



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

ANNOUNCEMENT

The Board of Directors of AirAsia Group Berhad (“AirAsia” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia Group and its subsidiaries (collectively known as “the Group”) for the first quarter ended 31 March 2020.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Year ended	Year ended
		31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Revenue	11	2,161,411	2,627,337	2,161,411	2,627,337
Operating expenses:					
- Staff costs		(434,172)	(428,204)	(434,172)	(428,204)
- Aircraft fuel expenses		(870,271)	(956,664)	(870,271)	(956,664)
- Maintenance and overhaul		(429,175)	(279,500)	(429,175)	(279,500)
- User charges and other related expenses		(391,621)	(419,520)	(391,621)	(419,520)
- Other operating expenses		(120,931)	(129,747)	(120,931)	(129,747)
Other income	12	85,641	80,879	85,641	80,879
Share of results of associates **		(29,419)	31,053	(29,419)	31,053
Airline EBITDA		(28,537)	525,634	(28,537)	525,634
Non Airline EBITDA					
- Teleport (Logistics)	30	63,180	51,805	63,180	51,805
- AirAsia.com	30	(5,268)	557	(5,268)	557
- BigPay Group	30	(28,239)	(12,042)	(28,239)	(12,042)
- Red Beat Ventures Group (“RBV Group”) Others	30	(1,107)	(1,380)	(1,107)	(1,380)
EBITDA		29	564,574	29	564,574
Depreciation of property, plant and equipment		(61,966)	(69,244)	(61,966)	(69,244)
Depreciation of right of use asset	2	(437,001)	(243,887)	(437,001)	(243,887)
Finance costs - lease liabilities	2	(141,369)	(106,949)	(141,369)	(106,949)
Finance income	13	29,775	28,793	29,775	28,793
Finance costs	13	(54,732)	(59,343)	(54,732)	(59,343)
Net Operating (Loss)/ Profit		(665,264)	113,943	(665,264)	113,943
Foreign exchange (losses)/gain	13	(31,839)	92,217	(31,839)	92,217
Fair value loss on derivatives		(270,051)	8,145	(270,051)	8,145
(Loss)/Profit before taxation		(967,154)	214,306	(967,154)	214,306
Tax expense	14	(6,566)	(3,862)	(6,566)	(3,862)
Deferred taxation	14	20,396	(108,835)	20,396	(108,835)
Net (loss)/profit for the financial period/year		(953,324)	101,609	(953,324)	101,609
Attributable to:					
- Owners of the company		(803,845)	96,089	(803,845)	96,089
- Non-controlling interests		(149,479)	5,520	(149,479)	5,520
		(953,324)	101,609	(953,324)	101,609
Earnings per share attributable to owners of the Company (sen)					
- Basic		(24.1)	2.9	(24.1)	2.9
- Diluted		(24.1)	2.9	(24.1)	2.9

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

**share of results of associates is disclosed above the EBITDA line to facilitate disclosure of Airline performance. The performance of the associates are disclosed in Note 30.

The Condensed Income Statement in compliance with MFRS 134 is as disclosed in Note 1.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	31/3/2020 RM'000	31/3/2019 RM'000	31/3/2020 RM'000	31/3/2019 RM'000
Net (loss)/profit for the financial period	(953,324)	101,609	(953,324)	101,609
Other comprehensive income/(loss)				
Remeasurement loss on employee benefits liability, net of tax	(988)	(2,252)	(988)	(2,252)
Fair value reserve	(256,253)	41,358	(256,253)	41,358
Cash flow hedges	(1,107,432)	517,118	(1,107,432)	517,118
Foreign currency translation differences	638,771	50,234	638,771	50,234
Total comprehensive (loss)/income for the period	(1,679,226)	708,067	(1,679,226)	708,067
Total comprehensive income attributable to:				
Owners of the Company	(1,409,926)	701,976	(1,409,927)	701,976
Non-controlling interests	(269,300)	6,091	(269,300)	6,091
	(1,679,226)	708,067	(1,679,226)	708,067

The condensed consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31/03/2020 RM'000	AS AT 31/12/2019 RM'000
NON CURRENT ASSETS			
Property, plant and equipment	15	1,180,483	1,201,576
Right of use assets	22	11,640,554	11,215,954
Finance lease receivables	22	951,569	927,429
Investment in associates	17	576,463	703,325
Investment securities	16	348,126	603,215
Intangible assets		637,226	635,024
Deferred tax assets		958,395	1,130,830
Receivables and prepayments	18	3,604,900	3,423,984
Deposits on aircraft purchase		630,156	252,293
Derivative financial instruments	23	309,186	208,725
		20,837,058	20,302,355
CURRENT ASSETS			
Inventories		154,896	146,086
Receivables and prepayments	18	1,170,346	1,133,011
Finance lease receivables	22	319,496	293,571
Deposits on aircraft purchase		-	344,036
Amounts due from associates		326,306	432,709
Amounts due from related parties		206,652	107,200
Derivative financial instruments	23	1,088,959	230,479
Tax recoverable		19,796	17,174
Deposits, bank and cash balances		1,607,317	2,588,097
		4,893,768	5,292,363
CURRENT LIABILITIES			
Trade and other payables	19	2,470,445	2,175,150
Aircraft maintenance provisions and liabilities	20	665,206	572,312
Sales in advance		711,923	1,182,155
Amounts due to associates		55,037	151,812
Amounts due to related parties		36,618	260,354
Borrowings	21	486,693	342,152
Lease liabilities	22	2,223,295	2,271,662
Derivative financial instruments	23	1,750,927	126,977
Provision of taxation		58,937	52,895
		8,459,081	7,135,469
NET CURRENT LIABILITIES		(3,565,313)	(1,843,106)



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31/03/2020 RM'000	AS AT 31/12/2019 RM'000
NON CURRENT LIABILITIES			
Trade and other payables	19	434,180	320,455
Aircraft maintenance provisions and liabilities	20	5,013,858	4,720,621
Borrowings	21	78,151	86,714
Lease liabilities	22	10,021,564	10,188,139
Deferred tax liabilities		32,088	84,279
Derivative financial instruments	23	508,045	73,350
Provision for retirement benefits		72,166	74,951
		16,160,052	15,548,509
		1,111,693	2,910,740
CAPITAL AND RESERVES			
Share capital		8,023,268	8,023,268
Merger deficit		(5,507,594)	(5,507,594)
Other Reserves		(1,217,606)	147,067
Foreign exchange reserve		809,908	171,137
Retained earnings	10	860,607	1,664,452
		2,968,583	4,498,330
Non-controlling interests		(1,856,890)	(1,587,590)
Total equity		1,111,693	2,910,740
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.89	1.35

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Share Capital RM'000	Merger Deficit RM'000	Foreign exchange reserve RM'000	Cash flow hedge reserve RM'000	Fair value reserve RM'000	Remeasurement loss on employee benefits liability RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2020	3,341,974	8,023,268	(5,507,594)	171,137	38,466	103,768	4,833	1,664,452	4,498,330	(1,587,590)	2,910,740
Net profit for the financial period	-	-	-	-	-	-	-	(803,845)	(803,845)	(149,479)	(953,324)
Other comprehensive income	-	-	-	638,771	(1,107,432)	(256,253)	(988)	-	(725,902)	(119,821)	(845,723)
At 31 March 2020	3,341,974	8,023,268	(5,507,594)	809,908	(1,068,966)	(152,485)	3,845	860,607	2,968,583	(1,856,890)	1,111,693
At 1 January 2019	3,341,974	8,023,268	(5,507,594)	178,515	(477,610)	21,716	4,447	5,389,073	7,631,815	(1,622,087)	6,009,728
Net profit for the financial period	-	-	-	-	-	-	-	96,089	96,089	5,520	101,609
Other comprehensive income	-	-	-	50,234	517,118	41,358	(2,823)	-	605,887	571	606,458
At 31 March 2019	3,341,974	8,023,268	(5,507,594)	228,749	39,508	63,074	1,624	5,485,162	8,333,791	(1,615,996)	6,717,795

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	PERIOD ENDED
	31/03/2020	31/03/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(967,154)	214,306
Adjustments:		
Property, plant and equipment		
- Depreciation	61,966	69,244
- Gain on disposal	(9,382)	(2,270)
Depreciation of Right of Use asset	437,001	243,887
Amortisation of intangible assets	152	152
Provision for retirement benefit	1,257	-
Fair value (loss)/gain on derivative financial instruments	270,051	(5,920)
Share of results of associates	29,419	(31,053)
Net unrealised foreign exchange (gain)/loss	200	(73,100)
Interest expense	54,732	59,343
Interest on lease liabilities	141,369	106,949
Interest income	(29,775)	(28,793)
	(10,164)	552,745
Changes in working capital		
Inventories	(9,163)	(3,319)
Receivables and prepayments	(91,378)	(196,079)
Trade and other payables and provisions	385,588	187,602
Intercompany balances	(358,040)	(236,359)
Cash (used in)/generated from operations	(83,157)	304,590
Interest paid	(54,732)	(44,634)
Interest received	29,775	28,793
Tax paid	(8,008)	206
Net cash (used in)/ generated from operating activities	(116,122)	288,956



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	PERIOD ENDED
	31/03/2020	31/03/2019
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(82,143)	(37,739)
- Proceeds from disposal	9,382	2,156
Addition in intangible assets	(2,354)	-
Refund of /(Additional) deposits for aircraft	-	(2,336)
Additional investments in investment securities	-	(15,899)
Net cash used in investing activities	(75,115)	(53,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	148,317	111,224
Payment of interest on lease liabilities	(141,369)	(106,949)
Repayment of borrowings and lease liabilities	(620,405)	(476,362)
Net cash used in financing activities	(613,457)	(472,087)
NET DECREASE FOR THE FINANCIAL PERIOD	(804,694)	(236,950)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,588,097	3,326,921
CURRENCY TRANSLATION DIFFERENCES	(176,086)	(146,004)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,607,317	2,943,967

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE QUARTERLY REPORT

1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in accordance with paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements.

For the financial period under review, the Consolidated Income Statement has been presented to better reflect the Airline and Non-Airline activities of the Group. The comparative Quarter and Period to Date have been restated for comparison purposes.

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Basis of preparation

The Consolidated Income Statement for the quarter ended 31 March 2020, in compliance with MFRS134: Interim Financial Reporting is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	2,311,761	2,728,228	2,311,761	2,728,228
Operating expenses:				
- Staff costs	(455,219)	(445,314)	(455,219)	(445,314)
- Depreciation of property, plant and equipment	(498,967)	(313,131)	(498,967)	(313,131)
- Aircraft fuel expenses	(870,271)	(956,664)	(870,271)	(956,664)
- Maintenance and overhaul	(429,175)	(279,500)	(429,175)	(279,500)
- User charges and other related expenses	(391,621)	(419,520)	(391,621)	(419,520)
- Other operating expenses	(253,409)	(217,284)	(253,409)	(217,284)
Other income	117,382	123,575	117,382	123,575
Operating (loss)/profit	(469,519)	220,390	(469,519)	220,390
Finance income	29,775	28,793	29,775	28,793
Finance costs	(196,101)	(166,293)	(196,101)	(166,293)
Net operating (loss)/profit	(635,845)	82,891	(635,845)	82,891
Share of results of associates	(29,419)	31,053	(29,419)	31,053
Foreign exchange (loss)/gains	(31,839)	92,217	(31,839)	92,217
Fair value loss on derivatives	(270,051)	8,145	(270,051)	8,145
(Loss)/Profit before taxation	(967,154)	214,306	(967,154)	214,306
Tax expense	(6,566)	(3,862)	(6,566)	(3,862)
Deferred taxation	20,396	(108,835)	20,396	(108,835)
Net (loss)/profit for the financial period/ year	(953,324)	101,609	(953,324)	101,609

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

2. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the Audited Financial Statements for the financial year ended 31 December 2019. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2020 or later are provided in the notes to the financial statements in the Audited Financial Statements of the Group for the financial year ended 31 December 2019. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

For the beginning of the financial year 1 January 2020, the standards that becomes effective does not have any material impact to the financial statements of the Group and the Company for the year.

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion with an emphasis of matter on the current Covid 19 pandemic and potential implication, on the Group's statutory financial statements for the financial year ended 31 December 2019 in their report dated 6 July 2020.

4. Seasonality of operations

AirAsia is primarily involved in the provision of air transportation services and thus, is subject to the seasonal demand for air travel. Due to the current Covid 19 situation and the various lockdowns in countries of which the Group operates in, the operations are adversely impacted.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date except for that from the Covid 19 outbreak.

6. Changes in composition of the Group

There are no changes in composition of the Group during the current quarter.

7. Changes in estimates

There were no changes in estimates that have had a material effect on the results of the current quarter and financial period-to-date.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

8. Capital and reserves

There was no cancellation, repurchases, resale and repayment of debt and equity securities for the period ended 31 March 2020.

9. Dividends paid and proposed

No dividend has been proposed during the quarter ended 31 March 2020.

10. Retained earnings

Retained earnings of RM877.5 million, being the retained earnings of the Company, is available for distribution to shareholders of the Company.

11. Revenue

	Quarter ended 31/3/2020 RM million	Quarter ended 31/3/2019 RM million
Passenger revenue		
- seat sales	1,790.4	2,094.6
- others	354.5	515.3
Aircraft operating lease income	16.5	17.4
	<hr/> 2,161.4	<hr/> 2,627.3
Teleport (Logistics)	150.4	100.9
	<hr/> 2,311.8	<hr/> 2,728.2

Passenger revenue “Others” includes ancillary income such as administrative fees, baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sales of meals and merchandise.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

12. Other income

	Quarter ended 31/3/2020 RM million	Quarter ended 31/3/2019 RM million
Fees charged for provision of commercial air transport services	27.3	34.8
Gain on disposal of property, plant and equipment	9.3	2.3
Others	49.0	43.7
	85.6	80.8

Other income “Others” includes commission and advertising income, forfeited revenue and insurance claims.

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

	Quarter ended 31/03/20 RM million	Quarter ended 31/03/19 RM million	Year ended 31/03/20 RM million	Year ended 31/03/19 RM million
(a) Finance income				
Interest income from:				
- deposits with licensed banks	1.1	12.9	1.1	12.9
- from associates	2.8	-	2.8	-
- finance lease receivables	25.9	15.5	25.9	15.5
Discounting effect on financial instruments and others	-	0.4	-	0.4
	29.8	28.8	29.8	28.8
(b) Finance costs				
Bank borrowings	(28.6)	(55.4)	(28.6)	(55.4)
Amortisation of premiums for interest rate caps	(0.2)	(0.8)	(0.2)	(0.8)
Discounting effect on financial instruments, bank facilities and other charges	(25.9)	(3.1)	(25.9)	(3.1)
	(54.7)	(59.3)	(54.7)	(59.3)
(c) Foreign exchange gains/(losses)				
- realized	(32.0)	25.9	(32.0)	25.9
- unrealized	0.2	73.1	0.2	73.1
- fair value movement recycled from cash flow hedge reserve	-	(6.8)	-	(6.8)
	(31.8)	92.2	(31.8)	92.2



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

14. Income tax and Deferred tax

Income tax expense

The current taxation charge for the quarter of RM6.6 million comprises tax payable on interest income and corporate income taxes for the subsidiaries.

Deferred taxation

Net deferred tax asset of RM20.4 million was recognised in the current quarter.

15. Property, plant and equipment

(a) acquisition and disposals

During the period ended 31 March 2020, the Group acquired property, plant and equipment with a cost of RM82.1 million (period ended 31 March 2019: RM37.7 million).

During the period ended 31 March 2020, proceeds from disposal of property, plant and equipment is RM9.3 million (period ended 31 March 2019: RM2.2 million).

(b) revaluation

There was no revaluation of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(c) impairment

There was no impairment of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

16. Quoted investments and properties

There was no purchase or disposal of quoted securities for the quarter under review and financial period to date.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

17. Investments in associates

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
Investment at cost	1,525.4	819.0
Reclassified from investment in joint venture	-	572.7
Share of results and reserves	(947.8)	(688.4)
	<u>576.6</u>	<u>703.3</u>

As permitted by MFRS 128, the Group recognized losses from the associates to the extent of the Group's interest in these associates. The unrecognized losses at the reporting date is RM342.3 million.

18. Receivables and prepayments

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
<u>Non-current</u>		
Prepayments	2,711.9	2,512.0
Deposits and other receivables	893.0	912.0
	<u>3,604.9</u>	<u>3,424.0</u>
<u>Current</u>		
Trade and other receivables	435.8	450.7
Prepayments	620.8	594.6
Deposits	113.7	87.7
	<u>1,170.3</u>	<u>1,133.0</u>

Prepayments include advances for the purchase of fuel as well as prepaid engine maintenance costs to the service provider.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

19. Trade and other payables

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
<u>Non-current</u>		
Other payables	434.2	320.5
<u>Current</u>		
Trade payables	668.7	449.0
Other payables	282.6	453.5
Accruals for fuel	88.0	270.5
Collateral for derivatives	-	7.8
Others	1,431.1	994.4
	<u>2,470.4</u>	<u>2,175.2</u>

Other payables and accruals include accruals for operational expenses and passenger service charges payable to airport authorities

20. Aircraft maintenance provision/ payables

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
Aircraft maintenance provision	1,394.6	1,274.3
Aircraft maintenance payables	1,761.3	2,435.5
Aircraft maintenance reserves	2,523.2	1,583.1
	<u>5,679.1</u>	<u>5,292.9</u>
Current	665.2	572.3
Non Current	5,013.9	4,720.6
	<u>5,679.1</u>	<u>5,292.9</u>

- (i) Aircraft maintenance provision relates to provision of maintenance of aircraft contractually obligated by the Group to maintain during the lease period until redelivery based on pre-agreed conditions
- (ii) Aircraft maintenance payables relates to provision set aside at the point of sales and leaseback that is contractually obligated by the Group to incur to return the aircraft at the pre-agreed conditions
- (iii) Aircraft maintenance reserve relates to payments made by lessee for agreed maintenance work that has yet to be carried out



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

21. Borrowings

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
<u>Short term</u>		
Term loans	279.5	238.5
Commodity Murabahah Finance	1.8	3.6
Revolving credit	205.4	100.0
	<hr/> 486.7	<hr/> 329.9
<u>Long term</u>		
Term loans	78.2	86.7
Total	<hr/> 564.9	<hr/> 428.9

The currency profile of borrowings are as follows:

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
Ringgit Malaysia	249.3	103.7
US Dollar	177.6	184.3
Philippine Peso	99.0	90.0
Indonesian Rupiah	39.0	50.9
	<hr/> 564.9	<hr/> 428.9

22. Lease liabilities

The lease liabilities is supported by the corresponding Rights of Use asset of RM11.6 billion and finance lease receivables of RM1.3 billion. The lease liabilities are repayable on a monthly basis based on the lease agreement.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

23. Derivative financial instruments

(a) Forward Foreign Exchange Contracts

As at 31 March 2020, the Group has entered into Foreign Currency Swaps to hedge the USD dollar liabilities into Malaysia Ringgit (“MYR”).

(b) Interest Rate Hedging.

As at 31 March 2020, the Group has interest rate swaps which have an outstanding amount of US\$289 million.

(c) Fuel Hedging

As of 31 March 2020, the Group has entered into Brent and Jet/Brent cracks swaps to mitigate the risk of fuel price volatility. It represents 74% of the Group’s budgeted fuel consumption.

Type of Derivatives

	Notional Value Barrels million	Fair value 31/3/2020 Assets/(Liabilities) RM million
<u>Fuel contract</u>		
- less than 1 year	3.1	(794.9)
- 1 year to 3 years	2.2	(187.3)
Total	5.3	(982.2)
<u>Interest rate contracts</u>		
	RM million	RM million
- less than 1 year	244.0	(5.0)
- 1 year to 3 years	-	-
- More than 3 years	1,010.2	(96.6)
Total	1,254.2	(101.6)
<u>Foreign currency contracts</u>		
	RM million	RM million
- More than 3 years	184.0	52.7
Total	184.0	52.7

The related accounting policies, cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks are unchanged since the last financial year.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

24. Status of corporate proposals announced

There are no outstanding corporate proposal.

25. Post balance sheet events

There are no post balance sheet events to be reported.

26. Contingent assets

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

27. Changes in contingent liabilities since the last annual balance sheet date

There were no material changes in contingent liabilities since the audited financial statements of the Group for the financial year ended 31 December 2018.

28. Capital commitments outstanding not provided for in the interim financial report

Capital commitments for property, plant and equipment:

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
Approved and contracted for	115,626.3	99,665.2



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Material related party transactions

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 31 March 2020 are set out below:

	Quarter ended 31/3/2020 RM million	Quarter ended 31/3/2019 RM million
1. Transaction of the Group with associates of a subsidiary		
a. Lease rental income on aircraft		
- Thai AirAsia	59.9	66.6
- India AirAsia	21.8	21.5
- Japan AirAsia	12.1	10.0
2. Transaction of the Group with company with common directors and shareholders		
a. Lease rental income on aircraft		
- PT Indonesia AirAsia Extra	17.6	17.1
b. Wet lease expenses on aircraft		
- PT Indonesia AirAsia Extra	27.6	26.1
c. Purchase of cargo transportation capacity		
- AirAsia X Berhad	47.1	42.7



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance

Consolidated Group Performance

The Group entered the first quarter with strong performance in the January 2020. However, market conditions deteriorated abruptly in February 2020 as the Covid-19 outbreak started to spread rapidly. Fears of the spread of the virus, as well as travel restrictions and border controls announced by Government of different countries led to a collapsed in demand for air travel in the month of February and March 2020.

Despite the significant challenges in the airline industry, with proactive capacity and cost management, coupled with a strong performance from the non-airline businesses, the Group reported a breakeven EBITDA.

The Group's Loss for the year at RM954.2 million was mainly impacted by RM270.1 million of fair value losses on derivatives, loss on settlement of fuel hedges of RM110.0 million and RM243.0 million additional depreciation and lease liabilities interest on operating lease aircraft as 1Q20 includes the additional sales and leaseback transactions completed in August 2019.

Airline

Performance indicators

	Jan -Mac 2020	Jan -Mac 2019	Change %
Passengers Carried	9,847,010	12,548,460	-22%
Capacity	12,714,176	14,268,918	-11%
Seat Load Factor	77%	88%	-11%
RPK (million)	11,156	15,678	-29%
ASK (million)	14,393	17,788	-19%
Average Fare (RM)	182	168	8%
Unit Passenger Revenue (RM)	225	213	5%
Revenue / ASK (sen)	15.33	15.10	2%
Revenue / ASK (US cents)	3.64	3.58	2%
Cost / ASK (sen)	19.81	14.57	36%
Cost / ASK (US cents)	4.70	3.46	36%
Cost / ASK-ex Fuel (sen)	13.76	9.14	51%
Cost / ASK-ex Fuel (US cents)	3.26	2.17	51%
Aircraft (end of period)	149	141	8
Average Stage Length (km)	1,121	1,239	-10%
Number of Flights	69,782	78,709	-11%
Fuel Consumed (Barrels)	2,385,296	2,851,983	-16%
Average Fuel Price (US\$ / Barrel)	86	83	4%

Exchange Rate: RM:USD – 4.216 - Prior year US cent and dollar are restated at current average exchange rate during the quarter and year to date for ease of reference

Average Fuel Price/ Barrel restated using current average exchange rate for comparison is US\$80/barrel

Statistics exclude Logistic and Leasing operations



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

Total Group Revenue for the airline business for 1Q20 contracted by 18% to RM2,161.4 million, from RM2,627.3 million recorded in 1Q19 amid increasing and unprecedented travel restrictions due to the Covid-19 pandemic. The Group had responded proactively with capacity management which had shown results with 1Q20 reporting a healthy load factor of 77%.

Capacity reductions were mainly from Malaysia and Philippines with a reduction of capacity of 17% and 1% respectively as domestic routes and international routes were halted mid-March. Indonesia however increased its capacity by 10% by redeploying the additional international routes capacity to domestic markets.

Malaysia saw average fares increase by 12%, Indonesia 11% whilst Philippines average fare fell by 9%. Group RASK improved by 2% to 3.64 US cents from 3.58 US cents on improved pricing strategy in Malaysia and Indonesia. Group CASK increased by 36% 4.70 US cents from 3.46 US cents as a result of fuel hedge losses as prices fell on the back of lower demand of oil, higher maintenance and depreciation and lease liabilities interest as higher number of aircraft is on operating lease in 1Q20 as compared to 1Q19.

The Airline Group reported a negative EBITDA for 1Q20 at RM28.5 million, compared to a positive EBITDA of RM525.6 million in 1Q19. Excluding the share of associates' losses, Airline EBITDA reported a marginally positive EBITDA despite the challenging circumstances. The negative EBITDA of Malaysia and Indonesia operations is cushioned by positive EBITDA of Philippines.

Cashflow commentary for current quarter against corresponding quarter

Net Cash Flow	Period ended 31/3/2020 RM million	Period ended 31/3/2019 RM million
Cash from/(to) Operating activities	(116.1)	289.0
Cash from/(to) Investing activities	(75.1)	(53.8)
Cash from/(to) Financing activities	(613.5)	(472.1)
	<u>(824.7)</u>	<u>(236.9)</u>

The Group's cashflow reported a net outflow as the current Covid 19 pandemic contributed to the lower demand for flights. The increase in financing activities correspond with the higher number of aircraft that is on sales and leaseback transactions whereby payment of operating lease expenses is reflected under financing activities.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

The net gearing ratio as at 31 March 2020 and 31 December 2019 are as follows:

	As at 31/3/2020 RM million	As at 31/12/2019 RM million
Borrowings	564.8	428.9
Lease liabilities	12,244.8	12,459.8
Less: Deposit, cash and bank balances	1,607.3	2,588.1
Net Debt	11,202.3	10,300.6
Total equity	2,968.6	4,498.3
Net gearing ratio (times) – excluding lease liabilities	Nil	Nil
Net gearing ratio (times)	3.8	2.3



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

Associate's Performance

(a) Thai Air Asia Co. Ltd ("Thai AirAsia")

Performance indicators

	Jan-Mar	Jan-Mar	Change %
	2020	2019	
Passengers Carried	4,531,142	5,861,824	-23%
Capacity	5,420,286	6,507,990	-17%
Seat Load Factor	84%	90%	-6
RPK (million)	3,988	6,151	-35%
ASK (million)	4,834	6,874	-30%
Average Fare (THB)	1,401	1,554	-10%
Unit Passenger Revenue (THB)	1,718	1,906	-10%
Revenue / ASK (THB)	1.62	1.62	0%
Revenue / ASK (US cents)	5.05	5.05	0%
Cost / ASK (THB)	1.85	1.54	20%
Cost / ASK (US cents)	5.77	4.80	20%
Cost / ASK-ex Fuel (THB)	1.29	1.00	29%
Cost / ASK-ex Fuel (US cents)	4.02	3.12	29%
Aircraft (end of period)	62	62	-
Average Stage Length (km)	896	1,056	-15%
Number of Flights	29,629	36,061	-18%
Fuel Consumed (Barrels)	891,740	1,254,354	-29%
Average Fuel Price (US\$ / Barrel)	95	91	4

Exchange Rate: THB:USD – 32.05 - Prior year US cent and dollar are restated at current average exchange rate for ease of reference

Average Fuel Price/ Barrel restated using current average exchange rate for comparison is US\$90/barrel



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(a) Thai Air Asia Co. Ltd (“Thai AirAsia”)

Financial Statements

	Jan-Mar 2020 THB'000	Jan-Mar 2019 THB'000
Revenue	7,812,613	11,155,313
Operating expenses:		
- Staff costs	(1,492,362)	(1,604,628)
- Aircraft fuel expenses	(2,714,252)	(3,628,000)
- Maintenance and overhaul	(1,160,031)	(880,548)
- User charges and other related expenses	(922,677)	(1,328,871)
- Other operating expenses	(919,740)	(1,276,527)
Other income	1,586,289	323,472
EBITDAR	2,189,840	2,760,211
Depreciation of property, plant and equipment	(1,463,581)	(430,361)
Aircraft operating lease expenses	-	(1,344,606)
Finance income	7,973	4,439
Finance costs	(551,289)	(191,810)
Foreign exchange (loss)/gains	(2,096,812)	138,827
(Loss)/profit before taxation	(1,913,869)	936,700
Tax expense	-	-
Deferred taxation	690,422	(33,781)
(Loss)/profit after taxation	(1,223,447)	902,919

*EBITDAR – Earnings Before Interest, Depreciation, Amortisation and Rental



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(a) Thai Air Asia Co. Ltd (“Thai AirAsia”)

Financial Statements

Year Ended	Mar 2020 THB'000	Dec 2019 THB'000
Property, plant and equipment	38,891,161	24,821,094
Intangible assets	20,632	22,770
Inventory	300,464	294,641
Aircraft maintenance reserve	5,792,362	5,963,213
Other debtors and prepayments	4,073,309	2,155,980
Amounts due from related parties	273,243	1,919,708
Cash and Short term deposits	4,756,158	3,889,581
Total Assets	54,107,329	39,066,987
Sales in advance	2,665,888	4,648,343
Other creditors and accruals	7,196,439	5,162,137
Amount due to related parties	708,378	373,823
Borrowings	12,318,154	10,486,213
Lease liabilities	29,486,099	11,493,614
Deferred tax liabilities	-	64,421
Total Liabilities	52,374,958	32,228,551
Share capital	435,556	435,556
Retained earnings	1,296,815	6,402,880
Total Equity	1,732,371	6,838,436

Thai AirAsia recorded Total Revenue of THB7,812.6 million in 1Q20, 30% lower than 1Q19 of THB11,155.3 million. Passengers carried reduced by 23% with load factor falling to 84% as compared to 90% in 1Q19 as Thai AirAsia adapted its network and capacity to match travel demand, reducing flight frequencies and cancelling routes to at-risk countries. Thai AirAsia had suspended domestic flights and international flights commencing 1 April 2020 and 22 March 2020 respectively.

Thai AirAsia adopted TFRS16 Leases which was effective 1 January 2020 for Thailand which saw the increase in depreciation and interest costs and a substantial foreign exchange loss of THB2,096.8 million which was attributable to the exchange differences on leases liabilities.

Thai AirAsia reported a loss for the period of THB1,223.4 million impacted by the lower revenue and adoption of TFRS16, offset by the one-time gain on sales and leaseback transactions of 9 aircraft and 1 outright sale of THB1,331.6 million.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(b) AirAsia (India) Limited (“AirAsia India”)

Performance indicators

	Jan-Mar 2020	Jan-Mar 2019	Change %
Passengers Carried	2,518,884	1,936,888	30%
Capacity	3,115,800	2,173,680	43%
Seat Load Factor	81%	89%	-8
RPK (million)	2,765	2,093	32%
ASK (million)	3,358	2,322	45%
Average Fare (INR)	3,310	2,978	11%
Unit Passenger Revenue (INR)	3,843	3,384	14%
Revenue / ASK (INR cents)	276.32	271.93	2%
Revenue / ASK (US cents)	3.78	3.72	2%
Cost / ASK (INR cents)	346.93	337.85	3%
Cost / ASK (US cents)	4.74	4.62	3%
Cost / ASK-ex Fuel (INR cents)	212.78	207.73	2%
Cost / ASK-ex Fuel (US cents)	2.91	2.84	2%
Aircraft (end of period)	30	20	10
Average Stage Length (km)	1,078	1,068	1%
Number of Flights	17,310	12,076	43%
Fuel Consumed (Barrels)	600,785	419,346	43%
Average Fuel Price (US\$ / Barrel)	103	102	1

Exchange Rate: RM:USD – 73.14- Prior year US cent and dollar are restated at current average exchange rate during the quarter and year to date for ease of reference

Average Fuel Price/ Barrel restated using current average exchange rate for comparison is US\$99/barrel



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(b) AirAsia (India) Limited ("AirAsia India")

Financial Statements

	Jan-Mar 2020 INR'000	Jan-Mar 2019 INR'000
Revenue	9,280,005	6,314,381
Operating expenses:		
- Staff costs	(1,643,070)	(1,061,212)
- Aircraft fuel expenses	(4,505,188)	(3,021,403)
- Maintenance and overhaul	(2,508,184)	(1,145,226)
- User charges and other related expenses	(1,703,032)	(1,032,537)
- Other operating expenses	(332,478)	(273,462)
Other income	1,235,594	240,474
EBITDA	(176,352)	21,015
Depreciation of property, plant and equipment	(1,042,229)	(1,093,064)
Finance income	37,571	15,723
Finance costs	(643,998)	(474,150)
Foreign exchange loss	(1,521,696)	62,564
Loss before tax	(3,346,705)	(1,467,912)
Tax expense	-	-
Deferred taxation	-	-
Loss after tax	(3,346,705)	(1,467,912)



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(b) AirAsia (India) Limited (“AirAsia India”)

Financial Statements

Year Ended	Mar 2020 INR'000	Dec 2019 INR'000
Property, plant and equipment	807,751	857,305
Rights of Use Asset	27,963,671	25,126,174
Inventory	431,444	407,522
Other debtors and prepayments	2,872,349	3,239,066
Amounts due from related parties	4,149,565	5,674,426
Cash and Short term deposits	3,684,092	4,981,350
Total Assets	39,908,872	40,285,843
Sales in advance	1,388,188	2,045,362
Other creditors and accruals	3,614,292	3,856,244
Amount due to related parties	5,089,818	8,870,530
Lease liabilities	30,806,811	27,094,238
Borrowings	5,500,000	1,699,564
Total Liabilities	46,399,109	43,565,938
Share capital	15,000,000	15,000,000
Retained earnings	(21,490,237)	(18,280,095)
Total Equity	(6,490,237)	(3,280,095)

AirAsia India recorded Total Revenue of INR9,280.0 million in 1Q20, a 47% increase from that of 1Q19 which only recorded INR6,314.4 million. The increase in revenue was in line with the additional capacity introduced with the additional 10 aircraft. Capacity grew by 43% whilst passenger carried grew by 30%. Despite the Covid 19 pandemic and rising travel concerns, AirAsia India was not severely impacted by the global travel restrictions as it operates domestic routes only. The load factor remained steady at 81%. RASK increased by 2% to US Cents 3.78 with the corresponding increase in CASK ex fuel of US Cents 2.91.

AirAsia India reported a loss for the period of INR3,346.7 million which is more than doubled the losses in 1Q19 mainly attributable to the increase in operating expenses from operating 10 additional aircraft and foreign exchange loss of INR1,521.7 million.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30. Review of Group Performance - Airline (cont'd.)

(c) AirAsia Japan Co. Ltd (“AirAsia Japan”)

AirAsia Japan is an associate company which is incorporated in Japan. The Group’s equity interest in AirAsia Japan is 66.91% with voting rights of 33%.

AirAsia Japan recorded a Net loss of JPY1,238.4 million. AirAsia Japan has not adopted MFRS 16: Leases. The adoption of MFRS16 did not result in a material impact to income statement of AirAsia Japan.

Non-Airline

The EBITDA for Non Airline businesses are as follows:

	Quarter ended 31/3/2020				Quarter ended 31/3/2019			
	Teleport (Logistics)	AirAsia.com	Big Pay Group	RedBeat Ventures	Teleport (Logistics)	AirAsia.com	Big Pay Group	RedBeat Ventures
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	150,350	6,924	5,059	19,755	100,891	3,174	1,941	37,581
Operating expenses	(138,386)	(12,192)	(33,297)	(20,863)	(85,811)	(2,617)	(13,983)	(38,961)
Adjustment for intercompany elimination	51,216	-	-	-	36,725	-	-	-
EBITDA	63,180	(5,268)	(28,238)	(1,108)	51,805	557	(12,042)	(1,380)

During the quarter, Teleport recorded a 49% increase in revenue to RM150.4 million as it had successfully completed its cargo consolidation across the Group’s ASEAN airline operating companies. Big Pay reported a 161% growth in revenue as it gains traction with the expansion of remittance corridors to include India, Bangladesh and Nepal. AirAsia.com revenue is up 118% as it rolls out new offers, promotions, flight and hotel bundle packages.

31. Variation of results against preceding quarter

The Group recorded a Net Loss of RM953.3 million for the quarter under review, against the Net Loss of RM385.4 million in the immediately preceding quarter ended 31 December 2019 mainly due to the impact of Covid 19 pandemic.

32. Profit forecast

No profit forecast has been issued.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

33. Commentary on prospects

AirAsia Group has been severely affected by the global COVID-19 pandemic. AirAsia temporarily hibernated most of its fleet across the network in late March 2020 due to increasing movement restrictions.

Since the end of April 2020, AirAsia has resumed domestic travel in Malaysia (29 April), Thailand (1 May), India (25 May), Philippines (5 June) and Indonesia (18 June). We are gradually adding frequencies and opening routes in the domestic sector, with the advice and regulations from government and health authorities. Since the resumption of domestic services, demand has been positive, with our load factors increasing week by week. Competition has also been rational in their pricing.

AirAsia Group is looking forward to the gradual reopening of international borders in recognition that air transport provides the connectivity that is essential for the resumption of economic activities. The formation and discussion of “travel bubbles” and “green lanes” with key economic partners with a low infection rate and proven pandemic curbing systems, is a step in the right direction. The aviation and tourism sectors account for around 4% and 10% of world GDP, respectively. Over 65 million jobs are supported worldwide in the aviation sector, while 1 in 10 jobs around the world is contributed by the tourism sector.

To ensure sufficient working capital during these challenging times, we have sought payment deferrals from our suppliers and lenders. We have also restructured a major portion of the fuel hedges with our supportive counterparties and are still in process of restructuring the remaining exposure. This will help deal with the excess of hedged volume against expected fuel consumption post-COVID-19 and reduce the hedging losses if fuel price remains at today’s prices. Further measures in managing and containing cost include both the management and senior employees of AirAsia Group volunteering a salary sacrifice, re-negotiating contracts and deferring all non-essential expenditures. While confirmed initiatives so far is expected to result in at least a 30% cost reduction YoY in 2020, we are hopeful of further cost reduction than 30% in 2020.

We have applied for bank loans in our operating countries to shore up our liquidity. We have also been presented with proposals to raise capital to strengthen its equity base and/or liquidity from a number of investment bankers, lenders as well as potential investors to help the Company weather the storm caused by the Covid-19 pandemic. In addition, AirAsia has ongoing deliberations with a number of parties for joint-ventures and collaborations that may result in additional third party investments in specific segments of the group's business.



AIRASIA GROUP BERHAD

(Company No. 1244493-V)

FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

33. Commentary on prospects (Contd.)

With the group reorganisation completed in 2019 into two pillars, the group will push further to build the AirAsia way of life ecosystem. Other than the airline group of companies, AirAsia Group has a strong and growing digital pillar which brings together all our digital businesses under RedBeat Ventures (RBV). RBV is positioned to be an Asean triple play business covering e-commerce, logistics and finance, leveraging our extensive reach on AirAsia.com and its low customer acquisition cost.

Barring any reversal of flight resumption plans and any major shock to demand, we foresee that we have sufficient working capital to sustain the business operations. This is despite our forecast that our capacity would be reduced by 50% in 2020.

34. Material Litigation

As at 30 June 2020, there was no material litigation against the Group.



AIRASIA GROUP BERHAD
(Company No. 1244493-V)
FIRST QUARTER REPORT ENDED 31 MARCH 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

35. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended 31/3/2020	Quarter ended 31/3/2019	Year ended 31/3/2020	Year ended 31/3/2019
Net (loss)/profit attributable to owners of the Company (RM'000)	(803,845)	96,089	(803,845)	96,089
Weighted average number of ordinary shares in issue ('000)	3,341,974	3,341,974	3,341,974	3,341,974
Basic and diluted earnings per share (sen)	(24.1)	2.9	(24.1)	2.9

The Group does not have in issue any financial instruments on other contracts that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

36. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

REBECCA KONG SAY TSUI
(MAICSA 7039304)
COMPANY SECRETARY
6 JULY 2020