

**AIRASIA GROUP BERHAD**  
(Company No. 1244493-V)  
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)  
FIRST QUARTER REPORT ENDED 31 MARCH 2018

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS**

	<b>Quarter ended</b>
	<b>31-03-2018</b>
	<b>RM</b>
Revenue	-
Operating expenses	(12,725)
Loss before taxation	(12,725)
Tax expenses	-
Net loss for the financial period	(12,725)

The condensed statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**

	Period ended
	31-03-2018
	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Loss before taxation	(12,725)
<b>Changes in working capital</b>	
Other receivables and prepayments	(461)
Other payables and accruals	13,186
Net cash from operating activities	-
<b>NET INCREASE FOR THE FINANCIAL PERIOD</b>	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	2
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	2

The condensed statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

	<b>As at</b>	<b>As at</b>
	<b>31-03-2018</b>	<b>31-12-2017</b>
	<b>RM</b>	<b>RM</b>
<b>CURRENT ASSETS</b>		
Other receivables and prepayments	461	-
Cash and cash equivalents	2	2
	<b>463</b>	<b>2</b>
<b>CURRENT LIABILITIES</b>		
Other creditors and accruals	19,522	6,336
	<b>19,522</b>	<b>6,336</b>
<b>NET CURRENT LIABILITIES</b>	<b>(19,059)</b>	<b>(6,334)</b>
<b>EQUITY</b>		
Share capital	2	2
Accumulated losses	(19,061)	(6,336)
<b>Total equity</b>	<b>(19,059)</b>	<b>(6,334)</b>

The condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**

	Non-distributable		Total RM
	Share Capital RM	Accumulated Losses RM	
At 1 January 2018	2	(6,336)	(6,334)
Loss for the financial period		(12,725)	(12,725)
<b>Balance as at 31 March 2018</b>	<b>2</b>	<b>(19,061)</b>	<b>(19,059)</b>

The condensed statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2018**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017.

**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 2017. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Company with effect from 1 January 2018 or later are provided in the notes to the financial statements in the audited financial statements of the Company for the financial year ended 31 December 2017. The Company did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

At the beginning of the current financial year, the Company adopted new MFRSs, Amendments to MFRSs and an IC Interpretation (collectively referred to as "pronouncements") that have been issued by the MASB and are applicable as listed below:

**Effective for annual periods beginning on or after 1 January 2018**

Amendments to MFRS 2: Share-based Payment: Classification and Measurement of Share-based Payment Transactions

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

Amendments to MFRS 140 Investment Property: Transfer of Investment Property Annual Improvements to MFRS Standards 2014-2016 Cycle

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The adoption of these pronouncements did not have an impact to the financial statements of the Company which has remained dormant in the current financial period.

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

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the financial year ended 31 December 2017 in their report dated 16 April 2018.

**4. Seasonality of operations**

The Company did not experience significant fluctuations in operations due to seasonal factors.

**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.

**6. Changes in estimates**

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

**7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter under review.

**8. Proposed dividend**

The Board of Directors has declared an Interim Single-Tier Dividend of 12 sen per share on 3,341,974,080 ordinary share of RM0.10 each for the financial year ending 31 December 2018.

**9. Changes in composition of the Group**

The changes in composition of the Company as described in Status of Corporate Proposal in Note 10 of this Report.

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**10. Status of corporate proposals**

*Internal Reorganisation by way of a members scheme of arrangement under Section 366 of the Companies Act, 2016*

On 15 March 2018, the High Court has approved the internal reorganisation by way of a Members' Scheme of Arrangement under Section 366 of the Companies Act, 2016 for the following proposals;

- (a) the exchange of 3,341,974,080 ordinary shares in the Company (including treasury shares), representing the entire issued share capital of AirAsia Berhad ("AAB"), with 3,341,974,080 new ordinary shares in AirAsia Group Berhad ("AAGB"), a newly incorporated investment holding company, on the basis of 1 new AAGB Share for every 1 existing AAB Share held on 6 April 2018; and
- (b) the assumption of the listing status of AAB by AAGB and the admission of AAGB to and withdrawal of AAB from the Official List of Bursa Malaysia Securities Berhad, with the listing of and quotation for AAGB Shares on the Main Market of Bursa Securities

Accordingly, the internal reorganisation has been completed on 16 April 2018. Following the completion of the internal reorganisation of AAB and the transfer of its listing status to AAGB on 16 April 2018, AAB is now a wholly-owned subsidiary of AAGB. Moving forward, AAGB will spearhead AirAsia Group's future growth. The shareholders will benefit in the longer term from the improved earnings of AAGB as a result of the improved management efficiency and effectiveness of AAGB.

**11. Post balance sheet events**

There were no material events after the period end that have not been reflected in the financial statements for the financial period ended 31 March 2018 as at the date of this report.

**12. Changes in Contingent Assets and Contingent Liabilities**

There were no material contingent liabilities or contingent assets as of the date of this report.

**13. Profit forecast**

No profit forecast has been issued.

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**14. Commentary on prospects**

For the first quarter of 2018, the Company recorded a net loss of RM12,725 which comprised mainly of administrative expenses and professional fees.

Refer to attached Appendix for the financial statements of the AirAsia Berhad Group (“AAB”) for the first quarter ended 31 March 2018.

**15. Material litigation**

As at 24 May 2018, there was no material litigation against the Group.

**16. Comparatives**

No comparative figures are available as the Company was only incorporated on 24 August 2017.

**17. Authorisation for issue**

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

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)  
COMPANY SECRETARY  
24 MAY 2018