



**AIRASIA GROUP BERHAD**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2021**

**ANNOUNCEMENT**

The Board of Directors of AirAsia Group Berhad (“AirAsia” or “the Company”) hereby announces the following unaudited consolidated results of AirAsia Group and its subsidiaries (collectively known as “the Group”) for the third quarter ended 30 September 2021.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Year ended	Year ended
		30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Aviation Revenue	10	118,029	395,454	534,220	2,640,872
Operating expenses:					
- Staff costs		(127,520)	(205,894)	(423,043)	(899,733)
- Aircraft fuel expenses		(32,697)	(75,551)	(175,886)	(922,591)
- Fuel swap losses		-	(280,531)	(30,160)	(581,346)
- Maintenance and overhaul		(55,947)	(64,149)	(163,071)	(516,331)
- User charges and other related expenses		(19,676)	(116,724)	(90,736)	(576,218)
- Other operating expenses		(49,370)	(505,258)	(151,598)	(720,893)
Other income	11	21,410	405,823	71,967	504,364
Share of results of associates **		(4,673)	(4,096)	(30,626)	(54,562)
<b>Aviation EBITDA</b>		<b>(150,443)</b>	<b>(450,926)</b>	<b>(458,933)</b>	<b>(1,126,438)</b>
<b>Digital EBITDA</b>					
- Teleport (Logistics)	29	(11,508)	20,123	(16,868)	77,928
- Airasia Super App	29	(79,199)	(5,056)	(143,108)	(19,579)
- BigPay Group	29	(32,861)	(17,141)	(71,554)	(70,497)
- Other Digital Entities	29	(6,263)	(1,299)	(15,017)	(11,990)
Share of results of associate/ joint venture		(1,007)	193	(182)	553
<b>EBITDA</b>		<b>(281,281)</b>	<b>(454,106)</b>	<b>(705,662)</b>	<b>(1,150,023)</b>
Depreciation of property, plant and equipment		(40,997)	(36,202)	(109,871)	(110,185)
Depreciation of right of use asset	2	(416,989)	(531,647)	(1,249,678)	(1,471,114)
Finance costs - lease liabilities	2	(115,333)	(131,430)	(343,242)	(372,918)
Finance income	12	5,840	28,603	18,801	68,690
Finance costs	12	(49,917)	(38,336)	(120,211)	(114,992)
<b>Net Operating loss</b>		<b>(898,677)</b>	<b>(1,163,118)</b>	<b>(2,509,863)</b>	<b>(3,150,542)</b>
Foreign exchange gain/(loss)	12	(216,949)	44,471	(314,792)	52,454
Fair value gain/(loss) on derivatives		4,114	(41,085)	20,623	(248,996)
<b>Loss before taxation</b>		<b>(1,111,513)</b>	<b>(1,159,732)</b>	<b>(2,804,032)</b>	<b>(3,347,084)</b>
Tax expense	13	(1,473)	(205)	(4,744)	(15,216)
Deferred taxation	13	2,698	75,850	2,698	156,712
<b>Net loss for the financial period</b>		<b>(1,110,288)</b>	<b>(1,084,087)</b>	<b>(2,806,078)</b>	<b>(3,205,588)</b>
Attributable to:					
- Owners of the company		(887,003)	(851,779)	(2,234,484)	(2,656,226)
- Non-controlling interests		(223,285)	(232,308)	(571,594)	(549,362)
		<b>(1,110,288)</b>	<b>(1,084,087)</b>	<b>(2,806,078)</b>	<b>(3,205,588)</b>

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

\*\*share of results of airline associates is disclosed above the EBITDA line to facilitate disclosure of Aviation performance. The performance of the associates and digital entities are disclosed in Note 29.

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



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
<b>Net loss for the financial period</b>	(1,110,288)	(1,084,087)	(2,806,078)	(3,205,588)
Other comprehensive income/(loss)				
Remeasurement loss on employee benefits liability, net of tax	15,400	(12,387)	15,207	(11,539)
Fair value reserve	121,391	(43,922)	114,371	(249,467)
Cash flow hedges	30,058	231,349	35,609	(536,412)
Foreign currency translation differences	(87,478)	(177,243)	(198,570)	115,583
<b>Total comprehensive loss</b>	<b>(1,030,917)</b>	<b>(1,086,290)</b>	<b>(2,839,461)</b>	<b>(3,887,423)</b>
Total comprehensive income attributable to:				
Owners of the Company	(725,723)	(781,096)	(2,272,081)	(3,177,680)
Non-controlling interests	(305,194)	(305,194)	(567,380)	(709,743)
	<b>(1,030,917)</b>	<b>(1,086,290)</b>	<b>(2,839,461)</b>	<b>(3,887,423)</b>

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 2020 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT 30/09/2021 RM'000	AS AT 31/12/2020 RM'000
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	14	907,687	1,085,639
Right of use assets	21	9,433,915	9,444,946
Finance lease receivables	21	481,321	505,499
Investment in associates	16	452,153	482,754
Investment in joint venture		1,148	1,332
Investment securities	15	255,323	472,719
Intangible assets		784,309	640,553
Deferred tax assets		767,857	774,155
Receivables and prepayments	17	3,295,787	3,106,941
Deposits on aircraft purchase		611,658	590,179
Derivative financial instruments	23	-	-
		16,991,158	17,104,717
<b>CURRENT ASSETS</b>			
Inventories		157,804	141,421
Receivables and prepayments	17	856,790	903,294
Finance lease receivables	22	75,201	432,666
Amounts due from associates		527,462	360,385
Amounts due from related parties		42,724	107,047
Derivative financial instruments	23	-	77,808
Tax recoverable		4,427	3,442
Deposits, bank and cash balances		400,737	533,278
		2,065,145	2,559,341
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	2,542,069	2,307,125
Aircraft maintenance provisions and liabilities	19	907,281	711,764
Sales in advance		895,502	933,376
Amounts due to associates		24,386	35,907
Amounts due to related parties		35,421	49,923
Borrowings	20	919,875	1,016,312
Lease liabilities	21	4,602,465	3,247,138
Derivative financial instruments	22	-	134,655
Provision of taxation		24,268	25,629
		9,951,267	8,461,829
<b>NET CURRENT LIABILITIES</b>		<b>(7,886,122)</b>	<b>(5,902,488)</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT 30/09/2021 RM'000	AS AT 31/12/2020 RM'000
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	18	292,777	273,455
Aircraft maintenance provisions and liabilities	19	4,950,501	4,857,292
Borrowings	20	333,835	272,557
Lease liabilities	21	9,274,270	9,188,102
Deferred tax liabilities		17,982	18,132
Derivative financial instruments	22	43,512	64,818
Provision for retirement benefits		95,627	97,667
		15,008,504	14,772,023
		<b>(5,903,468)</b>	<b>(3,569,794)</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		8,462,770	8,023,268
Merger deficit		(5,507,594)	(5,507,594)
Other reserves		(88,453)	(225,368)
Foreign exchange reserve		(256,987)	(57,378)
Retained earnings		(5,763,177)	(3,447,215)
		(3,153,441)	(1,214,287)
Non-controlling interests		(2,750,027)	(2,355,507)
Total equity		<b>(5,903,468)</b>	<b>(3,569,794)</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<b>(0.81)</b>	<b>(0.36)</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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

Attributable to owners of the Company												
	Number of shares '000	Share Capital RM'000	Merger Deficit RM'000	Foreign exchange reserve RM'000	Share-based payments RM'000	Cash flow hedge reserve RM'000	Fair value and other reserves RM'000	Remeasurement loss on employee benefits liability RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2021</b>	3,341,974	8,023,268	(5,507,594)	(57,378)	-	(101,222)	(105,506)	(18,640)	(3,447,215)	(1,214,287)	(2,355,507)	(3,569,794)
Net profit for the financial period	-	-	-	-	-	-	-	-	(2,234,484)	(2,234,484)	(571,594)	(2,806,078)
Other comprehensive income	-	-	-	(199,609)	-	32,723	114,371	14,918	-	(37,597)	4,214	(33,383)
Issuance of new shares	470,214	336,464	-	-	-	-	-	-	-	336,464	-	336,464
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	166,000	166,000
Dilution of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	1,206	1,206
Acquisition of non-controlling interests in a subsidiary	85,865	103,038	-	-	-	-	-	-	(108,691)	(5,653)	5,653	-
Transfer of fair value reserve of disposed investment securities to retained earnings	-	-	-	-	-	-	(27,213)	-	27,213	-	-	-
Share-based payment expensed	-	-	-	-	2,116	-	-	-	-	2,116	-	2,116
<b>At 30 September 2021</b>	<b>3,898,053</b>	<b>8,462,770</b>	<b>(5,507,594)</b>	<b>(256,987)</b>	<b>2,116</b>	<b>(68,499)</b>	<b>(18,348)</b>	<b>(3,722)</b>	<b>(5,763,177)</b>	<b>(3,153,441)</b>	<b>(2,750,027)</b>	<b>(5,903,468)</b>
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	-	-	-	-	-	-	-	-	(2,656,226)	(2,656,226)	(549,362)	(3,205,588)
Other comprehensive income	-	-	-	140,399	-	(536,412)	(249,467)	(11,539)	-	(657,019)	(27,908)	(684,927)
<b>At 30 September 2020</b>	<b>3,341,974</b>	<b>8,023,268</b>	<b>(5,507,594)</b>	<b>311,536</b>	<b>-</b>	<b>(497,946)</b>	<b>(145,699)</b>	<b>(6,706)</b>	<b>(991,774)</b>	<b>1,185,085</b>	<b>(2,164,860)</b>	<b>(979,775)</b>

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 2020 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	PERIOD ENDED	PERIOD ENDED
	30/09/2021	30/09/2020
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,804,032)	(3,347,084)
Adjustments:		
Property, plant and equipment		
- Depreciation	109,871	110,185
- Gain on disposal	(37,288)	(404,186)
- Write Off	3,129	-
Rights of Use Asset		
- Depreciation	1,249,678	1,471,114
Intangible assets		
- Amortisation	-	2,681
Provision for retirement benefit	3,579	5,382
Impairment of receivables, related parties, joint ventures and investment securities	-	454,916
Reversal of impairment on intercompany	(2,839)	-
Fair value loss/(gain) on derivative financial instruments	(20,623)	248,996
Share of results of associates and joint venture	30,808	54,009
Net unrealised foreign exchange (gain)/losses	292,424	(77,552)
Interest expense	113,207	114,992
Interest on lease liabilities	343,242	372,918
Interest income	(18,801)	(68,690)
	(737,645)	(1,062,319)
<b>Changes in working capital</b>		
Inventories	(16,997)	657
Receivables and prepayments	(53,640)	416,422
Trade and other payables and provisions	286,826	876,541
Sales in advance	(34,590)	(234,201)
Intercompany balances	(37,791)	(1,122,733)
<b>Cash used in operations</b>	(593,837)	(1,125,633)
Interest paid	(49,644)	(49,961)
Interest received	1,570	10,879
Tax paid	(4,158)	(3,570)
Retirement benefit paid	(7,218)	(1,039)
<b>Net cash used in operating activities</b>	<b>(653,287)</b>	<b>(1,169,324)</b>



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	PERIOD ENDED	PERIOD ENDED
	30/09/2021	30/09/2020
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- Additions	(15,907)	(141,064)
- Proceeds from disposal	44,620	237,372
Addition in intangible assets	-	(7,944)
Acquisition of		
- subsidiaries, net of cash acquired	26,528	-
Acquisition of other investments	-	(1,758)
Net movement other investments	289,356	-
Additional subscription of shares in associates	(6)	-
Investment in joint venture	-	(2,025)
<b>Net cash generated from/(used in) investing activities</b>	<b>344,591</b>	<b>84,581</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	336,464	-
Proceeds from borrowings	355,602	148,957
Interest on lease liabilities	-	(372,918)
Repayment of borrowings and lease liabilities	(512,037)	(689,338)
<b>Net cash generated from/(used in) financing activities</b>	<b>180,029</b>	<b>(913,299)</b>
<b>NET DECREASE FOR THE FINANCIAL PERIOD</b>	<b>(128,667)</b>	<b>(1,998,042)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>533,278</b>	<b>2,588,097</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>(3,874)</b>	<b>28,369</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>400,737</b>	<b>618,423</b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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**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. The Consolidated Income Statement on page 1 has been presented to better reflect the Airline and Digital activities of the Group.

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. 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 2020.

The Consolidated Income Statement for the quarter ended 30 September 2021, in compliance with MFRS134: Interim Financial Reporting is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Year ended	Year ended
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	295,894	468,944	1,015,148	2,966,033
Operating expenses:				
- Staff costs	(184,839)	(221,087)	(574,370)	(962,606)
- Depreciation of property, plant and equipment	(457,986)	(567,849)	(1,359,549)	(1,581,299)
- Aircraft fuel expenses	(32,697)	(75,551)	(175,886)	(922,591)
- Fuel swap losses	-	(280,531)	(30,160)	(581,346)
- Maintenance and overhaul	(55,947)	(64,149)	(163,071)	(516,331)
- User charges and other related expenses	(192,214)	(129,878)	(537,897)	(618,500)
- Other operating expenses	(118,198)	(555,371)	(278,988)	(972,477)
Other income	12,399	407,420	70,370	511,804
<b>Operating loss</b>	<b>(733,588)</b>	<b>(1,018,052)</b>	<b>(2,034,403)</b>	<b>(2,677,313)</b>
Finance income	5,840	28,603	18,801	68,690
Finance costs	(165,250)	(169,766)	(463,453)	(487,910)
<b>Net operating loss</b>	<b>(892,998)</b>	<b>(1,159,215)</b>	<b>(2,479,055)</b>	<b>(3,096,533)</b>
Share of results of associates / joint venture	(5,680)	(3,903)	(30,808)	(54,009)
Foreign exchange gains	(216,949)	44,471	(314,792)	52,454
Fair value gain/(loss) on derivatives	4,114	(41,085)	20,623	(248,996)
<b>Loss before taxation</b>	<b>(1,111,513)</b>	<b>(1,159,732)</b>	<b>(2,804,032)</b>	<b>(3,347,084)</b>
Tax expense	(1,473)	(205)	(4,744)	(15,216)
Deferred taxation	2,698	75,850	2,698	156,712
<b>Net loss for the financial period</b>	<b>(1,110,288)</b>	<b>(1,084,087)</b>	<b>(2,806,078)</b>	<b>(3,205,588)</b>

\*the comparative figures have been reinstated to match the classification of airasia digital revenue from other income to revenue

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.





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## **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 2020. 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 2020. 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 2021, the standards that becomes effective does not have any material impact to the financial statements of the Group and the Company for the year. On 1 April 2021, Malaysian Accounting Standards Board issued a further extension to the Amendment to MFRS 16: Covid 19 Related Rent Concessions to cover periods beyond 30 June 2021 that can be applied for reporting periods beginning on or after 1 April 2021 but earlier application is also permitted. The Group and the Company continues to apply the practical expedient allowed by the amendment whereby the lessee shall account for any change in lease payments resulting from the rent concession the same way it would account for as if there is no lease modification.

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

The auditors have expressed an unqualified opinion with material uncertainty relating to going concern, in view of the current economic condition and Covid-19 Pandemic, in respect of the Company's audited financial statements for the financial year ended 31 December 2020 in their report dated 27 May 2021. The extract of which is as below:

“We draw attention to Note 2.1 and Note 45 to the financial statements, which indicate that the Group has a net loss of RM5,888 million for the financial year ended 31 December 2020 and the current liabilities exceeded its current assets by RM5,902 million. In addition, the Group also reported a shareholders' deficit of RM1,214 million. The Company reported a net loss of RM262 million for the financial year ended 31 December 2020. The global economy, in particular the commercial airlines industry, faces an uncertainty over the expected timing of recovery of the COVID-19 pandemic. The travel and border restrictions implemented by countries around the world has led to a significant fall in demand for air travel which impacted the Group's financial position, financial performance and cash flows. These events or conditions, along with other matters as set forth in Note 2.1 and Note 45 to the financial statements, indicate existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.



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## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

### **3. Auditors' report on preceding annual financial statements (cont'd.)**

The recent development of vaccination against the COVID-19 pandemic and the implementation of national vaccination programmes in countries in which the Group operates as well as elsewhere around the world provide positive outlook for the commercial airlines industry. Nevertheless, the ability of the Group and of the Company to continue as a going concern is dependent on the successful implementation and favorable outcome of various ongoing plans to respond to the conditions above, including ongoing discussions with the financial institutions and investors to obtain required funding, as well as negotiations with its lessors to restructure the existing lease arrangements. Further details are disclosed in Note 2.1 and Note 45 to the financial statements.

Our opinion is not modified in respect of this matter.”

### **4. Seasonality of operations**

The Group's air transportation business is subject to the seasonal demand for air travel. This segment of the Group's business has been severely affected by travel restrictions due to the Covid-19 pandemic.

### **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**

On 22 March 2021, the Company entered into a Memorandum of Understanding with Aimia Holdings UK II Limited in relation to the proposed acquisition of the remaining 20% equity interest in BigLife Sdn Bhd to be satisfied by the issuance of 85,864,583 ordinary shares in the Company to be allotted at an issue price of RM1.20 per share amounting to RM103 million (approximately USD25 million). On 21 June 2021 at the Extraordinary General Meeting, the above proposed acquisition was approved and BigLife Sdn Bhd became a wholly owned subsidiary of the Group. The effect of the acquisition is reflected in the statement of changes in equity.

On 7<sup>th</sup> July 2021, the Company announced that its subsidiaries, AirAsia SuperApp Sdn Bhd and AirAsia Digital Sdn Bhd (“AAD”) will acquire 100% equity interest in Velox Technology (Thailand) Co Ltd. and Velox Fintech Co. Ltd for a purchase consideration of USD40 million and USD10 million respectively. The above shall be satisfied by issuance of 3.81% and 0.95% of shares in AirAsia Super App Sdn Bhd. On 27 July 2021, the acquisition of Velox Technology (Thailand) Co Ltd. had been completed. The acquisition resulted in a goodwill of RM129.3 million (subject to purchase price allocation exercise to be completed within 12 months). On 7 October 2021, AAD terminated the Proposed acquisition of Velox Fintech Co. Ltd.



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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### 6. Changes in composition of the Group (Cont'd.0)

On 18th August 2021, Teleport, a subsidiary of AAD signed an agreement to acquire 100% of the equity interest in Deliverat, a local Malaysia food delivery platform, valued at USD9.8 million. The said acquisition was completed on 4<sup>th</sup> November 2021.

### 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.

### 8. Issues, Repurchases and Repayment of Debt and Equity Securities

During the financial period to date, the Company issued new ordinary shares as follows:

Date	Description	Ordinary Shares Issued	
		No of Shares	Value (RM'000)
19 February 2021	1 <sup>st</sup> Tranche Placement Shares	369,846,852	249,647
17 March 2021	2 <sup>nd</sup> Tranche Placement Shares	100,367,362	86,817
27 June 2021	BigLife Sdn Bhd acquisition (Note 6)	85,864,583	103,038

Aside from the above, there are no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the period ended 30 September 2021.

### 9. Dividends paid and proposed

No dividend has been proposed during the quarter ended 30 September 2021.



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**10. Revenue**

	Quarter ended 30/9/2021 RM million	Quarter ended 30/9/2020 RM million
<u>Aviation revenue</u>		
Passenger revenue		
- seat sales	81.6	324.1
- others	15.1	48.4
Aircraft operating lease income	9.4	18.3
Others	11.9	4.6
	<hr/> 118.0	<hr/> 395.4
<u>Digital revenue</u>		
- Teleport	157.9	55.7
- airasia superapp	13.7	13.4
- Bigpay	5.4	4.3
- Others	1.0	0.1
	<hr/> 296.0	<hr/> 468.9

**11. Other income**

	Quarter ended 30/9/2021 RM million	Quarter ended 30/9/2020 RM million
Gain on disposal of property, plant and equipment	0.5	393.5
Others	11.9	42.5
	<hr/> 12.4	<hr/> 436.0

Other income “Others” includes commission and advertising income, forfeited revenue, insurance claims and management fee for provision of shared services to associates.



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

	30/09/2021 RM million	30/09/2020 RM million	30/09/2021 RM million	30/09/2020 RM million
<b>(a) Finance income</b>				
Interest income from:				
- deposits with licensed banks	0.2	1.2	1.2	9.8
- from associates	4.3	24.9	5.4	29.2
- finance lease receivables	1.4	2.2	11.8	28.6
Discounting effect on financial instruments and others	0.0	0.3	0.4	1.1
	<u>5.9</u>	<u>28.6</u>	<u>18.8</u>	<u>68.7</u>
<b>(b) Finance costs</b>				
Bank borrowings	(11.0)	(9.1)	(37.6)	(25.7)
Amortisation of premiums for interest rate caps	(0.0)	(0.7)	(0.1)	(1.2)
Discounting effect on financial instruments, bank facilities and other charges	(38.9)	(28.5)	(82.5)	(88.1)
	<u>(49.9)</u>	<u>(38.3)</u>	<u>(120.2)</u>	<u>(115.0)</u>
<b>(c) Foreign exchange gains/(losses)</b>				
- realized	5.4	30.6	(22.4)	(25.1)
- unrealized	(222.4)	13.9	(292.4)	77.6
	<u>(216.9)</u>	<u>44.5</u>	<u>(314.8)</u>	<u>52.5</u>

**13. Income tax and Deferred tax**

**Income tax expense**

The current taxation charge for the period to date of RM4.7 million mainly relates to foreign branches taxes.

**Deferred taxation**

Deferred tax asset of RM2.7m has been recognised for the period to date.



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### **14. Property, plant and equipment, ROU and Finance Lease receivables**

(a) acquisition and disposals

During the period ended 30 September 2021, the Group acquired property, plant and equipment with a total cost of RM15.9 million (period ended 30 September 2020: RM141.1 million).

During the period ended 30 September 2021, proceeds from the disposal of property, plant and equipment amounted to RM44.6 million (period ended 30 September 2020: RM237.4 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.

### **15. Quoted investments and properties**

On 5<sup>th</sup> August 2021, the Company completed its divestment of 3,333,333 common shares, representing 10.94% of the outstanding shareholding of Fly Leasing to Carlyle Aviation Elevate Ltd for USD56.8 million.

Save for the above, there was no purchase or disposal of quoted securities for the quarter under review and financial period to date.



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**16. Investments in associates**

	<b>As at 30/9/2021 RM million</b>	<b>As at 31/12/2020 RM million</b>
<b>Cost</b>		
Investment	1,087.9	1,087.9
Share of results and reserves	(576.5)	(545.9)
Impairment loss	(59.2)	(59.2)
	<u>452.2</u>	<u>482.8</u>

MFRS128 provides that entities discontinue recognising their share of further losses when its share of the losses equals to or exceeds its interest in the associate. Accordingly, the Group has only recognised losses to the extent of its interest in these associates. The unrecognised losses at the reporting date amounted to RM1,174.1 million.

**17. Receivables and prepayments**

	<b>As at 30/9/2021 RM million</b>	<b>As at 31/12/2020 RM million</b>
<u>Non-current</u>		
Prepayments	2,876.6	2,739.3
Deposits and other receivables	419.2	367.7
	<u>3,295.8</u>	<u>3,107.0</u>
<u>Current</u>		
Trade and other receivables	541.9	450.7
Prepayments	279.2	594.6
Deposits	35.7	87.7
	<u>856.8</u>	<u>903.3</u>

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



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**18. Trade and other payables**

	<b>As at 30/9/2021 RM million</b>	<b>As at 31/12/2020 RM million</b>
<u>Non-current</u>		
Other payables	292.8	273.4
<u>Current</u>		
Trade payables	1,456.4	1,312.8
Other payables	103.5	119.8
Accruals for fuel	5.3	5.2
Others	976.9	869.3
	<u>2,542.1</u>	<u>2,307.1</u>

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

**19. Aircraft maintenance provision/ payables**

	<b>As at 30/9/2021 RM million</b>	<b>As at 31/12/2020 RM million</b>
Aircraft maintenance provision	1,368.9	1,367.7
Aircraft maintenance payables	2,519.4	2,377.1
Aircraft maintenance reserves	1,969.5	1,824.2
	<u>5,857.8</u>	<u>5,569.1</u>
Current	907.3	711.7
Non Current	4,950.5	4,857.3
	<u>5,857.8</u>	<u>5,569.1</u>





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### 19. Aircraft maintenance provision/ payables (Contd.)

- (i) Aircraft maintenance provision relates to contractual obligations by the Group to maintain the aircraft during the lease period until redelivery, based on pre-agreed conditions
- (ii) Aircraft maintenance payables relates to provision for the Group's contractual obligations, in a sales and leaseback agreement, to incur on the return of an aircraft in a pre-agreed conditions
- (iii) Aircraft maintenance reserve relates to payments made by the lessee subscribing to the engine maintenance programme for agreed maintenance work that has yet to be carried out

The liabilities of the aircraft provisions/ payables are covered through the Group's prepaid engine maintenance cost to a service provider as disclosed in Note 17.

### 20. Borrowings

	As at 30/9/2021 RM million	As at 31/12/2020 RM million
<u>Short term</u>		
Term loans	300.1	313.7
Term loans (Deferred fuel hedge settlements)	274.8	582.6
Revolving credit	93.0	120.0
Convertible loan note	252.0	-
	919.9	1,016.3
<u>Long term</u>		
Term loans	310.7	272.6
Term loans (Deferred fuel hedge settlements)	23.2	-
	333.8	272.6
Total	1,253.7	1,288.9

The currency profile of borrowings are as follows:

	As at 30/9/2021 RM million	As at 31/12/2020 RM million
Ringgit Malaysia	393.3	429.3
US Dollar	788.8	730.1
Philippine Peso	24.7	83.5
Indonesian Rupiah	46.9	45.9
	1,253.7	1,288.9



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### 20. Borrowings (contd.)

On 6<sup>th</sup> August 2021, Big Pay Pte. Ltd., a subsidiary of AirAsia Digital Sdn Bhd (“AAD”), a wholly owned subsidiary of the Company secured an investment of up to USD100 million convertible loan notes from SK Group, a South Korean conglomerate. The Convertible loan notes will be converted into preference shares within one year upon approval obtained from regulators.

### 21. Lease liabilities

The lease liabilities amounting to RM13.9 billion includes deferred aircraft leases of approximately RM2.5 billion. The lease liabilities are supported by ROU of RM9.4 billion (net of impairment) and finance lease receivables of RM0.5 billion (net of impairment).

During the current quarter, a total of 17 aircraft leases had been restructured. The restructuring of the leases resulted in the lease liabilities being recomputed using the new lease terms and reduced lease rates. The past due amounts waived was approximately RM187.8 million.

### 22. Derivative financial instruments

#### (a) Forward Foreign Exchange Contracts

As at 30 September 2021, there is no outstanding amount for forward foreign exchange contracts.

#### (b) Interest Rate Hedging.

As at 30 September 2021, the Group has six (6) interest rate swaps with an outstanding amount of US\$170.0 million. These interest rate swaps are entered with one (1) counterparty and will mature between 2028 and 2029.

#### (c) Fuel Hedging

As at 30 September 2021, there is no outstanding fuel derivative contracts.

Type of Derivatives	Notional Value As at 30/9/2021	Fair value 30/9/2021 Assets/(Liabilities)
	RM million	RM million
<u>Interest rate contracts</u>		
- More than 3 years	710.4	(43.5)

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.



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### 23. Status of corporate proposals announced

#### Private Placement

On 21<sup>st</sup> January 2021, the Company announced that it proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company or 668,394,816 shares (“Placement Shares”) (“Proposed Private Placement”). The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 and the “Additional Temporary Relief Measures to Listed Issuers” announced by Bursa Malaysia Securities Berhad (“Bursa”) on 16 April 2020 which increased the prescribed limit under Paragraph 6.03 of the Main Market Listing Requirements from 10% to 20%. The Company had obtained approval from its shareholders for the 20% General Mandate at its Annual General Meeting held on 28 September 2020.

The Placement Shares will rank equally in all aspects with the existing Company shares in issue. The actual amount of proceeds to be raised from the Proposed Private Placement will depend on the actual number of Placement Shares issued and the issue price of the Placement Shares.

The proposed utilisation of the proceeds (on an estimated amount raised of RM454.5 million are as follows:

Utilisation of Proceeds	Expected timeframe	Proposed Utilisation (RM m)	Actual Raised	Actual Utilisation (RM m)
Fuel Hedging Settlement	6 -12 months	146.6	108.6	108.6
Aircraft lease and maintenance	3 months	95.2	70.5	70.5
AirAsia Digital Sdn Bhd business units development cost, product and market expansion costs and marketing expenses	Within 12 months	77.0	57.0	57.0
General working capital expenses	Within 6 months	135.5	100.4	100.4
Estimated expenses for the Proposed Private Placement	Immediate	0.2	0.2	0.2
		454.5	336.5	336.5

The above Proposed Private Placement was approved by Bursa on 3 February 2021. On 10 February 2021, the Company announced that the first tranche of placement shares of 369,846,852 was price fixed at RM0.675 per share which was completed on 19 February 2021. On 9 March 2021, the Company announced that the second tranche of placement shares of 100,367,362 was price fixed at RM0.865 per share which was completed on 17 March 2021.



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### 23. Status of corporate proposals announced (Cont'd)

#### Proposed Renounceable Rights Issue of Redeemable Convertible Unsecured Islamic Debt Securities ("RCUIDS")

On 12<sup>th</sup> July 2021, the Company announced that it proposes to undertake a renounceable rights issue of up to RM1,024,058,370 in nominal value of 7 year RCUIDS of RM0.75 on the basis of 2 RCUIDS with 1 free detachable warrant for every 6 ordinary shares in the Company. Based on the nominal value of the RCUIDS of RM0.75 each, the Proposed Rights Issue will result in the issuance of up to 1,365,411,160 RCUIDS together with up to 682,705,580 new warrants.

The proposed utilisation of the proceeds based on the minimum subscription level of RM615.9 million and the maximum subscription level of RM1,024.1 million are as follows:

Utilisation of Proceeds*	Expected timeframe	Min Subscription Level RM m	Full Subscription Level RM m
Fuel Hedging Settlement	5 months	96.7	226.7
Aircraft lease and maintenance	Within 12 months	145.3	202.9
AirAsia Digital Sdn Bhd business units	Within 12 months	36.3	73.7
General working capital expenses	Within 12 months	325.9	508.5
Estimated expenses	Within 3 months	11.7	12.3
		<hr/> 615.9	<hr/> 1,024.1

The above proposal was approved by shareholders at the Extraordinary General Meeting held on 11 November 2021.



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**24. Post balance sheet events**

- (a) On 29 September 2021, the Company received approval from Danajamin Nasional Berhad via its lenders, for the 80% guarantee to be provided through the PRIHATIN Facility and is currently in the midst of finalizing and executing the transaction documents.
- (b) On 21<sup>st</sup> October 2021, the Company announced that its 45% held associate, Thai AirAsia Co. Ltd (“TAA”) via its listed holding company, Asia Aviation Public Company Limited (“AAV”) had announced a restructuring and recapitalization plan (“Proposed Restructuring”). Upon completion of the Proposed Restructuring, the Company vide its wholly owned subsidiary AirAsia Aviation Limited (“AAA”) (formerly known as AirAsia Investment Limited) will dispose its shareholding in TAA and subscribe for equivalent percentage of shareholding in AAV utilizing the proceeds from repayment of intercompany balances from TAA and disposal of TAA shares. The transaction is subject to approval from AAV shareholders and is expected to be completed in Q1 2022.

**25. Contingent assets**

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

**26. 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 2020.

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

Capital commitments for property, plant and equipment:

	<b>As at 30/9/2021 RM million</b>	<b>As at 31/12/2020 RM million</b>
Approved and contracted for	97,349.4	124,855.1



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**28. Material related party transactions**

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 30 September 2021 are set out below:

	<b>Quarter ended 30/9/2021 RM million</b>	<b>Quarter ended 30/9/2020 RM million</b>
1. Transaction of the Group with associates of a subsidiary		
a. Purchase of cargo transportation capacity		
- Thai AirAsia	1.2	-
b. Commission charged		
- Thai AirAsia	0.3	-
c. Management fees		
- Thai AirAsia	15.5	1.0
2. Transaction of the Group with company with common directors and shareholders		
a. Purchase of cargo transportation capacity		
- AirAsia X Berhad	66.7	47.1
- Thai AirAsia X	45.0	-
b. Management fees		
- AirAsia X Berhad	0.3	0.8
- Thai AirAsia X	-	0.3



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### 29. Review of Group Performance

#### *Consolidated Group Performance*

The impact of the Covid-19 pandemic continues to affect the Group's operations adversely. While international borders remained closed, the Group focused on providing limited domestic operations in the countries where we operate. Malaysia continues to be in restricted travel for the most part of 3Q21. AirAsia Indonesia was in temporary fleet hibernation in support of the containment efforts by the government. Nonetheless, AirAsia Philippines demonstrated strong performance in 3Q21 as the government eased travel restrictions, removing testing and quarantine for fully vaccinated guests.

Revenue reported of RM295.9 million in 3Q21 is 37% lower than 3Q20 at RM468.9 million. This was as a result of the flight restrictions in Malaysia and Indonesia which resulted in decrease in passengers carried by 91% and 79% respectively. However, the lower airline revenue was cushioned by Teleport's revenue in 3Q21 which had tripled its revenue as compared to 3Q20. Teleport revenue contributed 53% of the total 3Q21 revenue.

The Group continues with its cost containment measures, including the right-sizing of manpower and salary cuts for management, staff and directors while actively managing its capacity to be in line with demand for the aviation segment. However, the Group scaled up its business in superapp and Teleport resulting in a widening of losses as a result of investment in technology, talent and network. The Group reported a net loss for 3Q21 of RM1,110.3 million, a marginal deviation of 2% to the losses incurred in 3Q20. On the year to date basis, Loss before tax for 3Q21 improved significantly to RM2.8billion as compared to RM3.3 billion in 3Q20.

#### **Cashflow commentary for current quarter against corresponding quarter**

<b>Net Cash Flow</b>	<b>Period ended 30/9/2021 RM million</b>	<b>Period ended 30/9/2020 RM million</b>
Cash from/(to) Operating activities	(653.3)	(1,169.3)
Cash from/(to) Investing activities	344.6	84.6
Cash from/(to) Financing activities	180.0	(913.3)
Net Cashflow for the Period	<u>(128.7)</u>	<u>(1,998.0)</u>

The Group's cashflow was a net outflow as the Covid-19 pandemic continued to adversely affect demand for flights. However, outflow of cash from operating activities have greatly reduced through cost containment exercise. Cashflow from investing activities include proceeds from disposal of investment securities as disclosed in Note 15 and receipt of convertible loan note from an investor as disclosed in Note 20. The cash inflow from financing activities for the current period includes placement shares raised net off payment for deferred fuel hedges settlements from year 2020 and payment of aircraft leases.



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**29. Review of Group Performance (cont'd.)**

**(a) Airline**

**Performance indicators**

	<b>Jul to Sep 2021</b>	<b>Jul to Sep 2020</b>	<b>Change %</b>
Passengers Carried	351,971	1,916,424	-82%
Capacity	528,850	2,882,662	-82%
Seat Load Factor	67%	66%	0
RPK (million)	292	1,830	-84%
ASK (million)	460	2,716	-83%
Average Fare (RM)	231	169	37%
Unit Passenger Revenue (RM)	285	194	47%
Revenue / ASK (sen)	21.83	14.77	48%
Revenue / ASK (US cents)	5.21	3.53	48%
Cost / ASK (sen)	187.16	51.86	261%
Cost / ASK (US cents)	44.68	12.38	261%
Cost / ASK-ex Fuel (sen)	180.16	37.08	386%
Cost / ASK-ex Fuel (US cents)	43.01	8.85	386%
Aircraft (end of period)	155	147	8
Average Stage Length (km)	871	906	-4%
Number of Flights	2,876	16,305	-82%
Fuel Consumed (Barrels)	85,518	442,294	-81%
Average Fuel Price (US\$ / Barrel)	90	192	-53%

Exchange Rate: quarter RM:USD – 4.189 - Prior year US cent and dollar are restated at current average exchange rate during the quarter for ease of reference

Revenue for the airline business for 3Q21 was RM118.0 million, decreased by 70% as compared to 3Q20, as AirAsia Malaysia and AirAsia Indonesia did not operate due to flight restrictions for the most of 3Q21 compared to lesser flight restrictions in 3Q20.

In Malaysia, travel demand remain subdued due to the lockdown and interstate travel restrictions imposed since January 2021. However, through stringent capacity management, AirAsia Malaysia reported a load factor of 61% in 3Q21. Malaysia announced Langkawi travel bubble which commenced 16 September 2021, and subsequently nationwide interstate travel starting 11 October 2021 and limited international travel. AirAsia Malaysia saw a surge in bookings from travelers and the upward trend is expected to continue into 4Q21. Philippines eased travel restrictions and removal of mandatory quarantine for fully vaccinated guests which resulted in a strong performance in 3Q21 with load factor at a healthy 77% and 167% more passengers carried YoY. AirAsia Indonesia went into temporary hibernation in July 2021 in support of the government's containment efforts of the virus.





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**29. Review of Group Performance (cont'd.)**

The airline business reported a narrower negative EBITDA for 3Q21 of RM150.4 million, compared to a negative EBITDA of RM450.9 million in 3Q20 mainly due to stringent cost containment and the absence of fuel swap losses as all fuel derivative contracts had been terminated. The airline business reported a negative EBITDA of RM458.9 million in the first nine months of 2021, less than half of that in the same period in 2020 of RM1,126.4 million as the Company incurred a large fuel swap loss in 2020.

**(b) Airline Associate Companies**

Thai AirAsia (“TAA”) reported a lower revenue of THB457.5 million for 3Q21 as compared to THB2,403.2 million in 3Q20 as TAA remained in hibernation for the most part of 3Q21. The Thailand government allowed resumption of flights from 1 September 2021. Net loss reported was THB3,821.8 million (including unrealized foreign exchange losses of THB2,066.6 million) for 3Q21, higher as compared to THB3,342.3 million in 3Q20 as a result of TAA’s hibernation in July and August 2021.

**(c) Digital**

	Quarter ended 30/09/2021				Quarter ended 30/09/2020			
	Teleport	AirAsia Super App	Big Pay Group	Others	Teleport	AirAsia Super App	Big Pay Group	Others
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	157,763	14,323	5,450	329	55,676	13,393	4,316	139
Operating expenses	(175,118)	(91,906)	(38,311)	(6,592)	(62,748)	(18,449)	(21,457)	(1,438)
Elimination	5,847	(1,615)	-	-	27,168			
<b>EBITDA</b>	<b>(11,508)</b>	<b>(79,198)</b>	<b>(32,861)</b>	<b>(6,263)</b>	<b>20,096</b>	<b>(5,056)</b>	<b>(17,141)</b>	<b>(1,299)</b>

**(i) Teleport**

Teleport’s revenue in 3Q21 grew 183% as compared to 3Q20 as it strategically grew its cargo network to establish its presence in the market by operating more charter flights and increased its delivery services. Teleport sacrificed margins to significantly scale up in certain routes on chartered cargo flights to gain market share and to achieve a consistent and reliable cargo network while the passenger network operated by AirAsia airlines were minimally in operations. Through actively reviewing the network to drop the sectors that are not profitable and double its efforts on increasing its revenue, Teleport’s cargo business saw improvements in narrowing its losses and achieved breakeven in Sept 2021. This however was negated by the investment in last mile delivery services where at the current expansion stage is still operating at a loss position.



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### **29. Review of Group Performance (cont'd.)**

#### **(ii) airasia super app**

Airasia superapp reported a negative EBITDA of RM79.2 million for 3Q21, primarily driven by investment cost to accelerate expansion of our ecosystem and development of technology for food delivery platform and unified search. During the quarter, airasia superapp launched airasia ride in Malaysia and had scaled significantly at an average weekly double digit growth on orders from August till November. Airasia superapp also successfully launched airasia food in Thailand following the acquisition of Gojek Thailand in July 2021. Average Monthly Active Users (MAU) increased by 40% as compared to 2Q21, primarily arising from the acquisition of new users through food and ride offerings. As we head into the fourth quarter, airasia superapp is already seeing demand returning strongly in travel in line with the launching of the OTA engine with unified search by superapp in October 2021.

#### **(iii) BigPay Group**

3Q21 saw BigPay's total user base grow by 28% YoY as its revamped marketing campaigns showed strong traction in the market along with the launch of virtual cards. Revenue growth followed a similar trajectory, growing 26% YoY despite the impact from movement restrictions throughout the year, and most severely at the end of 2Q21. Both payments and remittance revenue streams performed better as spending shifted internationally with higher take rates.

Operating expenses increased in line with stronger user acquisition costs and increase in hiring of talents and non-recurring professional and advisory fees, offset against its improvement in operating costs through cost savings efforts. BigPay embarked on its strategic expansion off the back of the up to US\$100m investment by South Korean conglomerate SK Group in August, and submitted its digital banking licence application in June to Bank Negara Malaysia.

### **30. Variation of results against preceding quarter**

The Group recorded wider net loss of RM1,110.3 million for the quarter under review, against the net loss of RM719.6 million in the immediately preceding quarter ended 30 June 2021 primarily due to the enhanced lockdowns and travel restrictions in Malaysia and Indonesia .

### **31. Profit forecast**

No profit forecast has been issued.



**AIRASIA GROUP BERHAD**  
**201701030323 (1244493-V)**

**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2021**

## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

### **32. Commentary on prospects**

The Aviation Group and airasia superapp welcomes the news of upliftment of domestic travel restrictions across the region and the various reopening measures by countries such as sandbox, travel bubbles and vaccinated travel lanes that will encourage the return of international travel. Immediately, the Group saw an upward trajectory of sales with the gradual recovery of travel. As the right foundations were put into place over the last year, the Group's airline business has emerged as a leaner and more optimised airline operation, of which the fruits of labour continue to be seen throughout the period ended 30 September 2021 with lower cashburn from operations. We expect the current sales momentum and reduced cashburn trend to continue into 4Q21 as the Group is well positioned to serve the pent up leisure travel demand.

As part of the Group's transformation journey to be more than an aviation group, the Group is nearing its completion of its restructuring of the distinct business pillars within the Group with independent management. Other than the aviation industry, we are seeing traction in our aircraft engineering maintenance business under Asia Digital Engineering, cargo and last mile deliveries under Teleport, airasia superapp and Bigpay.

While still in its first year of operations, our aircraft engineering maintenance business is able to provide faster turnaround time for maintenance check for aircraft which is much needed as travel picks up and airlines are reactivating aircraft that were in hibernation.

Airasia superapp has expanded its offerings beyond the travel segment, with airasia food expanding its offerings to Singapore, Johor Bahru, Malacca, Kota Kinabalu, Penang and Bangkok and other offerings such as airasia rides and travel mall. BigPay has also applied for a digital banking licence in Malaysia with a consortium of strategic partners. Teleport is focusing on building out a reliable cargo network and a 24-hour delivery end-to-end infrastructure with the conversion of two A320 passenger aircraft as cargo only planes and leased 1 freighter aircraft. Teleport is also currently working on leasing another two (2) freighter aircrafts targeted to be made available in 3Q22.

The shareholders of the Company, at the Extraordinary General Meeting on 11 November 2021, have approved the proposed RCUIDS which is expected to be completed by the end of the year. We have also completed two batches of renegotiation of lease terms with our lessors which will see a lower lease rental per aircrafts in the future and we expect to complete the renegotiations with all lessors by end of the year.

Through these various fundraising exercises and cost containment measures that the Group is working on, the Board foresees it will have sufficient liquidity to sustain the business operations throughout 2021 and 2022.



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**33. Material Litigation**

As at 30 September 2021, there was no material litigation against the Group.

**34. 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 30/9/2021	Quarter ended 30/9/2020	Year ended 30/9/2021	Year ended 30/9/2020
Net loss attributable to owners of the Company (RM'000)	(887,003)	(851,779)	(2,234,484)	(2,656,226)
Weighted average number of ordinary shares in issue ('000)	3,813,142	3,341,974	3,688,657	3,341,974
Basic earnings per share (sen)	(22.8)	(25.5)	(59.4)	(79.5)
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The Company had established an Employee Share Option Scheme (“ESOS”) and offered 159,400,000 shares to its eligible employees on 3 August 2021. The ESOS has a vesting period of 3 years from the date of offer. The diluted earnings per share is calculated based on the offered ESOS share option. There is no diluted earnings per share disclosed as it is anti dilutive.

**35. Authorisation for issue**

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

By order of the Board

HARMINDER SINGH A/L JAILA SINGH  
(P.C Reg No: 201908001591)(LS0009855)  
COMPANY SECRETARY  
22 NOVEMBER 2021