehabilitation plan	-	756,873
Foreign exchange differences	-	1,095
At 31 December	-	-

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23. AMOUNT DUE FROM AN ASSOCIATE (continued)

(c) The currency profile of amount from an associate is as follows:

	Group	
	2025	2024
	RM'000	RM'000
United States Dollar	23,213	26,181
Australian Dollar	26	27
	23,239	26,208

24. AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Amounts due from related parties	658,715	421,720	658,715	421,013
Less: Allowance for expected credit losses	(795)	(114)	(795)	(114)
	657,920	421,606	657,920	420,899

(a) Amounts due from related parties represent advances and payments made on behalf, which are interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents except for an amount of RM376,605,000 (2024: RM266,284,000), which bears fixed interest at 15% (2024: 12%) per annum.

(b) Movements on allowance for expected credit losses of amounts due from related parties are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	(114)	(3,398)	(114)	(3,398)
Allowance for expected credit losses	(681)	-	(681)	-
Reversal of expected credit losses	-	3,284	-	3,284
At 31 December	(795)	(114)	(795)	(114)

(c) The currency profile of amounts from related parties are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	600,972	356,077	600,972	355,370
United States Dollar	56,948	65,529	56,948	65,529
At 31 December	657,920	421,606	657,920	420,899

(d) Sensitivity analysis of the effect of the changes in interest rate is not presented as fixed rate instruments are not affected by change in interest rates.

Notes to the Financial Statements

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25. DEPOSITS, CASH AND BANK BALANCES

For the purposes of the statements of cash flows, cash and cash equivalents include the following:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	55,613	162,575	55,183	162,163
Deposits with licensed banks	31,642	12,196	31,642	12,196
Total deposits, cash and bank balances	87,255	174,771	86,825	174,359
Less: Deposits with licensed banks with maturity period of more than three (3) months	(26,824)	(12,196)	(26,824)	(12,196)
As reported in statements of cash flows	60,431	162,575	60,001	162,163

(a) The currency profile of deposits, cash and bank balances are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	5,722	3,290	5,722	3,290
United States Dollar	36,274	60,083	36,274	60,083
Indian Rupee	20,701	24,919	20,701	24,919
Australian Dollar	9,273	14,869	8,843	14,457
Pakistani Rupee	3,439	-	3,439	-
Chinese Renminbi	2,425	66,576	2,425	66,576
Japanese Yen	1,713	1,007	1,713	1,007
Euro	642	350	642	350
Others	7,066	3,677	7,066	3,677
	87,255	174,771	86,825	174,359

(b) The weighted average effective interest rate of deposits of the Group and of the Company at the reporting date is 3.40% (2024: 2.70%) per annum.

(c) No expected credit losses were recognised arising from the deposits with licensed banks and bank balances because of the probability of default by these financial institutions were negligible.

(d) Information on financial risks of deposits, cash and bank balances are disclosed in Note 37 to the financial statements.

Notes to the Financial Statements

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26. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Current		
Amounts due to subsidiaries	14,099	6,040

- (a) Amounts due to subsidiaries represent advances and payments made on behalf of the Company by the subsidiaries, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (b) The currency profile of amounts due to subsidiaries are as follows:

	Company	
	2025	2024
	RM'000	RM'000
United States Dollar	14,099	5,998
Others	-	42
	14,099	6,040

- (c) Information on financial risks of amounts due to subsidiaries are disclosed in Note 37 to the financial statements.

27. AMOUNT DUE TO AN ASSOCIATE

	Group and Company	
	2025	2024
	RM'000	RM'000
Current		
Amount due to an associate	3,992	19,128

- (a) Amount due to an associate, TAAX, represent advances, which are interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (b) The amount due to an associate is denominated in United States Dollar.
- (c) Information on financial risks of amount due to an associate are disclosed in Note 37 to the financial statements.

Notes to the Financial Statements

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28. AMOUNTS DUE TO RELATED PARTIES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Amounts due to related parties	193,404	115,371	192,367	115,371

(a) Amounts due to related parties represent balances arising from trade transactions, advances and payments made on behalf, which are interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.

(b) The currency profile of amounts due to related parties are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	111,372	71,596	111,372	71,596
United States Dollar	79,106	40,612	79,106	40,612
Chinese Renminbi	1,889	3,163	1,889	3,163
Australian Dollar	1,037	-	-	-
	193,404	115,371	192,367	115,371

(c) Information on financial risks of amounts due to related parties are disclosed in Note 37 to the financial statements.

29. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Non-current					
Other payables and accruals		-	2,632	-	2,228
Current					
Trade payables	(a)	53,027	21,541	53,027	21,541
Other payables and accruals	(b)	339,256	311,900	325,098	301,484
		392,283	333,441	378,125	323,025
Total trade and other payables		392,283	336,073	378,125	325,253

(a) Trade payables

The credit term of trade payables granted to the Group and the Company is 7 to 30 days (2024: 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.

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29. TRADE AND OTHER PAYABLES (continued)

(c) The currency profile of trade and other payables are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	306,040	180,278	306,040	178,224
United States Dollar	86,243	155,795	72,085	147,029
	392,283	336,073	378,125	325,253

(d) Information on financial risks of trade and other payables are disclosed in Note 37 to the financial statements.

30. LEASE LIABILITIES

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current	966,414	1,222,711
Current	184,117	191,248
Total lease liabilities owing to non-financial institutions	1,150,531	1,413,959

	Group and Company	
	2025	2024
	%	%
Weighted average incremental borrowing rate	6.58	6.60

(a) Lease liabilities pertain to operating leases for aircraft and engines, as disclosed in Note 15 to the financial statements.

(b) The lease liabilities are repayable as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Not later than one (1) year	184,117	191,248
Later than one (1) year and not later than five (5) years	649,468	772,284
Later than five (5) years	316,946	450,427
	1,150,531	1,413,959

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30. LEASE LIABILITIES (continued)

(c) Analysis on the maturity profile of lease liabilities is disclosed in Note 37(c) to the financial statements.

(d) The movement of lease liabilities during the financial year is as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	1,413,959	1,512,025
Addition	122,724	-
Modification	-	77,364
Remeasurement	(61,427)	22,103
Accretion of interest (Note 11)	89,970	99,062
Lease payments	(281,117)	(261,795)
Foreign exchange differences	(133,578)	(34,800)
At 31 December	1,150,531	1,413,959

(e) Lease liabilities are denominated in United States Dollar.

(f) Sensitivity analysis of the effect of the changes in interest rate is not presented as fixed rate instruments are not affected by change in interest rates.

(g) Total cash outflows for leases are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Included in net cash used in operating activity:		
Payment relating to short-term leases and leases of low-value assets	9,049	28,866
Included in net cash used in financing activity:		
Payment of lease liabilities	281,117	261,795
Total cash outflows for leases	290,166	290,661

31. PROVISION FOR AIRCRAFT MAINTENANCE

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current	535,722	434,827
Current	196,031	103,497
	731,753	538,324

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31. PROVISION FOR AIRCRAFT MAINTENANCE (continued)

The movements in the provision for aircraft maintenance are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	538,324	389,521
Provision during the financial year	353,835	259,055
Reversal of provision for aircraft maintenance	(98,760)	(100,558)
Impact of discounting of provision	7,138	5,963
Foreign exchange differences	(68,784)	(15,657)
At 31 December	731,753	538,324

32. PROVISION FOR PROFIT-SHARING

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current	-	14,000
Current	5,753	10,000
	5,753	24,000

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 creditors 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 amount payable to scheme creditors, if any, shall be determined based on the actual EBITDAR achieved for the applicable financial year and shall be settled not later than six (6) months after the end of that applicable financial year, subject to the EBITDAR exceeding the prescribed threshold.

The movements in the provision for profit-sharing are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	24,000	46,000
Reversal of provision for profit-sharing	(14,655)	(22,000)
Payments	(3,592)	-
At 31 December	5,753	24,000

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33. SALES IN ADVANCE

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current	-	39,253
Current	463,560	543,751
	463,560	583,004

(a) The movements in the sales in advance are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 January	583,004	667,616
Revenue recognised during the financial year	(3,117,050)	(3,035,063)
Net cash received in advance	2,997,606	2,950,451
At 31 December	463,560	583,004

(b) The following table shows revenue from performance obligations that is unsatisfied at the reporting date:

	Group and Company	
	2025	2024
	RM'000	RM'000
Revenue is expected to be recognised from contracts with customers:		
Within one (1) year	463,560	543,751
Between one (1) to five (5) years	-	39,253
	463,560	583,004

34. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2025	2024	2025	2024
	'000	'000	RM'000	RM'000
Issued and fully paid up:				
Ordinary shares with no par value	447,073	447,073	51,029	51,029

(a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

Notes to the Financial Statements

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34. SHARE CAPITAL (continued)

- (b) During the financial year ended 31 December 2025, the Company issued 223,535,280 free Warrants B 2025/2030 ("Warrants") on the basis of one (1) warrant for every two (2) ordinary shares held by the entitled shareholders as at 18 December 2025. The Warrants were issued on 24 December 2025 and listed on the Main Market of Bursa Malaysia Securities Berhad on 31 December 2025.

Each Warrant entitles the holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.64 per share at any time during the exercise period commencing from 24 December 2025 to 23 December 2030 ("Exercise Period"), subject to any adjustments in accordance with the provisions of the deed poll dated 4 December 2025. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

No Warrants were exercised during the financial year and the number of Warrants that remain unexercised at the end of the financial year comprises 223,535,280 Warrants.

35. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Property, plant and equipment approved and contracted for:		
- within one (1) year	1,296,234	842,804
- later than one (1) year and not later than five (5) years	2,205,801	3,023,359
	3,502,035	3,866,163

The approved and contracted capital commitments for the Group and the Company are in respect of aircraft purchase.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Group has related party relationships with its subsidiaries, an associate and a joint venture as disclosed in Notes 17, 18 and 19 to the financial statements, and companies in which certain Directors have substantial direct/indirect shareholding interests.

All related party transactions were carried out on agreed terms and conditions between the parties.

Information regarding the outstanding balances arising from related party transactions as at 31 December 2025 and 31 December 2024 are disclosed in Notes 22, 23, 24, 26, 27 and 28 to the financial statements.

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36. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant related parties transactions

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<i>Transactions with companies which certain Directors are common Directors and/or have direct or deemed interests</i>				
(i) Income:				
Commission on travel insurance for passengers charged to Tune Insurance Malaysia Berhad	3,718	1,998	3,718	1,998
Interest income on amount due from AirAsia Berhad	56,491	31,954	56,491	31,954
Sale of cargo transportation to Teleport Everywhere Pte. Ltd.	173,350	210,795	173,350	210,795
(ii) Recharges:				
Recharges of expenses to:				
- Philippines AirAsia, Inc.	1,642	881	1,642	881
- Thai AirAsia Co., Ltd.	1,185	377	1,185	377
- PT Indonesia AirAsia	1,349	829	1,349	829
- Ground Team Red Sdn. Bhd.	125	717	125	717
Recharges of expenses by:				
- AirAsia Berhad	(19,193)	(18,964)	(19,193)	(18,964)
- AirAsia (Guangzhou) Aviation Service Limited Company	(78)	(16)	(78)	(16)
- AirAsia SEA Sdn. Bhd.	(2,182)	(746)	(2,182)	(746)

Notes to the Financial Statements

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36. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant related parties transactions (continued)

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year: (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Transactions with companies which certain Directors are common Directors and/or have direct or deemed interests (continued)</i>				
(iii) Other charges: (continued)				
Shared service management fee charged by AirAsia SEA Sdn. Bhd.	(7,305)	(3,942)	(7,305)	(3,942)
Provision of food catering services charged by Ormond Lifestyle Services Sdn. Bhd.	(841)	(989)	(841)	(989)
Inflight food, merchandise, duty free and services charged by Santan Food Services Sdn. Bhd.	(22,888)	(25,449)	(22,888)	(25,449)
Line maintenance services charged by Asia Digital Engineering Sdn. Bhd.	(26,411)	(27,490)	(26,411)	(27,490)
Ground handling services charged by Ground Team Red Sdn. Bhd.	(26,248)	(26,699)	(26,248)	(26,699)
Turnaround charges charged by AirAsia (Guangzhou) Aviation Service Limited Company	(4,361)	(4,772)	(4,361)	(4,772)
Premium collected on travel insurance for passengers paid to Tune Insurance Malaysia Berhad	(12,493)	(7,691)	(12,493)	(7,691)

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36. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant related parties transactions (continued)

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year: (continued)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<i>Transactions with companies which certain Directors are common Directors and/or have direct or deemed interests (continued)</i>				
(iii) Other charges: (continued)				
Brand license fee charged by Brand AA Sdn. Bhd.	(15,761)	(15,300)	(15,761)	(15,300)
Aircraft leasing services charged by Asia Aviation Capital Limited	(25,124)	(23,912)	(25,124)	(23,912)
<i>Transactions with an associate</i>				
(i) Recharges:				
Recharges of expenses to:				
- Thai AirAsia X Co., Ltd.	2,948	3,137	2,948	3,137

(c) Compensation of key management personnel

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 of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Basic salaries, bonus and allowances	2,093	1,852	2,093	1,852
Defined contribution plan	251	222	251	222
	2,344	2,074	2,344	2,074

Notes to the Financial Statements

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37. FINANCIAL RISK MANAGEMENT POLICIES

The financial risk management policies of the Group and of the Company seek to ensure that adequate financial resources are available for the development of the businesses of the Group and of the Company whilst managing their market risk (including 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 activities of the Group and of the Company.

The Group and the Company also seek to ensure that the financial resources that are available for the development of the businesses of the Group and of the Company 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 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"), Japanese Yen ("JPY") and Pakistan Rupee ("PKR"). 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 2025, if RM had weakened/strengthened by 10% (2024: 5%) against the respective functional currencies of the Group entities, with all other variables held constant, the impact on the post-tax profit and equity for the financial year are tabulated below:

Group and Company	2025		2024	
	+10% RM'000	-10% RM'000	+5% RM'000	-5% RM'000
Impact on profit after tax and equity				
USD/RM	(57,297)	57,297	(36,697)	36,697
AUD/RM	655	(655)	639	(639)
INR/RM	1,711	(1,711)	1,044	(1,044)
RMB/RM	1,263	(1,263)	2,790	(2,790)
JPY/RM	952	(952)	111	(111)

The exposure to other foreign currencies' risk of the Group and of the Company is not material and hence, sensitivity analysis is not presented.

Notes to the Financial Statements

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37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

The policies in respect of the major areas of treasury activities are as follows: (continued)

(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 receivables of the Group and of the Company from customers and cash and cash equivalents.

The exposure of the Group and of the Company 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 deposits and bank balances of the Group and of the Company are placed with major financial institutions. 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. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

As at the reporting date, the significant concentration of credit risk of the Group and of the Company comprised predominantly from the amount due from a related party, AirAsia Berhad, for unremitted sales in advance collection.

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits, cash and bank balances				
AAA to A-	86,980	174,196	86,550	173,784
BBB to BBB-	74	375	74	375
	87,054	174,571	86,624	174,159
Cash on hand	201	200	201	200
Total deposits, cash and bank balances (Note 25)	87,255	174,771	86,825	174,359

All receivables are substantially with existing counterparties.

Notes to the Financial Statements

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37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

The policies in respect of the major areas of treasury activities are as follows: (continued)

(c) Liquidity and cash flow risk

It is the policy of the Group and of the Company to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate for the operations of the Group and of the Company.

Subsequent to the reporting date, the Company acquired AirAsia Aviation Group Limited ("AAAGL") and AirAsia Berhad ("AAB") as disclosed in Note 41 to the financial statements. Therefore, management has assessed the liquidity position of the Enlarged Aviation Group (collectively, the Group, AAAGL and its subsidiaries, and AAB and its subsidiaries) on an aggregate basis as at 31 December 2025. For the financial year ending 31 December 2026, the Enlarged Aviation Group expects to monitor its liquidity position, supported by:

- (i) cash flows generated from operations arising from ongoing cost optimisation initiatives and revisions to fare pricing; and
- (ii) the availability of external funding arrangements.

Based on these factors, management has performed a review of the cash flows forecasts of the Enlarged Aviation Group for the ensuing twelve (12) months to assess the ability of the Enlarged Aviation Group to meet its obligations as and when they fall due.

The table below analyses the financial liabilities of the Group and of the Company 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.

Group	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
At 31 December 2025				
Lease liabilities	254,066	816,818	348,805	1,419,689
Trade and other payables	392,283	-	-	392,283
Amount due to an associate	3,992	-	-	3,992
Amounts due to related parties	193,404	-	-	193,404
	843,745	816,818	348,805	2,009,368
At 31 December 2024				
Lease liabilities	279,141	992,517	508,271	1,779,929
Trade and other payables	333,441	2,632	-	336,073
Amount due to an associate	19,128	-	-	19,128
Amounts due to related parties	115,371	-	-	115,371
	747,081	995,149	508,271	2,250,501

Notes to the Financial Statements

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37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

The policies in respect of the major areas of treasury activities are as follows: (continued)

(c) Liquidity and cash flow risk (continued)

The table below analyses the financial liabilities of the Group and of the Company 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. (continued)

Company	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
At 31 December 2025				
Lease liabilities	254,066	816,818	348,805	1,419,689
Trade and other payables	378,125	-	-	378,125
Amounts due to subsidiaries	14,099	-	-	14,099
Amount due to an associate	3,992	-	-	3,992
Amounts due to related parties	192,367	-	-	192,367
	842,649	816,818	348,805	2,008,272
At 31 December 2024				
Lease liabilities	279,141	992,517	508,271	1,779,929
Trade and other payables	323,025	2,228	-	325,253
Amounts due to subsidiaries	6,040	-	-	6,040
Amount due to an associate	19,128	-	-	19,128
Amounts due to related parties	115,371	-	-	115,371
	742,705	994,745	508,271	2,245,721

(d) Capital risk management

The objectives of the Group and of the Company when managing capital are to safeguard the ability of the Group and of the Company 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.

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 lease liabilities (including "current and non-current lease liabilities" as shown in the financial position of the Group and of the Company) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the financial position of the Group and of the Company plus net debt.

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37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

The policies in respect of the major areas of treasury activities are as follows: (continued)

(d) Capital risk management (continued)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares, if any) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2025 and 31 December 2024.

The Group is not subject to any other externally imposed capital requirements.

The gearing ratio as at 31 December 2025 and 31 December 2024 were as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Lease liabilities (Note 30)	1,150,531	1,413,959	1,150,531	1,413,959
Less: Cash and cash equivalents (Note 25)	(87,255)	(174,771)	(86,825)	(174,359)
Net debt	1,063,276	1,239,188	1,063,706	1,239,600
Total equity attributable to owners of the Company	508,065	328,845	516,167	336,911
Total capital	1,571,341	1,568,033	1,579,873	1,576,511
Gearing ratio	0.68	0.79	0.67	0.79

(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 financial instruments of the Group and of the Company are measured in the financial position at fair value. Disclosure of fair value measurements are disclosed in Note 2.13 to the financial statements.

The fair values of the long-term amounts due from an associate of the Group, and the long-term amounts due from subsidiaries of the Company, 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.

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38. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	2025	
	Group RM'000	Company RM'000
Financial assets		
<i>Amortised cost</i>		
Trade and other receivables excluding prepayments	521,152	521,042
Amounts due from subsidiaries	-	30,811
Amount due from an associate	23,239	-
Amounts due from related parties	657,920	657,920
Deposits, cash and bank balances	87,255	86,825
	1,289,566	1,296,598
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	392,283	378,125
Amounts due to subsidiaries	-	14,099
Amount due to an associate	3,992	3,992
Amounts due to related parties	193,404	192,367
	589,679	588,583
	2024	
	Group RM'000	Company RM'000
Financial assets		
<i>Amortised cost</i>		
Trade and other receivables excluding prepayments	567,626	566,098
Amounts due from subsidiaries	-	32,167
Amount due from an associate	26,208	-
Amounts due from related parties	421,606	420,899
Deposits, cash and bank balances	174,771	174,359
	1,190,211	1,193,523
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	336,073	325,253
Amounts due to subsidiaries	-	6,040
Amount due to an associate	19,128	19,128
Amounts due to related parties	115,371	115,371
	470,572	465,792

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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 CEO who is identified as the chief operating decision maker.

The Group 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 CEO assesses the performance of the operating segments based on revenue and net operating profit.

The operations of the Group by geographical segments are as follows:

	Malaysia RM'000	Thailand RM'000	Elimination adjustments RM'000	Total RM'000
2025				
Segment results				
Revenue	3,351,340	1,570,881	-	4,922,221
Operating expenses				
- Staff costs	(298,596)	(174,845)	-	(473,441)
- Depreciation	(221,226)	(155,045)	-	(376,271)
- Aircraft fuel expenses	(1,385,937)	(612,510)	-	(1,998,447)
- Maintenance and overhaul	(716,967)	(390,342)	-	(1,107,309)
- User charges	(387,185)	(332,692)	-	(719,877)
- Aircraft operating lease expenses	(8,169)	-	-	(8,169)
- Other operating expenses	(253,758)	(86,337)	-	(340,095)
Other income	21,683	14,923	-	36,606
Net (losses)/gains on impairment of financial assets	(72)	6,184	-	6,112
Operating profit/(loss)	101,113	(159,783)	-	(58,670)
Finance income	57,772	2,371	-	60,143
Finance costs	(97,108)	(67,803)	-	(164,911)
Net operating profit/(loss)	61,777	(225,215)	-	(163,438)
Net foreign exchange gain	167,257	99,789	-	267,046
Profit/(Loss) before taxation	229,034	(125,426)	-	103,608
Taxation	(49,782)	3,152	-	(46,630)
Profit/(Loss) after taxation	179,252	(122,274)	-	56,978
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	179,252	(122,274)	-	56,978

Notes to the Financial Statements

31 December 2025

39. SEGMENTAL INFORMATION (continued)

The operations of the Group by geographical segments are as follows: (continued)

	Malaysia RM'000	Thailand RM'000	Elimination adjustments RM'000	Total RM'000
2024				
Segment results				
Revenue	3,261,520	1,678,711	-	4,940,231
Gain arising from debt rehabilitation	-	24,255	-	24,255
Operating expenses				
- Staff costs	(277,974)	(151,028)	-	(429,002)
- Depreciation	(206,070)	(121,141)	-	(327,211)
- Aircraft fuel expenses	(1,512,315)	(645,222)	-	(2,157,537)
- Maintenance and overhaul	(537,284)	(354,106)	-	(891,390)
- User charges	(324,841)	(288,714)	-	(613,555)
- Aircraft operating lease expenses	(28,100)	-	-	(28,100)
- Other operating expenses	(196,590)	(47,960)	-	(244,550)
Other income	82,087	33,570	-	115,657
Net gains/(losses) on impairment of financial assets	15,288	(37,636)	-	(22,348)
Operating profit	275,721	90,729	-	366,450
Finance income	34,038	2,382	-	36,420
Finance costs	(105,025)	(68,782)	-	(173,807)
Net operating profit	204,734	24,329	-	229,063
Net foreign exchange gain	29,781	33,413	-	63,194
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

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39. SEGMENTAL INFORMATION (continued)

The operations of the Group by geographical segments are as follows: (continued)

	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	Elimination adjustments RM'000	Total RM'000
2025					
Segment assets					
Non-current assets [^]	2,263,654	1,287,166	114,564	-	3,665,384
Current assets	1,185,687	233,420	2,580	-	1,421,687
	3,449,341	1,520,586	117,144	-	5,087,071
Segment liabilities					
Non-current liabilities	(1,502,136)	(1,017,050)	(6,110)	-	(2,525,296)
Current liabilities	(1,439,140)	(1,143,636)	(536,046)	-	(3,118,822)
	(2,941,276)	(2,160,686)	(542,156)	-	(5,644,118)
2024					
Segment assets					
Non-current assets [^]	2,566,892	1,183,255	131,209	-	3,881,356
Current assets	791,812	315,527	2,956	-	1,110,295
	3,358,704	1,498,782	134,165	-	4,991,651
Segment liabilities					
Non-current liabilities	(1,713,423)	(1,033,486)	(6,998)	-	(2,753,907)
Current liabilities	(1,316,436)	(993,935)	(613,930)	-	(2,924,301)
	(3,029,859)	(2,027,421)	(620,928)	-	(5,678,208)

Notes to the Financial Statements

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39. SEGMENTAL INFORMATION (continued)

The operations of the Group by geographical segments are as follows: (continued)

	Malaysia RM'000	Thailand RM'000	Elimination adjustments RM'000	Total RM'000
2025				
Other material non cash income/ (expenses)				
Reversal of provision for profit-sharing	14,655	-	-	14,655
Net provision for aircraft maintenance	(255,075)	-	-	(255,075)
Amortisation of deposits for aircraft maintenance	-	(1,985)	-	(1,985)
Loss on lease remeasurement and modification	(754)	(34)	-	(788)
Net loss of discounting effect on financial instruments	(7,138)	-	-	(7,138)
Net unrealised foreign exchange gain	174,801	80,574	-	255,375
2024				
Other material non cash income/ (expenses)				
Reversal of provision for profit-sharing	22,000	-	-	22,000
Net provision for aircraft maintenance	(158,497)	-	-	(158,497)
Amortisation of deposits for aircraft maintenance	-	(2,194)	-	(2,194)
Loss on lease remeasurement and modification	(24,226)	(2,008)	-	(26,234)
Net loss of discounting effect on financial instruments	(5,963)	-	-	(5,963)
Net unrealised foreign exchange gain	17,134	19,268	-	36,402

^ Excluding investments in an associate and a joint venture.

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39. SEGMENTAL INFORMATION (continued)

	2025 RM'000	2024 RM'000
(a) Reconciliation of segment revenue to reported revenue:		
Segment revenue	4,922,221	4,940,231
Less: Revenue from an associate and a joint venture which were not consolidated	(1,570,881)	(1,678,711)
	3,351,340	3,261,520
(b) Reconciliation of segment profit/(loss) before taxation to reported profit before taxation:		
Segment profit before taxation	103,608	292,257
Add/(Less): Loss/(Profit) from an associate and a joint venture which were not consolidated	125,426	(57,742)
	229,034	234,515
(c) Reconciliation of segment assets to reported total assets:		
Segment assets	5,087,071	4,991,651
Less: Assets of an associate and a joint venture which were not consolidated	(1,637,730)	(1,632,947)
	3,449,341	3,358,704
(d) Reconciliation of segment liabilities to reported total liabilities:		
Segment liabilities	(5,644,118)	(5,678,208)
Add: Liabilities of an associate and a joint venture which were not consolidated	2,702,842	2,648,349
	(2,941,276)	(3,029,859)
(e) There are no major customers with revenue equal to or more than ten per centum (10%) of the revenue of the Group.		

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.

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40. CONTINGENT LIABILITIES (continued)

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 RM125.4 million, based on its equity interest in IAAX. To date, IAAX makes no admission of liability and continues to contest the validity of the claim.

The Directors of the Company, based on legal opinions provided by the external counsel of the Company, 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. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) Subsequent to the financial year ended 31 December 2025, the Company completed the acquisition of 100% equity interest in AirAsia Berhad ("AAB") and AirAsia Aviation Group Limited ("AAAGL") from Capital A Berhad ("Capital A") (the "Acquisitions"). The Group, AAAGL and its subsidiaries, and AAB and its subsidiaries are collectively known as the Enlarged Aviation Group.

The Acquisitions were settled through:

- (i) the allotment and issuance of 2,307,692,307 new ordinary shares in the Company ("Consideration Shares") to Capital A and its entitled shareholders; and
- (ii) the Company's assumption of RM3.8 billion previously owed by Capital A to AAB.

Concurrently, the Company undertook a private placement and allotted and issued 606,060,606 new ordinary shares ("Placement Shares") to independent third-party investors. The private placement raised gross proceeds of RM1.0 billion at an issue price of RM1.65 per share, and was reported as fully subscribed. The Consideration Shares and Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 19 January 2026.

As the Acquisitions were completed after the reporting date, the financial statements for the financial year ended 31 December 2025 did not include the financial results, assets and liabilities of AAB and AAAGL. The Acquisitions will be reflected in the financial statements for the financial year ending 31 December 2026.

- (b) The ongoing geopolitical tensions in the West Asia have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements.

The Group has assessed these developments and considers the conflict as a non-adjusting event after the reporting period. The potential financial effects, including increased operating costs from fuel price movements cannot be reliably estimated at this stage, as the situation remains fluid and rapidly evolving. The Group continues to monitor these developments and has begun implementing operational and pricing adjustments, including fare revisions and fuel surcharges where appropriate, to minimise any potential impact.

Statement by Directors

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 193 to 263 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 2025 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.

.....
Dato' Fam Lee Ee
Director

Kuala Lumpur, Malaysia
24 April 2026

.....
Dato' Abdul Mutalib bin Alias
Director

Statutory Declaration

I, Lavinia Louis (CA 47118), 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 193 to 263 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 24 April 2026.

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 2025 of the Group and of the Company, and the statements of profit or loss, statements of 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 193 to 263.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards 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 ("ISAs"). 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 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 Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities 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 financial year. 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.

(a) Revenue recognition from scheduled flights, ancillary services and sales in advance

For the financial year ended 31 December 2025, revenue from scheduled flights and ancillary services accounted for the largest share of the business operation of the Group and of the Company. 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.

The flight reservation system is managed by third party vendor.

The accounting for scheduled flights and ancillary services is susceptible to management override of controls through the recording of manual journals in the accounting records or the override of IT systems to accelerate revenue recognition.

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.

The notes relating to scheduled flights and ancillary services are disclosed in Notes 2.17 and 4 to the financial statements.

Independent Auditors' Report

To The Members of Airasia X Berhad
(Incorporated In Malaysia)

Key Audit Matters (continued)

(a) Revenue recognition from scheduled flights, ancillary services and sales in advance (continued)

Our audit procedures included the following:

- (i) Obtained an understanding of, and evaluated, the information technology systems of the Group and key controls supporting revenue recognition from passenger seat sales, ancillary services and sales in advance, including the interfaces between the flight reservation system, revenue accounting systems and the general ledger;
- (ii) Where components of the flight reservation system are managed by third party service providers, assessed the relevant external assurance reports and evaluated the design and operating effectiveness of the controls over those systems;
- (iii) Involved information technology specialists to test the design and operating effectiveness of key automated controls within the revenue related systems, including controls over access, system configurations, and automated revenue recognition logic;
- (iv) Tested relevant non automated controls over revenue recognition to ensure the completeness and accuracy of revenue recognised;
- (v) Performed data analytics to reconcile passenger seat sales revenue recognised during the financial year with movements in sales in advance and payments received from passengers;
- (vi) Tested on a sample basis, to corroborate the occurrence of revenue by tracing revenue recognised to supporting evidence such as settlement reports from financial institutions;
- (vii) Tested the reconciliation between the flight reservation system and the general ledger to assess the completeness and accuracy of revenue recorded; and
- (viii) Performed procedures to verify that revenue from passenger seat sales and ancillary services was recognised in the appropriate accounting period by testing flights operated before and after financial year end.

(b) Provision for aircraft maintenance

As of 31 December 2025, the Group and the Company operate aircraft under lease arrangements with lessors. In respect of these 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. As disclosed in Note 31 to the financial statements, a provision of RM731.8 million was recorded by the Group and the Company as at 31 December 2025.

The provision is calculated using a number of assumptions, requiring significant judgement, including the:

- (i) past and expected future utilisation and maintenance patterns of the aircraft and engines;
- (ii) expected cost of the maintenance at the time it is estimated to occur; and
- (iii) discount rate applied to calculate the present value of the future liability.

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.

The notes relating to provision for aircraft maintenance are disclosed in Notes 2.10, 3(ii) and 31 to the financial statements.

Independent Auditors' Report

To The Members of Airasia X Berhad
(Incorporated In Malaysia)

Key Audit Matters (continued)

(b) Provision for aircraft maintenance (continued)

Our audit procedures included the following:

- (i) Obtained 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;
- (ii) 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;
- (iii) 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
- (iv) Performed recalculation of the aircraft maintenance costs provision based on the key assumptions adopted by management.

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 information included in 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 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 MFRSs, IFRS Accounting Standards, 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 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 ability of the Group and of the Company 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.

Independent Auditors' Report

To The Members of Airasia X Berhad
(Incorporated In Malaysia)

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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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.
- (e) 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.
- (f) 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.

Independent Auditors' Report

To The Members of Airasia X Berhad
(Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 Group and of the Company for the current year 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.

Other Matters

- (a) The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were audited by another firm of chartered accountants, whose report dated 30 April 2025 expressed an unqualified opinion on those statements.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
24 April 2026

Rejeesh A/L Balasubramaniam
02895/08/2026 J
Chartered Accountant

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025	2024
Total Income		RM'000	RM'000
Revenue		3,351,340	3,261,520
Other income		21,683	82,087
Finance income		57,772	34,038
Share of results of an associate		-	-
Share of results of a joint venture		-	-
Others (please specify in the remarks column)	Net foreign exchange gain	167,257	29,781
Others (please specify in the remarks column)	Net gains on impairment of financial assets	-	15,288
Total		3,598,052	3,422,714
Total Assets		3,449,341	3,358,704

(b) Business Activities

	Group	
	2025	2024
Shariah Non-Compliant Activities	RM'000	RM'000
Liquor and liquor-related activities	2,279	3,492
Total	2,279	3,492

(c) Component of Financial Position

	Group	
	2025	2024
Conventional Account/Instruments	RM'000	RM'000
Cash at bank (exclude cash in hand)	55,412	162,375
Deposits with licensed bank	31,642	12,196
Total	87,054	174,571

AIRASIA X BERHAD

(Registration No.: 200601014410) (734161-K)

("the Company")

Incorporated in Malaysia

FORM OF PROXY

I/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 Nineteenth ("19th") Annual General Meeting ("AGM") of the Company to be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, KL International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan, Malaysia on Thursday, 25 June 2026 at 10.30 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of the 19th 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 the Non-Executive Directors of the Company as set out in the explanatory note for the period from 26 June 2026 until the next AGM of the Company to be held in the year 2027.		
Ordinary Resolution 2	Re-election of Dato' Sri Mohammed Shazalli bin Ramly 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 Dato' Abdul Mutalib bin Alias as a Director of the Company, who retires by rotation pursuant to Rule 119 of the Company's Constitution.		
Ordinary Resolution 4	Re-election of Tan Sri (Dr.) Jamaludin bin Ibrahim as a Director of the Company, who retires pursuant to Rule 124 of the Company's Constitution.		
Ordinary Resolution 5	Re-appointment of BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.		
Special Business			
Ordinary Resolution 6	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 7	Proposed renewal of existing shareholders' mandate and new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Special Resolution	Proposed change of name from "AirAsia X Berhad" to "AirAsia Group Berhad".		

(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 Members(s)

Notes to Form of Proxy

1. A member must be registered in the Record of Depositors at 5.00 p.m. on 15 June 2026 ("**General Meeting Record of Depositors**") in order to attend and vote at the 19th AGM. A depositor shall not be regarded as a member entitled to attend the 19th 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 19th 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 19th 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 19th 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 19th 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 Vistra Share Registry and IPO (MY) portal ("**the Portal**") at <https://smy.vistra.com>. Kindly refer to the Administrative Details for the procedures on electronic lodgement of Form of Proxy via the Portal.

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Stamp

Group 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

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 the Form of Proxy, whether in hard copy form or by electronic means, is **Tuesday, 23 June 2026 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 19th 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 19th 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 19th AGM dated 30 April 2026.



AIRASIA X BERHAD

(Registration No. 200601014410) (734161-K)

RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur
64000 KLIA, Selangor Darul Ehsan, Malaysia

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