

AIRASIA X GROUP NETWORK

via Malaysia (as at 31 March 2017)

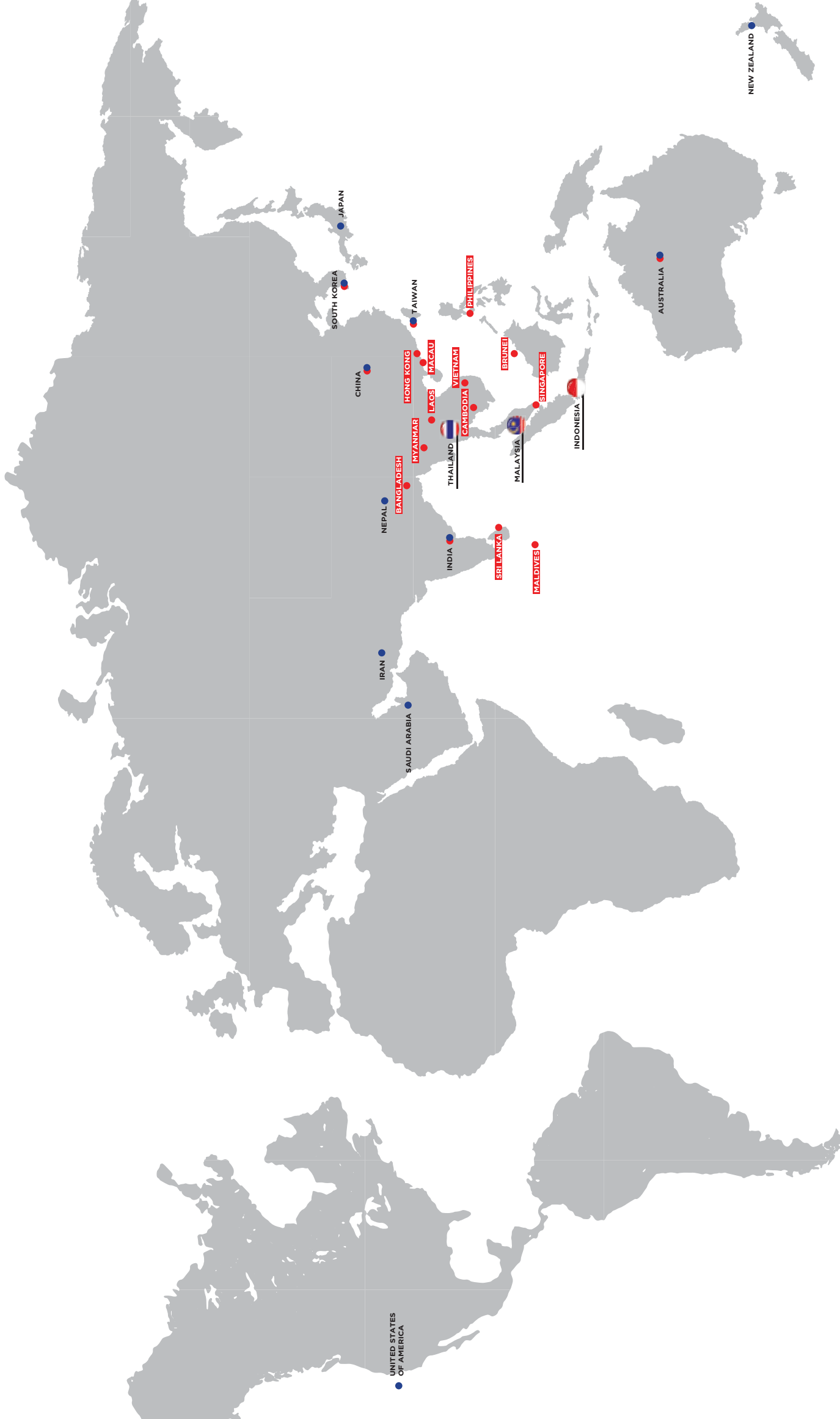
AIRASIA X ROUTES

- MALAYSIA
- AUSTRALIA
- NEW ZEALAND
- JAPAN
- TAIWAN
- SOUTH KOREA
- CHINA
- NEPAL
- INDIA
- SAUDI ARABIA
- IRAN
- UNITED STATES OF AMERICA
- THAILAND
- INDONESIA

AIRASIA ROUTES

- MALAYSIA
- INDONESIA
- SINGAPORE
- THAILAND
- BRUNEI
- PHILIPPINES
- CAMBODIA
- VIETNAM
- TAIWAN
- HONG KONG
- CHINA
- LAOS
- MYANMAR
- BANGLADESH
- INDIA
- SRI LANKA
- MALDIVES
- MACAU





FLY-THRU FACTS

AK-D7 remains the
largest AOC pair for
Fly-Thru traffic

Connected

2,200,000

passengers in 2016 from

732,000

passengers in 2011

Connecting over

200 destinations



Creating opportunity through leasing



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Corporate Structure



A I R A S I A X B E R H A D

THAI AIRASIA X
CO., LTD

49%

PT. INDONESIA
AIRASIA EXTRA

49%

AAX CAPITAL
LIMITED

100%

AAX CAPITAL II
LIMITED

100%

AAX MAURITIUS
ONE LIMITED

100%

AAX LEASING I
LIMITED

100%

FLY X
LIMITED

100%

AIRASIA X
SERVICES PTY LTD

100%

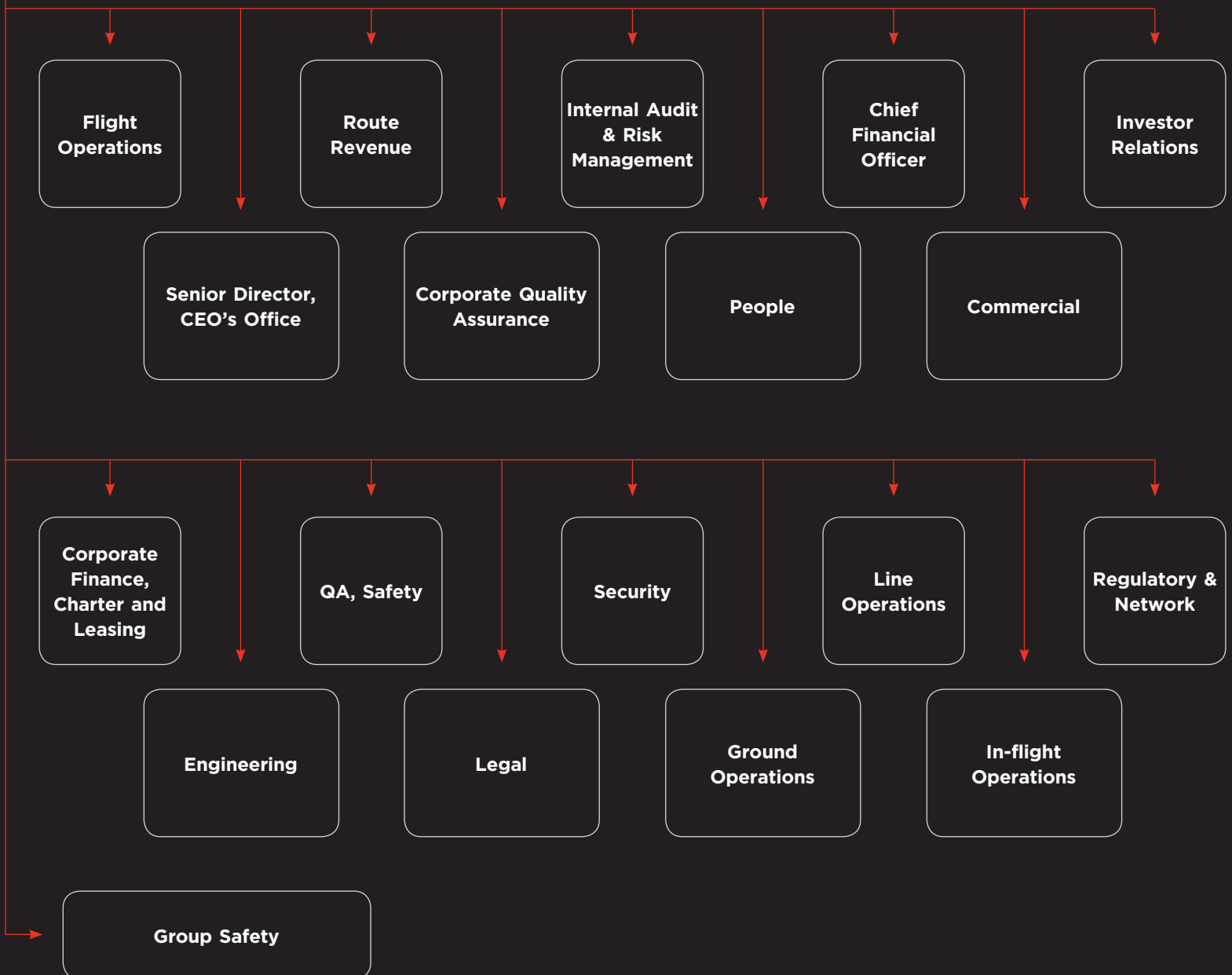
Organisation Structure

as 20 March 2017



DATUK KAMARUDIN MERANUN
Group CEO

BENYAMIN ISMAIL
CEO



Corporate Information

BOARD OF

DIRECTORS

TAN SRI RAFIDAH AZIZ

(also known as Tan Sri Rafidah)

Senior Independent
Non-Executive Chairman

DATUK KAMARUDIN BIN MERANUN

(also known as Datuk Kamarudin Meranun)

Non-Independent Executive Director
and Group Chief Executive Officer

TAN SRI DR. ANTHONY FRANCIS FERNANDES

(also known as Tan Sri Dr. Tony Fernandes)

Non-Independent
Non-Executive Director

DATO' FAM LEE EE

(also known as Dato' Fam)

Non-Independent
Non-Executive Director

LIM KIAN ONN

(also known as Mr. Lim)

Non-Independent
Non-Executive Director

TAN SRI ASMAT BIN KAMALUDIN

(also known as Tan Sri Asmat)

Independent Non-Executive Director

DATO' YUSLI BIN MOHAMED YUSOFF

(also known as Dato' Yusli)

Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Yusli Bin Mohamed Yusoff
Tan Sri Asmat Bin Kamaludin
Lim Kian Onn

NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Rafidah Aziz
Dato' Yusli Bin Mohamed Yusoff
Dato' Fam Lee Ee

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Datuk Kamarudin Bin Meranun
Benyamin Bin Ismail
Varun Bhatia

SAFETY REVIEW BOARD

Tan Sri Rafidah Aziz
Datuk Kamarudin Bin Meranun
Dato' Fam Lee Ee
Benyamin Bin Ismail

COMPANY SECRETARIES

Jasmindar Kaur A/P Sarban Singh
(MAICSA 7002687)
Ching Koon Kah @ Chin Kon Kah
(MIA 8008)

AUDITORS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192, 50706 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 2173 1188
Fax : +603 2173 1288

REGISTERED OFFICE

AirAsia X Berhad
(Company No. 734161-K)
B-13-15, Level 13
Menara Prima Tower B
Jalan PJU 1/39, Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7491 4318
Fax : +603 7887 2318

HEAD OFFICE

RedQ
Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA2)
64000 KLIA
Selangor Darul Ehsan
Tel : +603 8660 4600
Fax : +603 8660 7722
Email : aax_shareholder@airasia.com
Website : www.airasiacx.com

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7841 8000
Fax : +603 7841 8008

SOLICITOR

Foong & Partners
13-1 Menara 1MK, Kompleks 1 Mont' Kiara
No. 1 Jalan Kiara, Mont' Kiara,
50480 Kuala Lumpur
Malaysia
Tel : +603 6419 0822
Fax : +603 6419 0823

STOCK EXCHANGE LISTING

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

BOARD OF



*Air
Asia*



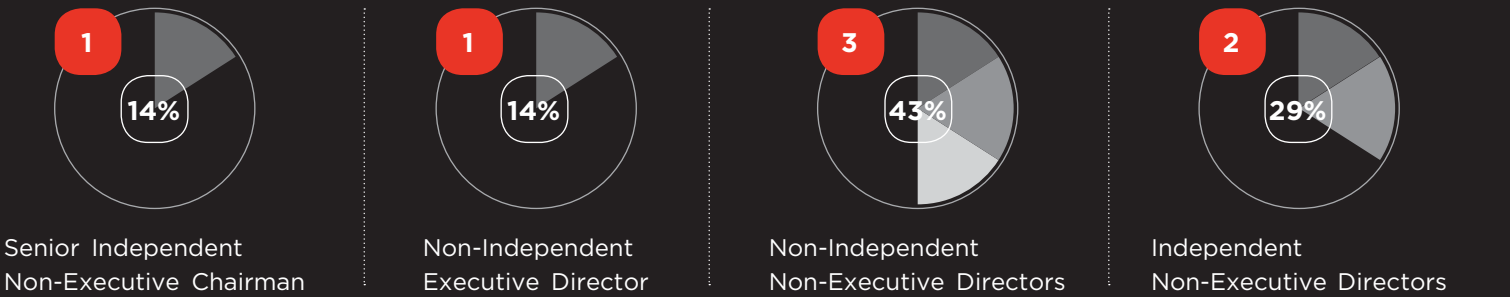
From left to right:

- Dato' Fam Lee Ee • Datuk Kamarudin Bin Meranun • Tan Sri Rafidah Aziz
- Tan Sri Dr. Tony Fernandes • Dato' Yusli Bin Mohamed Yusoff • Lim Kian Onn • Tan Sri Asmat Bin Kamaludin

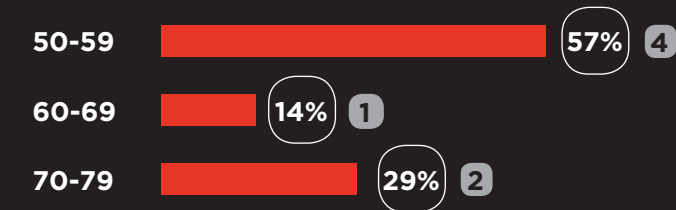
Our Board at a Glance



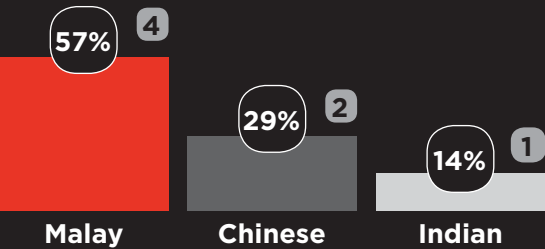
BOARD COMPOSITION



AGE GROUP



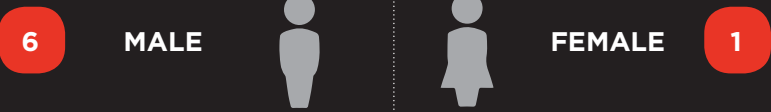
ETHNICITY



NATIONALITY : 100% Malaysian



GENDER



BOARD OF DIRECTORS - COMMITTEE MEMBERSHIP

<div><div></div><div></div></div> <div>TAN SRI RAFIDAH AZIZ Senior Independent Non-Executive Chairman</div>	<div><div></div></div> <div>Audit Committee</div>
<div><div></div><div></div></div> <div>DATUK KAMARUDIN MERANUN Non-Independent Executive Director and GCEO</div>	<div><div></div></div> <div>Safety Review Board of the Company</div>
<div><div></div><div></div></div> <div>TAN SRI DR. TONY FERNANDES Non-Independent Non-Executive Director</div>	<div><div></div></div> <div>Nomination and Remuneration Committee</div>
<div><div></div><div></div></div> <div>DATO' FAM LEE EE Non-Independent Non-Executive Director</div>	<div><div></div></div> <div>Employees' Share Option Scheme Committee</div>
<div><div></div></div> <div>LIM KIAN ONN Non-Independent Non-Executive Director</div>	
<div><div></div></div> <div>TAN SRI ASMAT KAMALUDIN Independent Non-Executive Director</div>	
<div><div></div><div></div></div> <div>DATO' YUSLI MOHAMED YUSOFF Independent Non-Executive Director</div>	

Board of Directors' Profile

TAN SRI RAFIDAH AZIZ

Senior Independent Non-Executive Chairman

Tan Sri Rafidah (Female), Malaysian, aged 73, was appointed as an Independent Non-Executive Director and Chairman of the Board on 3 March 2011 and re-designated as a Senior Independent Non-Executive Chairman upon listing of the Company on 10 July 2013. She is also Chairman of the Nomination and Remuneration Committee of the Board and Safety Review Board of the Company.

She holds a Bachelor of Arts degree in Economics and a Master's degree in Economics from the University of Malaya.

She worked as Tutor and as Lecturer in the Faculty of Economics, University of Malaya between 1966 and 1976.

She is Malaysia's longest-serving Minister of International Trade and Industry, having served in that capacity from 1987 to 2008, and contributes a wealth of international experience.

Prior to this, she has also held the portfolio of Minister of Public Enterprises from 1980 to 1987 and Deputy Minister of Finance from 1977 to 1980. Tan Sri Rafidah also has experience lecturing at the Faculty of Economics and Administration at the University of Malaya between 1966 and 1976. She now serves as an Adjunct Professor at the College of Business, University Utara Malaysia.

She has received various awards from the states of Selangor, Perak, Melaka and Terengganu as well as from Argentina and Chile. She has also been conferred Honorary Doctorates from the University Putra Malaysia, University Utara Malaysia, University Tun Razak Malaysia, University Malaya and the Dominican University of California, United States of America.

She also serves as Chairman of Megasteel Sdn Bhd, Supermax Corporation Berhad and Pinewood Iskandar Malaysia Studio and the patron of several NGOs.



Board of Directors' Profile

DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Director and
Group Chief Executive Officer

Datuk Kamarudin Meranun (Male), Malaysian, aged 55, was appointed as Non-Independent Non-Executive Director of the Company on 6 June 2006. He was appointed as Chairman of the Board on 3 February 2010 till 3 March 2011. Datuk Kamarudin was re-designated as Non-Independent Executive Director and Group Chief Executive Officer (GCEO) on 30 January 2015. He is one of the Company's co-founders, serves as Chairman of the Employees' Share Option Scheme Committee, and is a member of the Safety Review Board of the Company.

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

Datuk Kamarudin Meranun received a Diploma in Actuarial Science from University Technology MARA (UiTM) and was named the "Best Actuarial Student" by the Life Insurance Institute of Malaysia in 1983. He received a BSc with Distinction (Magna Cum Laude) majoring in Finance in 1986 and an MBA in 1987 from Central Michigan University.

He received the Darjah Panglima Jasa Negara (PJN), which carries the title Datuk, from the Yang di-Pertuan Agong on 21 November 2013.

He is a Non-Independent Executive Chairman of AirAsia Berhad and a Non-Independent Non-Executive Director of Tune Protect Group Berhad. He is also a Director of Yayasan Pendidikan Titiwangsa.

TAN SRI DR. TONY FERNANDES

Non-Independent Non-Executive Director

Tan Sri Dr. Tony Fernandes CBE (Male), Malaysian, aged 53, was appointed as Non-Independent Non-Executive Director of the Company on 18 July 2006 and is one of the Company's co-founders.

Tan Sri Dr. Tony Fernandes studied at Epsom College and the London School of Economics in Britain, and qualified as an Associate Member of the Association of Chartered Certified Accountants in 1991 and Fellow Member in 1996. An accountant by training, Tan Sri Dr. Tony Fernandes began his career in Richard Branson's Virgin Group before returning to Malaysia and becoming Warner Music Group's Vice President for Southeast Asia in 1999 and entering the airline business as CEO of AirAsia in 2001.

Tan Sri Dr. Tony Fernandes has received numerous awards and accolades over the course of his career. These include the Honor of the Commander of the Order of the British Empire, conferred by Her Majesty Queen Elizabeth II in 2011, and the Commander of the Legion d'Honneur, awarded by the French Government for his outstanding contributions towards the economy of France through the aviation industry. In 1999, Tan Sri Dr. Tony Fernandes received the title of Setia Mahkota Selangor by the Sultan of Selangor for his contributions to the Malaysian music industry. He was then awarded the title Dato' by the Sultan of Negeri Sembilan and Pahang, Dato' Seri by the Sultan of Perak and Tan Sri from a former Yang di-Pertuan Agong.

In 2010, Tan Sri Dr. Tony Fernandes was named Businessman of the Year by Forbes Asia – the first person from Malaysia and Asean to receive the honour – for democratising air travel and transforming AirAsia into a successful global brand, aside from being awarded the Nikkei Asia Prize in Tokyo and the Masterclass Global CEO of the Year at the 2nd Malaysia Business Leadership Award (MBLA). Tan Sri Dr. Tony Fernandes was named CEO of the Year at the Annual Budgies World Low Cost Airline Award held in London and CNBC Travel Business Leader, held in Singapore in 2011. In the following year, he was honoured with the Best CEO for IR – Mid Cap award by the Malaysia Investor Relations Association Berhad (MIRA), named as one of Malaysia's Outstanding CEOs by the Edge Billion Ringgit Club (BRC); and announced as GQ India's International Businessman of the Year 2012.

Tan Sri Dr. Tony Fernandes was named a Malaysia Brand Ambassador by Prime Minister Dato' Sri Mohd Najib Tun Haji Abdul Razak at the World Economic Forum in Davos, Switzerland in 2013. In 2013, he went on to win Corporate Governance Asia's Best CEO for Malaysia Award. He was named Airline Industry Leader of the Year at the 4th Aviation 100 Award, and Brand Builder of the Year at the 2014 World Branding Awards.

TIME Magazine included Tan Sri Dr. Tony Fernandes in the 2015 TIME 100 list, the magazine's annual list of the 100 most influential people in the world which included Chinese President Xi Jinping, Microsoft CEO Satya Nadella, Nobel Prize laureate Malala Yousafzai and hip-hop artist Kanye West. In February 2016, Tan Sri Dr. Tony Fernandes was recognised by the US-Asean Business Council with the Fourth Pillar Award for his extraordinary contribution towards the growth of Asean, the second recipient of the award after the Administration of US President Barack Obama. In October 2016, Tan Sri Dr. Tony Fernandes was named Airline Chief Executive Officer of the Year by the influential aviation consultancy CAPA Centre for Aviation for successfully steering AirAsia to increased profitability. Tan Sri Dr. Tony Fernandes also won the 2016 EY Asean Entrepreneurial Excellence Award. The accolade is awarded to Asean entrepreneurs who have demonstrated entrepreneurial spirit, financial performance, strategic direction, global or community impact, innovation and personal integrity or influence.

He is a Non-Independent Executive Director and Group Chief Executive Officer of AirAsia Berhad and a Non-Independent Non-Executive Director of Tune Protect Group Berhad.

Board of Directors' Profile



DATO' FAM LEE EE

Non-Independent Non-Executive Director

Dato' Fam, Malaysian (Male), aged 56, was appointed Non-Independent Non-Executive Director of the Company on 24 March 2008. He is also a member of the Nomination and Remuneration Committee of the Board. Dato' Fam was appointed as a member of the Safety Review Board on 26 February 2016.

He received his BA (Hons) in Law from the University of Malaya in 1986 and an LLB (Hons) from the University of Liverpool, England in 1989. Upon obtaining a Certificate of Legal Practice in 1990, he has been practising law since 1991 and is currently a managing partner at Messrs Le Fam & Co.

Dato' Fam used to sit on the Board of Trustees of Yayasan PEJATI from 1996 to 2007. Since 2001, he has also served as a legal advisor to the Chinese Guilds and Association and charitable organisations such as Yayasan SSL Heamodialysis Centre in PJ.

He also serves as a Senior Independent Non-Executive Director of AirAsia Berhad.

LIM KIAN ONN

Non-Independent Non-Executive Director

Mr. Lim, Malaysian (Male), aged 60, was appointed as an Alternate Director to Dato' Seri Kalimullah Bin Masheerul Hassan on 11 June 2007. He ceased as an Alternate Director to Dato' Seri Kalimullah and was appointed as a Non-Independent Non-Executive Director of the Company on 10 July 2012. Mr. Lim was re-designated as Independent Non-Executive Director on 26 February 2016. On 24 May 2016, he was re-designated as Non-Independent Non-Executive Director. Mr. Lim is also a member of the Audit Committee of the Board.

He is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, he was with Hong Leong Group, Malaysia as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Mr. Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002.

He was appointed to the Board of ECM Libra Financial Group Berhad ("ECMLFG") on 16 June 2006 and re-designated as Managing Director with effect from 1 May 2007, a position he held till 5 August 2010. On 6 August 2010, he was re-designated as Non-Independent Non-Executive Director of ECMLFG. He was subsequently re-designated as Managing Director of ECMLFG with effect from 16 July 2015.

He also serves as the Non-Executive Non-Independent Chairman of Plato Capital Limited, a company listed on the Stock Exchange of Singapore and a trustee of ECM Libra Foundation.

Board of Directors' Profile

TAN SRI ASMAT BIN KAMALUDIN

Independent Non-Executive Director

Tan Sri Asmat (Male), Malaysian, aged 73, was appointed as an Independent Non-Executive Director of the Company on 13 May 2013. He is a member of the Audit Committee.

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

Tan Sri Asmat has vast experience of 35 years in various capacities in the public service and his last post in the public service was as the Secretary General of the Ministry of International Trade & Industry Malaysia, a position he held since May 1992. In the last five years prior to his retirement in 2001, Tan Sri Asmat served as a Board member of Malaysia Technology Development Corporation, Multimedia Development Corporation, Malaysian Trade Development Corporation, Permodalan Nasional Berhad, Small and Medium Industries Development Corporation and Perbadanan Johor.

Tan Sri Asmat serves as the Non-Executive Chairman of UMW Oil and Gas Corporation Berhad, Panasonic Manufacturing Malaysia Berhad and Compugates Holdings Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. He is also Non-Executive Vice Chairman of YTL Cement Berhad and a Director of The Royal Bank of Scotland Berhad and JACTIM Foundation, all public companies. Tan Sri Asmat is a Governor of JACTIM. He has also represented Malaysia for several years as Governor on the Governing Board of The Economic Research Institute for Asean and East Asia.



DATO' YUSLI BIN MOHAMED YUSOFF

Independent Non-Executive Director

Dato' Yusli, Malaysian (Male), aged 58, was appointed as an Independent Non-Executive Director of the Company on 13 May 2013. He is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board.

He graduated from the University of Essex, United Kingdom with a Bachelor of Economics in 1981. He is a Member of the Institute of Chartered Accountants England and Wales, the Malaysian Institute of Accountants as well as an Honorary Member of the Institute of Internal Auditors Malaysia. Dato' Yusli is also a member of The Malaysian Institute of Certified Public Accountants.

He commenced his professional career in 1981 as an Accountant with Peat Marwick Mitchell & Co in London, United Kingdom.

He returned to Malaysia and held various key positions at industrial and financial groups in the country's capital, providing him with experience in a number of different industries including property and infrastructure development, telecommunications, engineering and merchant banking.

He entered the stockbroking industry when he was appointed as Chief Executive Director of CIMB Securities Sdn Bhd from 2000 to 2004. He also served as Chairman of the Association of Stockbroking Companies Malaysia from 2003 to 2004.

From 2004 to 2011, he was the Executive Director/Chief Executive Officer of Bursa Malaysia Berhad, previously known as the Kuala Lumpur Stock Exchange. During the same period, he also sat on the Board of the Capital Market Development Fund and was an Executive Committee member of the Financial Reporting Foundation of Malaysia.

He also serves as an Independent Non-Executive Director on the Board of Directors of a few public listed companies in Malaysia namely YTL Power International Berhad, Mulpha International Berhad, Mudajaya Group Berhad Group and Westports Holdings Berhad. He also sits on the Boards of Dato' HM Shah Foundation, Australaysia Resources & Minerals Berhad, Malaysian Institute of Corporate Governance and Infinity Trustee Berhad. Outside his professional engagements, he also serves as the Patron of the Victoria Institution Old Boys Association. Currently, Dato' Yusli is the President of the Malaysian Institute of Corporate Governance.

NOTES:**Family Relationship**

None of the Directors has any family relationship with any other Director and/or major shareholder of AirAsia X Berhad.

Conflict of Interest

None of the Directors has any conflict of interest with AirAsia X Berhad Group.

Conviction for Offences

None of the Directors has been convicted for any public sanction or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any.

Attendance of Board Meetings

The attendance of the Directors at Board of Directors' meetings is disclosed in the Statement on Corporate Governance.



THE CHIEF EXEC

MALAYSIA • THAILAND • INDONESIA

NADDA BURANASIRI

Chief Executive Officer,
AirAsia X Thailand

BENYAMIN BIN ISMAIL

Chief Executive Officer,
AirAsia X Berhad



UTIVE OFFICERS

DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Director
and Group Chief Executive Officer
AirAsia X Berhad

CAPTAIN SULISTYO NUGROHO HANUNG

Acting Chief Executive Officer/Director of Flight Operations
AirAsia X Indonesia



LEADERSHIP TEAM

From left to right:

- Raymond Cheong • Hanif Idrose Mohamed • Yogesh Upadhyay • Sharmizan Abdul Ghani • Amos Aw Shing Chien
- Jurvena Lee Nian-Cheh • Moses Devanayagam • Captain Leslie Wu • Benyamin Ismail • Cheok Huei Shian
- Jaisharan Kaur Gill • Azahar Othman

TEAM



From left to right:

- Eddie Tan Kim Hong • Fairuz Majid • Venggatarao Niadu
- Datuk Kamarudin Meranun • Captain Suresh Bangah • Arik De
- Muhammad Alif Soon • Yeoh Sai Yew • Abdullah Bin Hashim
- Pavenraj Singh • Aspa Linda Ahmad • Wong Ooi Ling • Daphne Tan

Profiles of the Leadership Team



DATUK KAMARUDIN MERANUN

Non-Independent Executive Director and Group Chief Executive Officer

Age: 55
Gender: Male
Nationality: Malaysian

Responsibilities:

- Spearheads AirAsia X Group's overall business growth and strategies in line with the vision and mission of AirAsia X as approved by the Board of Directors
- Drives operational excellence and strong governance to deliver long-term value for shareholders, customers, employees and all other stakeholders
- Entrusted to execute AirAsia X's turnaround plan

Experience:

- Portfolio Manager in Arab-Malaysian Merchant Bank, 1988-1993
- Executive Director of Innosabah Capital Management Sdn Bhd, a subsidiary of Innosabah Securities Sdn Bhd, 1994
- Acquired the shares of the joint venture partner of Innosabah Capital Management Sdn Bhd, which was later renamed Intrinsic Capital Management Sdn Bhd
- Co-founded AirAsia X and appointed Non-Independent Non-Executive Director of the Company on 6 June 2006
- Chairman of the Board, 3 February 2010 till 3 March 2011
- Re-designated as Non-Independent Executive Director and Group Chief Executive Officer on 30 January 2015

Qualifications and Professional Membership:

- Diploma in Actuarial Science, University Technology MARA (UiTM)
- BSc with Distinction (Magna Cum Laude) majoring in Finance, Central Michigan University, US, 1986
- MBA, Central Michigan University, US, 1987

Directorship of Public Listed Companies:

- AirAsia Berhad
- Tune Protect Group Berhad

Membership of Board Committees in AirAsia X:

- Employees' Share Option Scheme Committee (Chairman)
- Safety Review Board (Member)

Awards/Acknowledgement:

- Best Actuarial Student by the Life Insurance Institute of Malaysia, 1983

Declaration:

- He is a substantial shareholder of AirAsia X Berhad
- He is the Executive Chairman of AirAsia Berhad and founder of Tune Group Sdn Bhd, which are substantial shareholders of AirAsia X Berhad
- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
- No conviction for any public sanction during the financial year ended 31 December, 2016 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any



BENYAMIN ISMAIL

Chief Executive Officer

Age: 40
Gender: Male
Nationality: Malaysian

Responsibilities:

- Provides leadership and vision towards increasing shareholder value and growth of AirAsia X while delivering our Corporate Responsibility commitment
- Manages the Group's business and affairs, ensuring operational excellence and strong governance
- Executes the turnaround plan of AirAsia X
- Develops and spearheads high-level business and growth strategies in line with AirAsia X's vision and mission, as approved by the Board

Experience:

- Handled Debt Capital Markets portfolio at Affin Investment Bank, 2003
- Joined Maybank Investment Bank to manage Debt Capital Markets, 2004
- Joined CIMB Investment Bank focusing on Debt Capital Markets, 2007
- Joined AirAsia as Head of Investor Relations, March 2010
- Promoted to Group Head of Investor Relations, Corporate Development and Implementation, 2014
- Appointed AirAsia X Chief Executive Officer (CEO) effective 1 September 2015 after assuming the role of Acting CEO on 30 January 2015

Qualifications and Professional Membership:

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

Membership of Board Committees in AirAsia X:

- Employees' Share Option Scheme Committee (Member)
- Safety Review Board (Member)

Awards/Acknowledgement:

- Four-time winner of Best Investor Relations Officer by Corporate Governance Asia (2011-2014)
- Two-time winner of Best IR Professional award by Bursa Malaysia's Malaysian Investor Relations Association (MIRA) (2011 & 2012)

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
- No conviction for any public sanction during the financial year ended 31 December, 2016 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any
- He/She has no directorship in public companies



LEADERSHIP TEAM



CHEOK HWEI SHIAN

Chief Financial Officer

Age: 40
Gender: Female
Nationality: Malaysian

Responsibilities:

- Manages our financial, business risk and assurance, capital funding and treasury functions
- Develops and implements initiatives and strategies to improve the company's financial performance

Experience:

- Joined Ernst & Young as an auditor, 2000
- Joined AirAsia as a financial analyst, 2004
- Promoted to Management Reporting Manager, 2004
- Promoted to Financial Controller of AirAsia, 2008
- Chief Financial Officer (CFO) of PT Indonesia AirAsia, 2011-2014
- CFO of Philippines AirAsia, 2014-2015
- CFO of AirAsia X, as of 26 February 2015

Qualifications and Professional Membership:

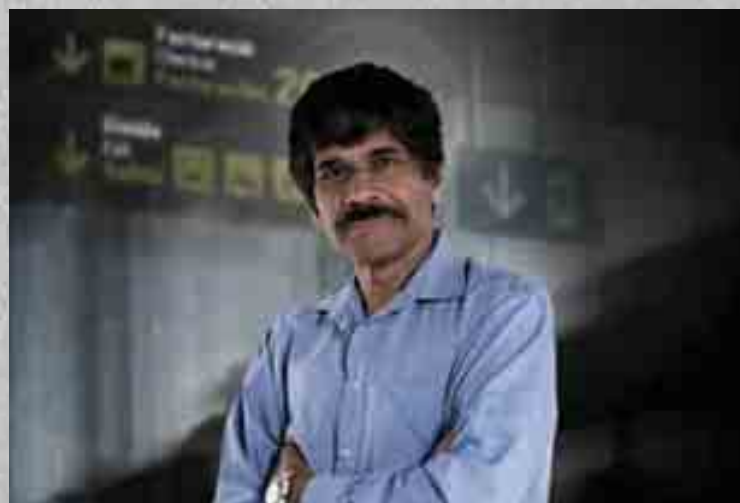
- Fellow member of the Association of Chartered Certified Accountants (ACCA)
- Member of the Malaysian Institute of Accountants (MIA)

Awards/Recognition:

- 10 Years Long-Service Award with AirAsia Group

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
- No conviction for any public sanction during the financial year ended 31 December 2016 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any
- He/She has no directorship in public companies



MOSES DEVANAYAGAM

Senior Director

Age: 66
Gender: Male
Nationality: Malaysian

Responsibilities:

- Leads the coordination of operational functions with AirAsia Group, airport authorities and government agencies including the Malaysian Aviation Commission
- Advises and mentors the Operations team
- Instrumental in setting up the Operations function, which includes Flight Operations, Engineering, Group Operations, In-Flight Operations, Safety and Security

Experience:

- Served Malaysia-Singapore Airlines, from 1971-1972
- Served Malaysia Airline System Berhad, holding various key positions including General Manager-Operations, Head of Contracts Management and Warranty and Contracts Manager, from 1972-2007
- Joined AirAsia X as Director of Operations, July 2007
- Appointed as Senior Director, 2013

Qualifications and Professional Membership:

- Associate Member of the Royal Aeronautical Institute United Kingdom (by award) since 1975
- Cadet/apprentice technical services in-house training with Malaysia-Singapore Airlines, 1972
- Type-rating licenses from Qantas and Air New Zealand, 1971

Awards/Recognition:

- 40-years Long-Service Award from Malaysia Airlines in 2007

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
- No conviction for any public sanction during the financial year ended 31 December 2016 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any
- He/She has no directorship in public companies

Profiles of the Leadership Team



ARIK DE

Chief Commercial Head

Age: 38
Gender: Male
Nationality: Canadian

Responsibilities:

- Responsible for the commercial functions of the airline which includes the Company's Network, Revenue, Marketing, Branding, Ancillary and Sales & Distribution

Experience:

- He has over 17 years of experience in aviation
- Started his career at the International Monetary Fund (IMF) as a young economist
- At WestJet in Canada was Manager of Network Planning from 2010 to 2013 where he led the network and fleet planning team to grow a primarily domestic airline into the largest non-US airline in the Caribbean, Hawaii and prime US leisure points of Las Vegas and Florida. He was also instrumental in evaluating the first code share partnerships, and was part of the core team that studied and introduced WestJet Encore, the regional arm of WestJet
- Served SH&E/ICF Aviation in 2008 and InterVistas in 2013 where he was engaged in over 100 consulting projects in commercial aviation including that at GOL Brasil, LAN Chile, Turkish Airlines, Aero Mexico, Japan Airlines, South African Airways, Virgin Atlantic, Singapore Airlines, Jeju, SpiceJet, Air India, Gulf Air and Kuwait Airways. At InterVistas, he went on to become Senior Vice President, and Head of the Airline Practice and was seconded to act as interim Chief Commercial Officer at TACV, the national airline of Cabo Verde
- Joined AirAsia X in January 2016 as Head of Commercial and subsequently designated as Chief Commercial Head in January 2017

Qualifications and Professional Membership:

- Bachelor of Arts in Economics, from Connecticut College
- Master of Finance and Public Policy, from the University of Chicago *Phi Beta Kappa* Honors Society

Awards/Recognition:

- "40 Under 40", Business Insider 2014; Airline Planner Award, 2013

Declaration:

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- No conflict of interest with AirAsia X
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- He/She has no directorship in public companies



CAPTAIN SURESH BANGAH

Flight Operations Director

Age: 42
Gender: Male
Nationality: Malaysian

Responsibilities:

- Coordinates, supervises and monitors the functions and performance of management personnel, pilots, cabin crew and all departments within Flight Operations
- Manages the safety and security of all flights
- Liaison person with local and international regulators, ensuring operations are in line with the Air Operator Certificate
- Represents the company's interest in national and international bodies and institutions as far as flight operations are concerned

Experience:

- Started as a pilot with AirAsia, 2003
- Internal auditor of Flight Operations at AirAsia, 2005
- Cadet Pilot Coordinator managing the Cadet Pilot Training Programme, December 2009
- Flight Deck Recruitment Manager responsible for hiring and promoting pilots internally
- Joined AirAsia X as Chief Pilot, Operations, October 2010
- Promoted to Flight Operations Director, October 2013

Qualifications and Professional Membership:

- Air Transport Pilot License, 1999
- A320 Type Rating License, 2007
- A340 Type Rating License, 2009
- A330 Type Rating License, 2011

Awards/Recognition:

- 10 Years Long-Service Award, AirAsia Group

Declaration:

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- No conflict of interest with AirAsia X
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FAIRUZ MAJID

Group Head of Communications

Age: 36
Gender: Male
Nationality: Malaysian

Responsibilities:

- Aligns messaging and coordinates communications across the Group to ensure AirAsia X Group and AirAsia Group continue to be seen as one brand

Experience:

- He brings over a decade of experience in the fields of marketing and communication
- Underwent an internship under the Pemuda Internship Programme (PINTAR) in the Naza Group of Companies, where he was subsequently offered a permanent job, 2005-2007
- Joined AirAsia Berhad in 2007 and later moved to AirAsia X as part of the pioneering team, focused on setting up the Commercial department
- Became Sponsorship and Events Manager in 2010, then Regional Marketing Manager in 2012, and Head of Marketing in 2013
- Promoted to Head of Marketing and Communications overseeing AirAsia X's marketing strategies and communication, public relations, events and sponsorship activities, 2014
- Appointed as Head of Communications of AirAsia X, 2015
- Promoted as Group Head of Communications for AirAsia X Group, February 2017

Qualifications and Professional Membership:

- Bachelor of Business Administration (Hons) in Marketing, Universiti Teknologi MARA, Malaysia
- Member of the Malaysia Australia Business Council (MABC)

Awards/Recognition:

- Asia's Best Marketer by CMO Asia, 2016

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
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- He/She has no directorship in public companies



LEADERSHIP TEAM



SHARMIZAN ABDUL GHANI

Head of Engineering

Age: 43
Gender: Male
Nationality: Malaysian

Responsibilities:

- Oversees the Engineering Department including Maintenance Planning, Warranty & Reliability, Technical Services, Technical Procurement, Projects, Communications and IT for Engineering

Experience:

- Started his career with Malaysia Airlines as a Trainee Aircraft Maintenance Engineer, 1995
- Became a Licensed Aircraft Engineer with a Boeing 737-400 rating in mid-1999, and later obtained a Boeing 777-200 rating
- Joined AirAsia as an Avionics Licensed Aircraft Engineer, 2001; promoted to Shift Duty Engineer and Maintenance Operations Controller, 2003
- Joined Jet Premier One Sdn Bhd as an Avionics Duty Engineer, 2007; promoted to Technical Services Manager, 2009
- Joined AirAsia X as Head of Engineering, 2015

Qualifications and Professional Membership:

- Aircraft Maintenance Engineer License (Civil Aviation Authority UK)
- Aircraft Maintenance Engineer License (Dept of Civil Aviation Malaysia)

Declaration:

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YEOH SAI YEW

Head of People

Age: 42
Gender: Male
Nationality: Malaysian

Responsibilities:

- Provides overall leadership in ensuring strategic and effective human capital management across the Group
- Manages the rewards structure for the whole AirAsia Group

Experience:

- 18 years in various disciplines in Human Resources (HR) in diverse industries, from telecommunications to IT, banking, hospitality, aviation and retail
- Started his career as an HR Executive with Super Komtar, 1999
- Worked with several companies such as DiGi, CSA, Scope International & Genting Resorts Berhad
- Joined AirAsia Group as Head of Rewards, 2010
- Appointed Head of People of AirAsia X, January 2016

Qualifications and Professional Membership:

- Bachelor of Science from Universiti Malaysia Sabah
- MBA from Universiti Utara Malaysia

Awards/Recognition:

- Featured in various HR magazines
- Invited speaker at several regional HR conferences
- Judge for several HR awards programmes

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
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CAPTAIN LESLIE WU

Safety Director

Age: 46
Gender: Male
Nationality: Malaysian

Responsibilities:

- Implements and maintains our Safety Management System
- Manages Operational Quality Assurance across AirAsia Group
- Manages the Document Control Management System across AirAsia Group

Experience:

- Started serving commercial airlines in 1992, becoming a commercial jet captain five years later
- Deputy Chief Pilot Training of AirAsia, end 2004
- Flew for Qatar for several years, based in the Middle East
- Joined AirAsia X as Chief Pilot Flight Safety, mid-2009
- Appointed as Safety Director, 2012

Qualifications and Professional Membership:

- Commercial pilot license from the US and Malaysia
- Diploma in Safety Management for Airlines, from IATA
- Diploma in Airline Quality System, from IATA

Awards/Recognition:

- King Scout Award, 1989

Declaration:

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- No conflict of interest with AirAsia X
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Profiles of the Leadership Team



JURVENA LEE NIAN-CHEH

Head of Marketing

Age: 35
Gender: Female
Nationality: Malaysian

Responsibilities:

- Leads the team in stimulating travel demand for AirAsia X and working closely with partners and tourism bodies to achieve similar goals

Experience:

- Started her career as Promotions Assistant with Tesco Malaysia in 2004 where she spent seven years handling multiple roles including Advertising Executive, Local & Stores Marketing Executive, with her last post being Local & Stores Manager
- Joined AirAsia Berhad in 2011 as a Marketing Manager and quickly moved on to assume the position of Regional Marketing Manager a year later
- Assumed current role as Head of Marketing of AirAsia X in 2015

Qualifications and Professional Membership:

- Bachelor of Business, Auckland University of Technology, New Zealand

Declaration:

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- No conflict of interest with AirAsia X
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RAYMOND CHEONG

Head of Sales

Age: 38
Gender: Male
Nationality: Malaysian

Responsibilities:

- Leads the sales and distribution team in growing revenue from various distribution channels
- Plays a key role in launching new routes including Hawaii, Mauritius, Adelaide, Chongqing, Xi'an, Busan and Tehran
- Set up new sales team and distribution channels in Australia, China, Taiwan, Japan, South Korea, Iran and Mauritius
- Played an instrumental role in the distribution set-up and market entry campaigns of Thai AAX in Japan and Korea, and Indonesia AAX in Australia
- Part of the AirAsia Group Regional Sales Team overseeing the Australia, Japan and Korea offline channel sales for all carriers within the AirAsia Group

Experience:

- He brings more than 10 years of management experience in global sales, international business development, regional distribution set-up and expansion and key account management in the aviation, telecommunications and fast moving consumer goods industries
 - Joined Yee Lee Marketing (P&G Strategic Distributor) as a Key Account Executive in 2004, responsible for formulating and executing tactical sales strategies, customer marketing strategies, delivering in-store fundamentals and trade merchandising
 - Moved to Motorola Malaysia as Regional Channel Manager in 2007, responsible for channels distribution management of mobile devices in the Northern & East Coast regions of Malaysia
 - Joined AirAsia as Sales Manager in 2010, responsible for growing corporate sales; and became the Regional Sales Manager in 2011, administering indirect channel sales for Indochina
 - Appointed as Head of Sales of AirAsia X in 2015

Qualifications and Professional Membership:

- BA (Hons) in Business Administration, University of Hertfordshire, UK

Declaration:

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ABDULLAH BIN HASHIM

Head of Internal Audit and Risk Management

Age: 45
Gender: Male
Nationality: Malaysian

Responsibilities:

- Oversees the management of internal control and reviews its effectiveness, adequacy and integrity

Experience:

- Internal Audit Department, PLUS Expressways Berhad, 2001-2008
- Group Internal Audit, TM Berhad, 2009-2010
- Chief Internal Auditor, Syarikat Prasarana Negara Berhad, 2010-2011
- Chief Internal Auditor, Petra Energy Berhad, 2011-2014
- Joined AirAsia X as Head of Internal Audit and Risk Management, September 2014

Qualifications and Professional Membership:

- Bachelor of Accounting (Hons), University of Malaya, Malaysia
- MBA, London South Bank University, UK
- Chartered Accountant (Malaysia)
- Certified Internal Control Auditor by the Institute of Internal Control (IIC)
- Associate member of the Institute of Internal Auditors (IIA) Malaysia

Awards/Recognition:

- Invited speaker at internal audit and risk management conferences in Malaysia and Singapore

Declaration:

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- No conflict of interest with AirAsia X
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LEADERSHIP TEAM



DAPHNE TAN ZUI XIANG

Head of Legal

Age: 31
Gender: Female
Nationality: Malaysian

Responsibilities:

- Overlooks all legal matters of the airline
- Designated legal point of contact responsible for advising the airline on legal risks exposure and liabilities
- Handles litigation matters
- Assists with the administration of Company Secretarial matters

Experience:

- Started her career with Messrs Zaid Ibrahim & Co, Malaysia as an associate, 2010
- Seconded to Messrs SokSiphana & Associates, Cambodia as a Foreign Legal Counsel, 2015
- Appointed Head of Legal of AirAsia X, 2016

Qualifications and Professional Membership:

- Master of Laws, Northumbria University, UK
- Member of the Honourable Society of Lincolns Inn, UK

Declaration:

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- No conflict of interest with AirAsia X
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YOGESH UPADHYAY

Head of Corporate Finance, Charter and Leasing

Age: 41
Gender: Male
Nationality: Indian

Responsibilities:

- Maximises airline revenue by deploying excess fleet on wet lease operations
- Manages negotiations for all charter and wet lease contracts
- Negotiates with banks, head lessors and airlines on any corporate exercise and aircraft related matters.

Experience:

- He brings 15 years of management experience in the aviation industry, focused mainly on the charter and leasing of aircraft.
 - Head of Operations at Eurostar Communications Llc in Dubai, 2001-2007
 - Head of Charters and Leasing, Air Charter International Arabia Ltd, Dubai, 2007-2014
 - Joined AirAsia X as Head of Charter and Leasing, 2014
 - Took an additional role as Head of Ancillary until early 2015
 - Appointed as Head of Corporate Finance, Charter and Leasing of AirAsia X, 2015

Qualifications and Professional Membership:

- Diploma in Hotel Management, Rizvi College of Hotel Management and Catering Technology, Mumbai, India

Awards/Recognition:

- Instrumental in AirAsia X's recognition as a Top 10 Global Airline for Ancillary Revenue per Passenger by IdeaWorksCompany in 2015

Declaration:

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- No conflict of interest with AirAsia X
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MUHAMMAD ALIF SOON

Head of Ground Operations

Age: 41
Gender: Male
Nationality: Malaysian

Responsibilities:

- Leads our team of Guest Service Assistants in improving our customer experience
- Ensures full compliance on all regulatory requirements by the department

Experience:

- Joined AirAsia in 2004 as a Guest Service Assistant
- Moved to AirAsia X Berhad in 2010 as Duty Executive
- Promoted as Airport Manager in 2013
- Appointed as Head of Ground Operations in April 2015

Qualifications and Professional Membership:

- Sijil Pelajaran Malaysia

Awards/Recognition:

- Recipient of the 10 Years Long-Service Award with AirAsia Group

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
- No conviction for any public sanction during the financial year ended 31 December, 2016 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any
- He/She has no directorship in public companies

Profiles of the Leadership Team



ASPA LINDA AHMAD

Head of Cabin Crew

Age: 40
Gender: Female
Nationality: Malaysian

Responsibilities:

- Leads and manages manpower planning for the entire AAX Cabin Crew Department
- Ensures high standards of operations management and safety compliance
- Ensures cabin crew deliver world-class customer service

Experience:

- More than 19 years of experience in the aviation industry:
 - Started her career with AirAsia as a Cabin Crew (2002) and was promoted to Senior Cabin Crew (2003), Purser (2005) and a Cabin Crew Executive (2009)
 - Moved to AirAsia X and served as an Assistant Cabin Crew Manager, 2010
 - Further enhanced her skills set by joining the Cabin Safety Department as a Safety Examiner, and was promoted to Cabin Safety Manager in 2012
 - Appointed as Head Cabin Crew of AirAsia X, leading more than 1,000 cabin crew, 2015

Qualifications and Professional Membership:

- Sijil Pelajaran Malaysia/O-Level

Declaration:

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AMOS AW SHING CHIEN

Head of Revenue Management

Age: 44
Gender: Male
Nationality: Malaysian

Responsibilities:

- Maximises revenue and profitability by developing/implementing revenue management strategies in Pricing, Inventory & Distribution
- Leads in managing fares across all markets, and developing pricing and revenue strategies on all routes and markets
- Applies demand forecasts across the network, and implements strategies to correct shortfalls as well as develop business opportunities for AAX
- Develops comprehensive revenue structures to incorporate cross networking between the short-haul and long-haul segments

Experience:

- Amos has 13 years of management experience in the aviation industry
 - Started his career with Malaysia Airlines Berhad as a Revenue Analyst, 2003
 - Moved to Virgin Australia as Senior Revenue Analyst, 2005
 - Served AirAsia as Senior Revenue Analyst, 2007
 - Appointed as Head of Revenue Management of AirAsia X, 2015

Qualifications and Professional Membership:

- Bachelor's Degree in Commerce, Deakin University, Australia

Declaration:

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- No conflict of interest with AirAsia X
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PAVENRAJ SINGH

Head of Ancillary

Age: 32
Gender: Male
Nationality: Malaysian

Responsibilities:

- Drives product innovation, enhancement and strategic decisions to increase take-up rates, while ensuring continuous ancillary Revenue growth
- Works towards raising product awareness across the AirAsia X network to ensure ancillary growth

Experience:

- Started his career with Ernst & Young as an associate auditor in Business Advisory focusing on Technology & Security Risk Services, 2009
- Moved to AirAsia X as an executive in 2010 & promoted to Ancillary Assistant Manager in 2014
- Appointed as Head of Ancillary of AirAsia X, 2015

Qualifications and Professional Membership:

- Bachelor's Degree in Accounting & Information Technology, Auckland University of Technology, New Zealand

Declaration:

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LEADERSHIP TEAM



JAISHARAN KAUR GILL

Head of In-Flight Operations

Age: 33
Gender: Female
Nationality: Malaysian

Responsibilities:

- Oversees the day-to-day in-flight operations including catering, cleaning and laundry services
- Develops the in-flight menu
- Negotiates contracts as well as procurement and vendor management

Experience:

- Supply Chain Manager at AirAsia X, 2013-2015
- Procurement Specialist as part of a Contracts and Procurement Team, ActewAGL Pty Ltd, 2011-2012
- Temporary Contract in the Procurement Department, Coles Group Ltd, 2011
- Temporary Contract in the Logistics Department, SMART Modular Technologies Malaysia, 2009-2010
- Test Engineer in Flash Memory Products, SMART Modular Technologies Malaysia, 2006-2008

Qualifications and Professional Membership:

- Degree in Electronics Engineering, RMIT University, Australia
- Master of Supply Chain Management, RMIT University, Australia

Declaration:

- No family relationship with any other Director and/or major shareholder of AirAsia X
- No conflict of interest with AirAsia X
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VENGATARAO NIADU

Head of Network and Regulatory

Age: 42
Gender: Male
Nationality: Malaysian

Responsibilities:

- Assesses new markets based on strategic fit, financial potential, growth opportunity, risks and possible entry points
- Develops network expansion plans for company's long and short-term objectives
- Develops schedules to utilise crew manpower and aircraft efficiently and effectively, considering commercial requirements and network connectivity
- Builds and maintains relationships with local and foreign regulators as well as airports, while monitoring and negotiating bilateral agreements in relevant markets
- Manages and negotiates arrival and departure slots at local and foreign destinations

Experience:

- Venggatarao has more than 10 years of management experience in the aviation industry, in cross-functional roles across network and fleet planning
 - Started his career with SINGER Sdn Bhd as an internal auditor, 1996
 - Joined AirAsia Berhad as a Scheduling Executive, 2005
 - Moved to AirAsia X in 2006 as a Scheduling and Network Executive
 - Promoted to Manager of Network and Scheduling in 2010, while also overseeing the charter and leasing business
 - Appointed Head of Network Management in 2013 and subsequently Head of Network and Regulatory in 2015

Qualifications and Professional Membership:

- Diploma in Business Administration from Seremban's Negeri College

Awards/Recognition:

- Best Network Performance Award (Airline Category) by World Routes Award
- 10 Years Long-Service Award

Declaration:

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WONG OOI LING

Head of Corporate Quality and Assurance

Age: 46
Gender: Female
Nationality: Malaysian

Responsibilities:

- Ensures core business processes necessary for meeting business objectives are established, implemented and documented
- Provides support to business units in process development and continual improvement

Experience:

- Audit and Assurance, PricewaterhouseCoopers, 1995-2000
- Manager in Corporate Planning, EON Bank Berhad, 2000-2003
- Vice President of Group Management Services and PMO, EON Bank Berhad, 2003-2007
- Senior Manager in Planning, Broadcast and Operation Division, Measat Broadcast Network Systems Sdn Bhd (Astro), 2007-2013
- Senior Manager in GST PMO, DRB-HICOM Group, 2014-2016

Qualifications and Professional Membership:

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

Declaration:

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- No conflict of interest with AirAsia X
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- He/She has no directorship in public companies

Profiles of the Leadership Team



EDDIE TAN

Line Operations Manager

Age: 44
Gender: Male
Nationality: Malaysian

Responsibilities:

- Oversees and manages all overseas stations including the set up of new stations
- Manages ground handling related contracts
- Ensures accurate and timely execution of all processes and procedures to maintain the highest level of quality

Experience:

- Eddie has more than 25 years of management experience handling operations in the aviation industry
 - Started his career with Singapore Airlines Limited as a Passenger Services Agent, 1992
 - Moved to All Nippon Airways Co, Limited as Traffic and Flight Operations Officer, 1995
 - Joined AirAsia as a Station Manager, Kuching, 2005
 - Transferred to Kuala Lumpur Hub (LCCT) as a Station Manager, 2006
 - Served AirAsia X as Station Manager, Kuala Lumpur, 2010
 - Appointed as Line Operations Manager, 2014

Qualifications and Professional Membership:

- Tertiary studies - Beaufort College, Western Australia

Awards/Recognition:

- 10 Years Long-Service Award with AirAsia Group

Declaration:

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- He/She has no directorship in public companies



AZAHAR OTHMAN

Ramp Manager

Age: 59
Gender: Male
Nationality: Malaysian

Responsibilities:

- Ensures that ramp services, loading and unloading of aircraft, transport services, weight and balance, ground equipment and mishandled load, are carried out according to company procedures and established standards
- Represents the department at meetings with airport authorities and other in-house departments in matters involving ramp handling

Experience:

- Azahar has 39 years of experience in the aviation industry
 - Joined Malaysia Airlines as a traffic clerk, 1978
 - Promoted to Customer Service Officer of Malaysia Airlines, 1988
 - Moved to KL Airport Services (KLAS) as Flight Operation Officer, 1999
 - Promoted to Passenger Handling Supervisor, 2001
 - Assigned as Aircraft Handling Supervisor, later in 2001
 - Duty Manager Flight Operation, 2001-2009
 - Promoted to Head of Aircraft Handling and Flight Operation, 2009
 - Joined AirAsia X as Ramp Duty Manager, February 2013

Qualifications and Professional Membership:

- Malaysia Certificate of Education

Declaration:

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HANIF IDROSE MOHAMED

Investor Relations Manager

Age: 29
Gender: Male
Nationality: Malaysian

Responsibilities:

- Responsible for the communication of information and insight between the company and the investment community to ensure full appreciation of the company's business activities, strategy and prospects and allows the market to make an informed judgement
- Coordinates shareholder meetings, conferences and investor roadshows, releasing financial data, leading financial analyst briefings, publishing reports as well as leading the production of the company's Annual Report and Annual General Meeting

Experience:

- Started career at Telekom Malaysia Berhad (TM) as Assistant Manager of Investor Relations in November 2011
- Subsequently promoted to Manager of Investor Relations of TM in April 2015
- Joined AirAsia Berhad as Investor Relations Manager in January 2016
- Joined AirAsia X Berhad to spearhead Investor Relations department in July 2016

Qualifications and Professional Membership:

- Bachelor of Commerce (Accounting, Banking & Finance), Monash University, Australia
- Master of Applied Finance, Monash University, Australia
- Member of the Malaysian Investor Relations Association (MIRA)
- Member of the Malaysia Australia Business Council (MABC)

Awards/Recognition:

- TM Group CEO Merit Award 2013

Declaration:

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- He/She has no directorship in public companies

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AIRPORT LOUNGE

Emirates Lounge

TRAIN CATERING

ETS KTMB

CONVENIENCE STORE

7 Eleven
Toast Box

INSTITUTIONAL CATERING

Universiti Kebangsaan Malaysia

EVENT CATERING

Covers Klang Valley



AirAsia X Thailand

**CAPTAIN PITTINUN
INTARASAK**

Head of Flight Operations

**KRIRKWOOT
BOONSORN**

Head of Engineering

**PHAIRAT
PORNPATHANANGOON**

Chief Financial Officer

*Air
Asia*



LEADERSHIP TEAM

TEAM

NADDA BURANASIRI

Chief Executive Officer

**MATANA
THIENTHONG**

Head of Commercial

**NITIROTE
KITCHAROEN**

Head of Group Operations

AirAsia X Indonesia



LEADERSHIP

TEAM

RIFAI TABERI

Director of Maintenance & Engineering

CAPTAIN SULISTYO NUGROHO HANUNG

Acting Chief Executive Officer/
Director of Flight Operations



LEADERSHIP TEAM

INSURANCE MADE EASY



Click, Buy, Protect and enjoy rebates up to 25% when you buy insurance online.

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Dear Shareholders,

Thank you for allowing me
this opportunity to introduce
our Financial Year 2016
Annual Report. As I pen this
statement each year, I try to
do so with the candour and
respect that I believe we
should accord to our various
stakeholders.

BENYAMIN ISMAIL
CEO

MANAGEMENT DISCUSSION & ANALYSIS



We began our transformation journey in 2015, when I had just joined AirAsia X. The challenge we faced was enormous, yet under the guidance of a great mentor in Datuk Kamarudin Meranun, our Group CEO, together with my colleagues, we spent long hours to identify key opportunities and critical areas of improvement, and subsequently implemented a multi-pronged turnaround plan. After two years, we have successfully turned the tide. The year 2016 will go down in our annals as the first year post-IPO that we made a full-year profit, on the back of a run of five consecutive quarters of profit which stretches back to 4Q15.

These achievements are impressive by any standards; to have come in the midst of a soft global economy and depreciated Ringgit, they felt even sweeter. Just as heartwarming was to see how our Allstars truly embraced the challenges we faced and worked together, as one determined team, to translate our turnaround strategy into reality. This plan was as extensive as it was comprehensive; but by adhering to the countless initiatives outlined, we were able to achieve the successes we did. Succinctly, our aim was to increase our revenue, reduce our costs and build our cash position.

Operating in a less than rational market, in 2015 we made the strategic decision to reduce our capacity and, in 2016, started to build it back again. We launched a new route to Auckland; resumed the New Delhi and Tehran routes as well as the Chongqing route which we had earlier ceded to AirAsia; and increased the frequency of flights to eight destinations. As of April, we started to ramp up our frequencies to Australia, China and Japan, aiming for 14 flights a week to Melbourne, Perth and Taipei; 11 flights a week to Sydney, Beijing and Shanghai; nine weekly flights to Osaka; and five weekly to Sapporo. Our new flights and increased frequencies were well received, allowing us to see a four percentage point increase in passenger load for the year to 79%.

We were particularly pleased with the China market, which was our star performer. As at end 2016, we were flying to six destinations in China, with flight loads averaging in the 80s percentage-wise. What has been impressive is filling our return flights from this market, something not many other airlines have been able to do.

Together with the AirAsia Group, we are the largest low-cost carrier in China. In 2016, the number of guests carried to and from this market increased 22%, while revenue increased 43%. China was also our top Fly-Thru contributor, accounting for 20% of all AirAsia X's connections. To further build this market, in March 2017, we launched another destination: Wuhan.

In Australia, we concentrated on re-building the capacity we had taken out in 2015, and are doing very well on this front. The launch of flights to Auckland in March has been particularly gratifying, allowing us to capture not only demand from Malaysians wanting to fly to 'the City of Sails', but also serving popular weekend traffic between Auckland and the Gold Coast. Starting with thrice weekly flights, we ended the year with 11 flights a week. This has been our first 'tag flight' (or one-stop route), and we believe we have found the right market for it.

We have also been able to grow our ancillary business, injecting some creativity into more targeted products such as market-specific inflight menus. We have refreshed our Xcite inflight entertainment offering with better tablets which allow for an enhanced viewing experience, and introduced a wider selection of movies. On 2 September 2016, we launched the Group's AirAsia Premium Red Lounge at klia2, presenting 24-hour services and facilities such as a buffet, wireless internet access, a lounge area, workstations and even showers. We feel proud of the lounge which is one of the first in the world to be offered by a low-cost carrier (LCC), and feel sure a good number among our more than 5,000 transit guests a day will make the most of the opportunity to use the facilities available for an infinitely more pleasurable travel experience. The lounge can accommodate up to 110 guests at any one time.

On top of these offerings, we also increased our baggage and seat fees, and managed to grow our ancillary revenue by 35% year-on-year to RM642.7 million.

In terms of efficiency, we have seen some positive results from efforts to reduce our cost of fuel, such as minimising unnecessary weight on our aircraft and fuel tankering. We have also been successful in increasing our aircraft utilisation, and maximising asset profitability. Just as significantly, we have stood to benefit from the creation of added synergies with the AirAsia Group through the sharing of resources and certain functions, as well as from greater bargaining power in the procurement of aircraft and components, in leasing, financing contracts and the purchase of fuel.

These efforts, together with the drop in fuel price, led to a steady decline in our cost per available seat kilometre (CASK) from 13.75 sen in the 2015 to 12.87 sen in 2016, dropping 6% year-on-year and further entrenching AirAsia X as the world's lowest unit cost long-haul LCC. Our CASK is consistently about 50% lower than 10 of the world's largest full-service carriers.

To support our capacity growth, we took delivery of four Airbus A330 aircraft during the year, one of which was channelled to our associate in Thailand. These, however, were on operating lease hence allowed us to continue building our cash position, ending the year with RM422.0 million in cash and bank balances.

More details of our financial and operational performance are presented in the Management Discussion & Analysis in the following pages.



Ancillary revenue grew by 35% year-on-year to

RM642.7
million

CEO's Management Discussion & Analysis

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

AirAsia X Group provides long-haul low-cost air transportation services focusing on the Australasia and North Asia markets. This core business is supported by the provision of freight and charter services.

The financial year ended 31 December 2016 (FY2016) was historic for AirAsia X, during which turnaround efforts that had begun two years previously began to be reflected in increasingly efficient operations, accompanied by a spectacular financial performance. This was particularly significant given it was achieved within a challenging macro-environment that included prolonged weakening of the Ringgit, heightened competition and slower economic growth in China. This prompted us to reassess our strategies in order to strengthen our fundamentals and place AirAsia X on a stronger financial footing for sustainable growth.

Our proactive approach enabled us to close the year with a record-breaking revenue of RM4.0 billion and first-ever net profit after tax of RM210.3 million since our initial public offering (IPO) in mid-2013.

Key metrics

	FY2016	FY2015
Revenue (RM'000)	4,006,534	3,062,553
EBITDAR (RM'000)	1,244,478	813,422
Net Profit (RM'000)	210,314	(349,616)
Total Assets (RM'000)	4,490,290	4,182,297
Return on Total Assets (%)	4.7	(8.4)
Return on Shareholders' Equity (%)	19.9	(55.3)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

AirAsia X Group reported a profit before tax (PBT) of RM260.1 million for FY2016, a vast improvement from the recorded loss before tax of RM446.5 million in FY2015, and a record result since the airline's inception in 2007.

Profit before tax :

RM260.1
million

Loss before tax :

RM446.5
million



Revenue from scheduled flights increased by

50.5%

from RM1.68 billion in FY2015 to RM2.53 billion in FY2016.

Group's load factor improved by four percentage points year-on-year from

75% to 79%

Income from Aircraft Operating Lease grew by

60.6%

from RM274.0 million to RM440.1 million

GROUP'S EARNINGS

Revenue

Revenue from scheduled flights increased by 50.5% from RM1.68 billion in FY2015 to RM2.53 billion in FY2016.

This was due mainly to a 29.7% increase in the number of guests carried, from 3,613,537 guests in FY2015 to 4,688,077 guests. We were able to accommodate more guests as a result of enhancing our seat capacity, which grew 22.4% from 4,848,974 seats in 2015 to 5,935,111 seats. Seat capacity was matched by demand, as the Group's load factor improved by four percentage points year-on-year from 75% to 79%. Along with a more rational market, meanwhile, the average base fare also increased, by 9.5%, from RM493 to RM540.

The overall increase in revenue was also supported by ancillary services, which saw a significant 34.9% jump in revenue from RM476.4 million in FY2015 to RM642.7 million. Average ancillary revenue per passenger also increased, by 3.8%, from RM132 to RM137.

Meanwhile, as a result of a conscious decision to reduce our Charter activities, revenue from Charter flights decreased by 39.6% year-on-year from RM421.7 million to RM254.7 million. This loss was partially compensated for by Freight and Cargo, and Aircraft Operating Lease. The former saw a 25.5% increase in revenue from RM107.5 million to RM134.9 million due to higher tonnage transported; while income from the latter grew by 60.6% from RM274.0 million to RM440.1 million as a result of additional aircraft being leased.

Expenditure

Aircraft Operating Lease expenses increased by 19.8% from RM706.1 million in FY2015 to RM846.0 million due to the increase in number of operating leased aircraft and also the Ringgit's depreciation against the US Dollar.

Maintenance and Overhaul expenses also increased, by 24.7%, from RM496.8 million to RM619.3 million, reflecting an expanded fleet size as well as the Ringgit's depreciation.

In addition, as a result of the overall increase in number of sectors flown, User Charges payable to the airports increased by 16.9% from RM395.1 million to RM461.7 million year-on-year.

Aircraft Fuel expenses remained relatively stable, at RM1.12 billion as compared to RM1.02 billion in 2015. This was despite a 27.8% hike in fuel consumption from 3,455,760 barrels to 4,418,063 barrels in line with an increased number of sectors flown, given the 19.7% decrease in fuel price from USD76/bbl in 2015 to USD61/bbl in 2016.

The Group also saw a decrease in depreciation costs by 21.6% from RM144.8 million to RM113.5 million as there was no depreciation charge on non-current assets held for sale.

Other operating expenses increased by 82.9% from RM137.4 million in 2015 to RM251.3 million, primarily due to foreign exchange gains recognised in 2015. Furthermore, the Group had in 2016 written off fixed assets valued at RM27.5 million, and further impaired receivables of RM11.6 million.



Aircraft Fuel expenses up by

9.8%

from RM1.02 billion in 2015 to RM1.12 billion

Aircraft Operating Lease expenses increased by

19.8%

from RM706.1 million in FY2015 to RM846.0 million

Maintenance and Overhaul expenses increased by

24.7%

from RM496.8 million to RM619.3 million

Profit & Loss Summary	FY2016 RM million	FY2015 RM million	YoY %
Revenue	4,006.5	3,062.6	30.8
Total Operating Expenses	3,777.6	3,216.9	17.4
EBITDAR	1,244.5	813.4	53.0
Operating Profit/(Loss)	284.9	(37.4)	>100
Net Operating Profit/(Loss)	259.8	(101.8)	>100
Profit/(Loss) Before Tax	260.1	(446.5)	>100
Taxation	(49.8)	96.9	(100)
Profit/(Loss) After Tax	210.3	(349.6)	>100
Basic EPS (sen)	5.1	(10.4)	>100

Revenue	FY2016 RM'000	FY2015 RM'000	YoY %
Scheduled Flights	2,532,543	1,682,740	50.5
Charter Flights	254,720	421,662	(39.6)
Fuel Surcharge	-	98,861	(100.0)
Freight and Cargo	134,913	107,508	25.5
Ancillary Revenue	642,715	476,407	34.9
Aircraft Operating Lease Income	440,134	274,014	60.6
Management Fees	1,509	1,361	10.9
	4,006,534	3,062,553	30.8

CEO's Management Discussion & Analysis

GROUP'S FINANCIAL POSITION

The Group has strengthened its cash position notably, from a balance of RM310.8 million in 2015 to RM422.0 million in 2016. The increase in deposits, cash and bank balances was achieved in spite of 92.9% of the Group's financial liabilities being denominated in foreign currencies at a time when the Malaysian Ringgit had depreciated in valueⁱ.

Meanwhile, shareholders' equity has also strengthened from a balance of RM631.8 million in 2015 to RM1.06 billion in 2016, largely due to net profits recognised in 2016 of RM210.3 million and fair value movements on cash flow hedges of RM214.2 million. The fair value change on cash flow hedges was primarily attributable to fair value changes on fuel hedges.

The value of the Group's total assets increased by 7.4% from RM4.2 billion to RM4.5 billion. This was due to an increase in non-current deposits and prepayments (+RM97.6 million), inventories (+RM10.2 million), intercompany balances (+RM122.1 million), derivative financial instruments (+RM134.7 million), and deposits, cash and bank balances (+RM111.2 million). However, this was partially offset by the decrease in property, plant and equipmentⁱⁱ (-RM121.5 million), deferred tax assets (-RM50.0 million) and trade and other receivables (-RM2.6 million).

Total Group liabilities decreased by 3.3% from RM3.6 billion to RM3.4 billion. This was mostly due to the repayment of borrowings during the year (-RM212.6 million), derivative financial instruments (-RM115.2 million) and intercompany balances (-RM20.4 million). However, this was cushioned by the increase in sales in advance (+RM43.7 million), trade and other payables (+RM29.2 million), and non-current other payables and accrualsⁱⁱⁱ (+RM214.4 million).

The value of the Group's total assets increased by

7.4%

from RM4.2 billion to RM4.5 billion

Total Group liabilities decreased by

3.3%

from RM3.6 billion to RM3.4 billion

Balance Sheet Summary	FY2016 RM'000	FY2015 RM'000	YoY %
Deposit, Cash & Bank Balances	422,021	310,789	35.8
Total Assets	4,490,290	4,182,297	7.4
Total Borrowings	1,160,326	1,429,087	(18.8)
Shareholders' Equity	1,056,885	631,807	67.3
Net Debt	738,305	1,118,298	(34.0)
Net Gearing (x)	0.70	1.77	(60.5)

CAPITAL STRUCTURE AND CAPITAL RESOURCES

The Group's borrowings decreased by 18.8% in 2016, as was planned subsequent to the renounceable rights issue of new ordinary shares with free detachable warrants in 2015. This effectively reduced the Group's net gearing from 1.77x to 0.70x in 2016^{iv}.

The Group remains prudent in maintaining a sound financial position that enables the execution of our strategic objectives in creating value over the coming years.



The Group's borrowings decreased by

18.8% in 2016

The Group's net gearing decreased from

1.77x to **0.70x** in 2016

REVIEW OF OPERATING ACTIVITIES

As per our quarterly announcements to Bursa Malaysia, the reportable operating segments of the Group have been identified as North Asia, Australasia and Others.

- North Asia has been the main revenue generator, accounting for 51% of total revenue in FY2016. Revenue from this segment grew 38% year-on-year on the back of continuous capacity injection as well introduction of new routes to meet healthy demand.
- The Australasia segment remained resilient in 2016, accounting for 34% of total revenue. Revenue grew 47% year-on-year, mainly due to disciplined capacity management and introduction of the Auckland route. Improved showing in FY2016 has resulted in a lower loss before tax of RM13.3 million as compared to loss before tax of RM126.6 million in FY2015.
- Revenue from the Others segment declined in FY2016 to RM588.6 million from RM649.5 million in FY2015 in line with management's strategy to realign the charter and leasing business in order to focus more on scheduled flights.

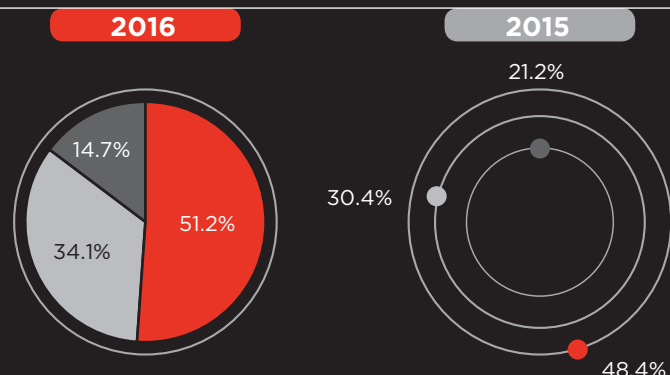
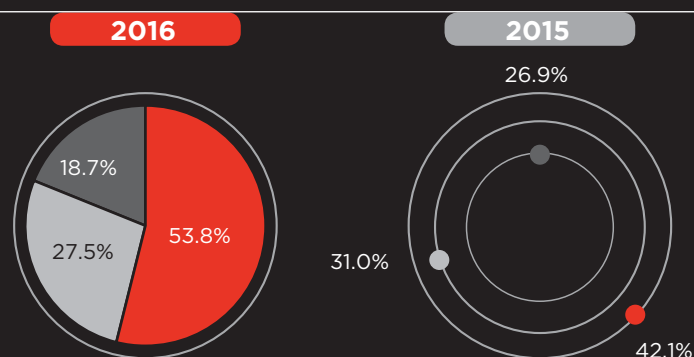
ⁱ Refer to Note 31(a)(iii) of the financial statement for the currency exposure of financial assets and financial liabilities.

ⁱⁱ Property, plant and equipment referred to here includes non-current assets held for sale.

ⁱⁱⁱ Non-current other payables and accruals comprise mainly of aircraft maintenance provision.

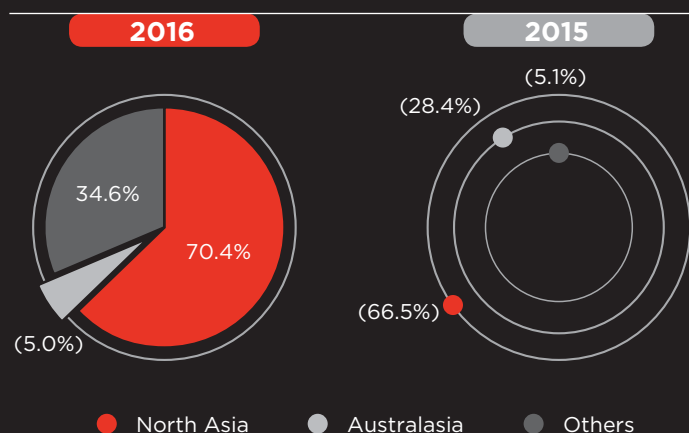
^{iv} Net Gearing is calculated as net debt (total borrowings less deposits, cash & bank balances) over shareholders' equity.

REVENUE (RM'000)

EBITDAR¹ (RM'000)

¹ EBITDAR represents earnings before finance cost, taxation, depreciation, amortisation, and aircraft rental expenses

PROFIT BEFORE TAX/(LOSS BEFORE TAX) (RM'000)



● North Asia ● Australasia ● Others

We have also been able to grow our ancillary business, injecting some creativity into more targeted products such as market-specific inflight menus.



ANTICIPATED OR KNOWN RISKS

AirAsia X faces many uncertainties which are inherent in the business of a scheduled air operator. As taking risks is part of being in business, it is the responsibility of every Allstar to practise good risk management by having internal controls which are not only efficient but also carry acceptable levels of risk to safeguard the company's assets and mitigate the impact of any negative outcomes.

We have performed a robust and systematic review of those risks that we believe could seriously affect the company's performance, future prospects or reputation. Our process for identifying and managing risk is set out in more detail in the Statement of Risk Management & Internal Control, page 148. The risks described below could have a material adverse effect separately, or in combination, on our operational performance, earnings, cash flows or financial condition. The risks identified do not comprise all the risks associated with our business and are not set out in any particular order of priority. Additional risks not presently known to management, or currently deemed to be less material, may also have an adverse effect on the business. Financial and operational risks are described in more detail on page 80 of this annual report.

CEO's Management Discussion & Analysis

RISK DESCRIPTION AND MITIGATION

Increased competition in the airline industry

Irrational competition arising from existing and/or new competitors undercutting fare prices and increasing capacity on common routes could cause a loss of market share and erosion of revenue.

To minimise the impact of competition in the industry, we ensure the cost of doing business is maintained in accordance with the company's business strategy.

The Company's business strategy entails a comprehensive annual planning and budgeting exercise – when the business strategies and cost saving initiatives of each department are developed, followed by regular monitoring of performance. These cost saving initiatives include route optimisation based on the approved strategic planning, which consequently expands our market share.

Potential changes and non-compliance of legal and regulatory requirements

The airline industry is highly-regulated, requiring operating licenses and multiple approvals across many national authorities in each country destination.

Potential changes in law, regulations and legislative decisions could have an operational impact on the airline industry or impose charges levied by government or regulators which are outside of our control and result in an adverse financial impact.

Non-compliance of legal and/or regulatory requirements could compromise our business operations in certain or all jurisdictions and exposes us to potential fines, penalties, punitive government measures or enforcement orders and reputational damage.

AirAsia X has an in-house legal team to advise on legal issues and developments, and to monitor compliance with formal regulatory requirements.

We ensure our Allstars are aware of the behaviours expected of them. Training and awareness programmes are conducted regularly by Group Talent reinforcing our ethical culture across the organisation. In addition, we have a Code of Business Conduct for ready reference by all employees.

Fuel price volatility

Fuel cost is impacted by jet fuel prices which are volatile. Any sudden and/or significant increase in jet fuel price would have an adverse effect on our financial performance.

Group Treasury organises Financial Risk Management Committee Meetings on a monthly basis. These are attended by senior management representing the company and our affiliates, who discuss critical areas of financial risks including fuel price volatility.

A Board-endorsed hedging policy on fuel requirements is in place and consistently applied.

Cyber security threats

Any breach in cyber security may affect the storage of highly sensitive information relating to the Group's commercial performance and flight operations, as well as personal customer data and other sensitive information. This could hamper our competitive advantage, adversely affecting our business and reputation.

Our systems are secured with access controls, while regular vulnerability and penetration testing provide additional security. Periodic reviews and compliance assessments are executed to ensure conformance to globally accepted IT security standards.

Group ICT regularly strengthens our data-related controls as part of a significant IT security improvement programme. The strengthening includes enhanced information security policies and governance, review of defence measures against attacks and continued migration away from unsupported systems.

Failure of critical IT system

The Group relies heavily on key IT systems and network availability to operate as an airline.

Any IT system or network failure could cause a major disruption and have an adverse reputational, financial and operational impact on the Group.

We have in place system controls, disaster recovery and business continuity arrangements to mitigate the risk of critical system failure.

Critical systems are hosted across data centres which are in distinct locations with failover arrangements. The latter are reviewed and tested regularly to identify areas for improvement.

Major safety incident

Airline safety is subject to many risks which are beyond the full control of an operator, such as weather conditions, pandemics and acts of terrorism.

Aircraft incidents (eg MH370, MH17 and QZ8501) have adversely affected the safety reputation of airlines in the region. Our business and reputation could be adversely affected if we fail to prevent a major safety incident/accident or deal with a safety related issue effectively.

Our Safety Management System (SMS) provides a structured approach to control safety risks in operations. The Safety Review Board (SRB) meets every quarter and acts as a platform to develop our strategic safety direction, while the Safety Action Group (SAG) deals with implementation issues to satisfy the strategic directives of the SRB.

Safety promotion initiatives such as SMS Awareness Training, Emergency Response Training, Basic OSHA Training and Hazard Identification and Risk Management (HIRA) Training are provided to all staff throughout the year.

The newly improved safety reporting system enables more timely and consistent analyses of captured data.

Foreign currency risk

Fluctuation in the foreign currency exchange rates impact our financial position and cash flows. Exposure arises due to exchange rate fluctuations between Malaysian Ringgit and other currencies generated from AirAsia X's revenue earning (eg US Dollars, Euro, Australian Dollar, Indian Rupee, Chinese Yuan, Japanese Yen, etc.) and borrowing activities. Long term debt obligations, for instance financing of aircraft purchase and pre-delivery payment of Airbus A330-300 aircrafts, are mainly denominated in US Dollars and others in Malaysian Ringgit.

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. The senior management across the AirAsia Group discusses this matter regularly at monthly financial risk management committee meetings and AirAsia's Group Treasury provides advisory service on the suitability of the hedging strategy and jointly evaluates the strategy together with AirAsia X's management when required.

CEO's Management Discussion & Analysis



We began the year 2017 on a very positive note, with the announcement in February of flights to Hawaii starting from 28 June 2017. And Hawaii is just the beginning. We would like to explore a further range of options in the US as well as return to Europe. With the more fuel-efficient and bigger capacity new engine option (neo) Airbus aircraft that we will be receiving from 2018 onwards, holidays in Europe will no longer be wishful thinking for our guests. They will be very real options. In addition to dream destinations, we will continue to stimulate demand for underserved routes, as we have done countless times in the past, with the Gold Coast, Chengdu, Sapporo, Hangzhou...

To further drive revenue, we will increase awareness of the Premium Red Lounge and introduce attractive offers to promote it, while pressing on with initiatives to increase our ancillary revenue. We believe there is potential to come up

with more innovative seat options, such as 'twin seats' that would give guests greater privacy, as well as to further enhance our inflight entertainment, and whet greater appetite for our award-winning Santan meals.

As we do this, we will as always keep a sharp eye on costs, trimming as much as we can through even greater aircraft utilisation, better terms with vendors through re-negotiated deals, and countless other ways that we will discover as we journey on. Productivity and cost management have been our mantras, and will continue to drive many of our strategic initiatives.

Having been through a difficult few years and achieved what we have in 2016, morale among our Allstars is high, and justifiably so. It is fantastic to feel the energy and enthusiasm of our wonderful team here at RedQ. However, our work is not

AR 2017

done. In fact, it will never be done. While our aspirations remain ambitious, we will need to create a good balance between profitability, resilience and efficiency, especially in the current challenging operating environment. There will always be more routes to carve out, more travel dreams to fulfil. This will keep us planning and innovating not just in 2017 or even the next five years, but for an indefinite number of years.

On behalf of the management of the Company, I would like to record my deepest appreciation to our stakeholders, particularly to our shareholders, guests, investors and regulators for being with us through both the good and challenging times. To our Board members, my sincere gratitude for the insight and counsel provided to the Company.

Thank you.

Hawaii will be the game-changing destination we have all been waiting for, hence let me phrase like how the Hawaiians would say,

**HELE ME KAHAU'OLI
- GO WITH JOY.**

