

CAPITAL A BERHAD
(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)
201701030323 (1244493-V)
FOURTH QUARTER REPORT ENDED 31 DECEMBER 2021

ANNOUNCEMENT

The Board of Directors of Capital A Berhad (formerly known as AirAsia Group Berhad) (“Capital A” or “the Company”) hereby announces the following unaudited consolidated results of Capital A and its subsidiaries (collectively known as “the Group”) for the year ended 31 December 2021.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Year ended	Year ended
		31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Aviation Revenue	10	462,519	222,370	996,739	2,845,715
Operating expenses:					
- Staff costs		(155,803)	(180,702)	(578,846)	(1,060,978)
- Aircraft fuel expenses		(188,096)	(67,920)	(363,934)	(990,511)
- Fuel swap losses		156	(390,822)	(30,007)	(972,168)
- Maintenance and overhaul		(286,748)	(17,415)	(449,819)	(533,746)
- User charges and other related expenses		(78,258)	(68,338)	(168,994)	(650,319)
- Other operating expenses		(86,565)	(1,807,873)	(238,208)	(2,310,170)
Other income	11	6,551	13,084	78,519	318,767
Share of results of associates **		(4,171)	(9,366)	(34,797)	(63,928)
Aviation EBITDA		(330,415)	(2,306,982)	(789,347)	(3,417,338)
Digital EBITDA					
- Teleport (Logistics)	28	3,190	17,327	(13,678)	95,255
- Airasia Super App	28	8,920	28,445	(134,188)	(15,068)
- BigPay Group	28	(46,587)	(13,713)	(118,143)	(83,153)
- Other Digital Entities	28	(1,144)	12,315	(16,160)	7,120
Share of results of associate/ joint venture		(451)	(140)	(633)	413
EBITDA		(366,487)	(2,262,748)	(1,072,149)	(3,412,771)
Depreciation of property, plant and equipment		(47,800)	(40,735)	(157,671)	(150,920)
Depreciation of right of use asset	2	(379,408)	(450,964)	(1,629,086)	(1,922,078)
Finance costs - lease liabilities	2	(150,087)	(205,293)	(493,329)	(578,211)
Finance income	12	11,273	47,254	30,074	115,944
Finance costs	12	(64,613)	(20,448)	(184,824)	(135,440)
Net Operating loss		(997,122)	(2,932,934)	(3,506,985)	(6,083,476)
Foreign exchange gain/(loss)	12	22,332	392,309	(292,460)	444,763
Fair value gain/(loss) on derivatives		10,754	107,043	31,377	(141,953)
Gain on disposal of investment in associate		-	152,911	-	152,911
Fair value of retained interest in a previous associate		-	76,456	-	76,456
Loss before taxation		(964,036)	(2,204,215)	(3,768,068)	(5,551,299)
Tax expense	13	(82)	(2,587)	(4,826)	(17,803)
Deferred taxation	13	(44,171)	(475,538)	(41,473)	(318,826)
Net loss for the financial period		(1,008,289)	(2,682,340)	(3,814,367)	(5,887,928)
Attributable to:					
- Owners of the company		(884,089)	(2,455,441)	(3,118,573)	(5,111,667)
- Non-controlling interests		(124,200)	(226,899)	(695,794)	(776,261)
		(1,008,289)	(2,682,340)	(3,814,367)	(5,887,928)

* 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 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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Net loss for the financial period	(1,008,289)	(2,682,340)	(3,814,367)	(5,887,928)
Other comprehensive income/(loss)				
Remeasurement loss on employee benefits liability, net of tax	2,453	(8,052)	17,660	(19,591)
Fair value reserve	(11,566)	40,193	102,805	(209,274)
Cash flow hedges	-	393,838	35,609	(142,574)
Foreign currency translation differences	623,521	(336,750)	424,951	(221,167)
Total comprehensive loss	(393,881)	(2,593,111)	(3,233,342)	(6,480,534)
Total comprehensive income attributable to:				
Owners of the Company	(4,721)	(2,534,937)	(2,538,988)	(5,712,617)
Non-controlling interests	(389,160)	(58,174)	(694,354)	(767,917)
	(393,881)	(2,593,111)	(3,233,342)	(6,480,534)

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 31/12/2021 RM'000	AS AT 31/12/2020 RM'000
NON CURRENT ASSETS			
Property, plant and equipment	14	759,868	1,085,639
Right of use assets	21	9,530,116	9,444,946
Finance lease receivables	21	312,817	505,499
Investment in associates	16	1,033,020	482,754
Investment in joint venture		878	1,332
Investment securities	15	243,321	472,719
Intangible assets		794,015	640,553
Deferred tax assets		722,677	774,155
Receivables and prepayments	17	3,341,267	3,106,941
Deposits on aircraft purchase		610,489	590,179
Derivative financial instruments	23	165,397	-
		17,513,865	17,104,717
CURRENT ASSETS			
Inventories		153,600	141,421
Receivables and prepayments	17	710,228	903,294
Finance lease receivables	22	278,839	432,666
Amounts due from associates		51,218	360,385
Amounts due from related parties		47,003	107,047
Derivative financial instruments	23	-	77,808
Tax recoverable		5,408	3,442
Deposits, bank and cash balances		1,255,512	533,278
		2,501,808	2,559,341
CURRENT LIABILITIES			
Trade and other payables	18	1,874,217	2,307,125
Aircraft maintenance provisions and liabilities	19	1,106,037	711,764
Sales in advance		838,819	933,376
Amounts due to associates		25,354	35,907
Amounts due to related parties		13,592	49,923
Borrowings	20	887,228	1,016,312
Lease liabilities	21	4,267,630	3,247,138
Derivative financial instruments	22	-	134,655
Provision of taxation		21,831	25,629
		9,034,708	8,461,829
NET CURRENT LIABILITIES		(6,532,900)	(5,902,488)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31/12/2021 RM'000	AS AT 31/12/2020 RM'000
NON CURRENT LIABILITIES			
Trade and other payables	18	292,691	273,455
Aircraft maintenance provisions and liabilities	19	4,943,870	4,857,292
Borrowings	20	1,481,688	272,557
Lease liabilities	21	10,091,247	9,188,102
Deferred tax liabilities		40,607	18,132
Derivative financial instruments	22	32,785	64,818
Provision for retirement benefits		86,740	97,667
		16,969,628	14,772,023
		(5,988,663)	(3,569,794)
CAPITAL AND RESERVES			
Share capital		8,462,770	8,023,268
Merger deficit		(5,507,594)	(5,507,594)
Other reserves		210,176	(225,368)
Foreign exchange reserve		370,252	(57,378)
Retained earnings		(6,647,266)	(3,447,215)
		(3,111,662)	(1,214,287)
Non-controlling interests		(2,877,001)	(2,355,507)
Total equity		(5,988,663)	(3,569,794)
Net assets per share attributable to ordinary equity holders of the Company (RM)		(0.80)	(0.36)

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											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	Share-based payments RM'000	RCUIDS - equity RM'000	Warrant reserve 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
At 1 January 2021	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	-	-	-	-	-	-	-	-	-	-	(3,118,573)	(3,118,573)	(695,794)	(3,814,367)
Other comprehensive income	-	-	-	427,630	-	-	-	32,723	102,805	16,427	-	579,585	1,440	581,025
Issuance of new shares	470,214	336,464	-	-	-	-	-	-	-	-	-	336,464	-	336,464
Issuance of RCUIDS	-	-	-	-	-	134,711	101,548	-	-	-	-	236,259	-	236,259
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	-	-	-
Transfer of cash flow hedge reserves	-	-	-	-	-	-	-	68,499	-	-	-	68,499	-	68,499
Share-based payment expensed	-	-	-	-	6,044	-	-	-	-	-	-	6,044	-	6,044
At 31 December 2021	3,898,053	8,462,770	(5,507,594)	370,252	6,044	134,711	101,548	-	(29,914)	(2,213)	(6,647,266)	(3,111,662)	(2,877,001)	(5,988,663)
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	-	-	-	-	-	-	-	-	-	-	(5,111,667)	(5,111,667)	(776,261)	(5,887,928)
Other comprehensive income	-	-	-	(228,515)	-	-	-	(139,688)	(209,274)	(23,473)	-	(600,950)	8,344	(592,606)
At 31 December 2020	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)

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
	31/12/2021	31/12/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,768,068)	(5,551,299)
Adjustments:		
Property, plant and equipment		
- Depreciation	154,638	150,920
- Gain on disposal	(40,271)	(184,139)
- Write Off	5,931	5,588
- Impairment	-	43,670
Rights of Use Asset		
- Depreciation	1,629,086	1,922,078
- Impairment	-	552,290
Intangible assets		
- Amortisation	3,033	282
- Impairment	5,164	
Provision for retirement benefit	11,906	16,209
Aircraft maintenance provisions	387,390	192,163
Impairment of receivables, related parties, joint ventures and investment securities	7,395	1,426,915
Fair value loss/(gain) on derivative financial instruments	(31,377)	141,953
Share of results of associates and joint venture	35,430	63,515
Remeasurement gain on retained interest in a previous associate		(76,456)
Gain of disposal of investment in an associate		(152,912)
Net unrealised foreign exchange (gain)/losses	277,615	(436,255)
Dividend income from investment securities	-	(5,033)
Interest expense	167,412	135,440
Interest on lease liabilities	493,329	578,211
Interest income	(30,074)	(115,944)
	(691,461)	(1,292,804)
Changes in working capital		
Inventories	(12,766)	6,969
Receivables and prepayments	3,223	192,932
Trade and other payables and provisions	201,123	250,994
Sales in advance	(92,194)	(234,200)
Intercompany balances	372,368	(1,016,999)
Cash used in operations	(219,707)	(2,093,108)
Interest paid	(103,644)	(58,707)
Interest received	1,557	10,908
Tax paid	(4,410)	(25,298)
Retirement benefit paid	(9,030)	(2,042)
Net cash used in operating activities	(335,234)	(2,168,247)

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	PERIOD ENDED
	31/12/2021	31/12/2020
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(27,183)	(94,686)
- Proceeds from disposal	44,697	277,313
Addition in intangible assets	-	(5,811)
Acquisition of		
- subsidiaries, net of cash acquired	4,100	-
Net movement other investments	289,570	(4,600)
Additional subscription of shares in associates	(516,720)	-
Investment in joint venture	-	(2,025)
Proceeds from partial disposal of interest in an associate	-	152,912
Dividend received from :		
- investment securities	-	3,637
Finance lease receivables	-	134,128
Net cash generated from/(used in) investing activities	(205,536)	460,868
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	336,464	-
Proceeds from issuance of RCUIS	974,513	-
Proceeds from borrowings	774,029	604,585
Repayment of borrowings and lease liabilities	(818,394)	(1,017,068)
Net cash generated from/(used in) financing activities	1,266,612	(412,483)
NET INCREASE/(DECREASE) FOR THE FINANCIAL PERIOD	725,843	(2,119,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	533,278	2,588,097
CURRENCY TRANSLATION DIFFERENCES	(3,609)	65,043
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	1,255,512	533,278

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 Aviation 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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	717,123	328,393	1,732,271	3,274,399
Operating expenses:				
- Staff costs	(217,187)	(203,575)	(791,557)	(1,166,181)
- Depreciation of property, plant and equipment	(427,208)	(491,699)	(1,786,757)	(2,072,998)
- Aircraft fuel expenses	(187,895)	(67,920)	(363,934)	(990,511)
- Fuel swap losses	-	(390,822)	(30,007)	(972,168)
- Maintenance and overhaul	(286,748)	(17,415)	(449,819)	(533,746)
- User charges and other related expenses	(224,932)	(85,067)	(762,829)	(703,567)
- Other operating expenses	(176,214)	(1,845,491)	(455,202)	(2,600,200)
Other income	13,988	28,655	84,358	342,718
Operating loss	(789,073)	(2,744,941)	(2,823,476)	(5,422,254)
Finance income	11,273	47,254	30,074	115,944
Finance costs	(214,700)	(225,741)	(678,153)	(713,651)
Net operating loss	(992,500)	(2,923,428)	(3,471,555)	(6,019,961)
Share of results of associates / joint venture	(4,622)	(9,506)	(35,430)	(63,515)
Foreign exchange gains	22,332	392,309	(292,460)	444,763
Fair value gain/(loss) on derivatives	10,754	107,043	31,377	(141,953)
Gain on disposal of investment in associate	-	152,911	-	152,911
Fair value of retained interest in a previous associate	-	76,456	-	76,456
Loss before taxation	(964,036)	(2,204,215)	(3,768,068)	(5,551,299)
Tax expense	(82)	(2,587)	(4,826)	(17,803)
Deferred taxation	(44,171)	(475,538)	(41,473)	(318,826)
Net loss for the financial period/year	(1,008,289)	(2,682,340)	(3,814,367)	(5,887,928)

*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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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 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.)

On 18 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 November 2021. A goodwill of RM22.4 million (subject to purchase price allocation exercise to be completed within 12 months) was recognised.

On 21 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 (“AAV Restructuring”). Upon completion of AAV Restructuring, the Company vide its wholly-owned subsidiary AirAsia Aviation Group Limited (formerly known as AirAsia Investment Limited) (“AAA”) will dispose its shareholding in TAA and subscribe for equivalent percentage of shareholding in AAV. The said transaction was completed on 15 December 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 st Tranche Placement Shares	369,846,852	249,647
17 March 2021	2 nd 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 31 December 2021.

9. Dividends paid and proposed

No dividend has been proposed during the year ended 31 December 2021.

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10. Revenue

	Quarter ended 31/12/2021 RM million	Quarter ended 31/12/2020 RM million
<u>Aviation revenue</u>		
Passenger revenue		
- seat sales	383.5	174.7
- others	67.3	40.7
Aircraft operating lease income	11.7	7.0
	<hr/> 462.5	<hr/> 222.4
<u>Digital revenue</u>		
- Teleport	139.3	37.2
- airasia superapp	95.0	62.8
- BigPay	5.7	4.4
- Others	14.6	1.5
Others	0.1	0.1
	<hr/> 717.2	<hr/> 328.4

11. Other income

	Quarter ended 31/12/2021 RM million	Quarter ended 31/12/2020 RM million
Gain/(loss) on disposal of property, plant and equipment	2.9	(22.3)
Others	3.6	35.4
	<hr/> 6.5	<hr/> 13.1

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)

	Quarter ended 31/12/2021 RM million	Quarter ended 31/12/2020 RM million	Year ended 31/12/2021 RM million	Year ended 31/12/2020 RM million
(a) Finance income				
Interest income from:				
- deposits with licensed banks	-	-	1.2	9.6
- from associates	2.7	-	8.1	29.0
- finance lease receivables	8.5	21.7	20.3	50.8
Discounting effect on financial instruments and others	-	25.5	0.4	26.6
	11.2	47.2	30.1	115.9
(b) Finance costs				
Bank borrowings	(44.1)	(15.4)	(81.8)	(53.9)
Amortisation of premiums for interest rate caps	(0.0)	(0.0)	(0.1)	(6.0)
Discounting effect on financial instruments, bank facilities and other charges	(20.4)	(5.0)	(102.9)	(75.5)
	(64.6)	(20.4)	(184.8)	(135.4)
(c) Foreign exchange gains/(losses)				
- realized	7.5	33.6	(14.8)	8.5
- unrealized	14.8	358.7	(277.6)	436.3
	22.3	392.3	(292.5)	444.8

13. Income tax and Deferred tax

Income tax expense

The current taxation charge for the period to date of RM4.8 million mainly relates to foreign branches taxes.

Deferred taxation

Deferred tax of RM41.5 million was recognised for the year mainly as a result of reversal of previously recognised deferred tax assets on past losses which has now expired.

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

(a) acquisition and disposals

During the year ended 31 December 2021, the Group acquired property, plant and equipment with a total cost of RM27.2 million (year ended 31 December 2021: RM94.6 million).

During the year ended 31 December 2021, proceeds from the disposal of property, plant and equipment amounted to RM44.7 million (year ended 31 December 2021: RM277.3 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 and ROU assets in the quarter under review. In the same quarter prior year an impairment of RM640.9 million was recorded as impairment on property, plant and equipment, ROU assets and finance lease receivables.

15. Quoted investments and properties

On 5 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

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
Cost		
Investment	1,497.7	1,087.9
Share of results and reserves	(405.5)	(545.9)
Impairment loss	(59.2)	(59.2)
	<u>1,033.0</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. Following the reorganization of one of its associate as disclosed in Note 6, there are no unrecognised losses as at 31 December 2021.

17. Receivables and prepayments

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
<u>Non-current</u>		
Prepayments	2,696.7	2,739.3
Deposits and other receivables	465.5	367.7
	<u>3,162.2</u>	<u>3,107.0</u>
<u>Current</u>		
Trade and other receivables	541.9	450.7
Prepayments	364.1	594.6
Deposits	29.1	87.7
	<u>935.1</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

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
<u>Non-current</u>		
Other payables	292.7	273.4
<u>Current</u>		
Trade payables	915.0	1,312.8
Other payables	130.5	119.8
Accruals for fuel	77.2	5.2
Others	820.7	869.3
	1,943.4	2,307.1

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

19. Aircraft maintenance provision/ payables

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
Aircraft maintenance provision	1,668.8	1,367.7
Aircraft maintenance payables	2,508.1	2,377.1
Aircraft maintenance reserves	1,873.0	1,824.2
	6,049.9	5,569.1
Current	877.0	711.7
Non Current	5,172.9	4,857.3
	6,049.9	5,569.1

- (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.

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20. Borrowings

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
<u>Short term</u>		
Term loans	381.2	313.7
Term loans (Deferred fuel hedge settlements)	243.1	582.6
Revolving credit	85.0	120.0
Convertible loan note	250.1	-
	959.4	1,016.3
<u>Long term</u>		
Term loans	594.3	272.6
RCUIDS	881.5	-
	1,475.8	272.6
Total	2,435.2	1,288.9

The currency profile of borrowings are as follows:

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
Ringgit Malaysia	1,246.3	429.3
US Dollar	1,142.1	730.1
Philippine Peso	-	83.5
Indonesian Rupiah	46.8	45.9
	2,435.2	1,288.9

On 25 June 2021, a subsidiary of the Company obtained a USD25 million short term working capital term loan from a non-financial institution.

On 6 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.

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20. Borrowings (Cont'd.)

In October 2021, the Company received approval from Danajamin Nasional Berhad (“Danajamin”) for a club facility that will be disbursed by Malaysian financial institutions of up to RM300 million, which is under the Danajamin Prihatin Guarantee Scheme. The club facility is available for drawdown once the conditions precedent imposed by Danajamin are fulfilled by the Company

On 28 October 2021, Asia Aviation Capital Limited, a wholly owned subsidiary of AirAsia Berhad (“AAB”), which in turn is a wholly owned subsidiary of the Company secured a term loan from a non-financial institution for an amount of USD150 million of which USD100 million has been drawn down to date.

On 31 December 2021, the Company completed the RCUIDS exercise as disclosed in Note 23.

21. Lease liabilities

The lease liabilities amounting to RM14.3 billion includes deferred aircraft leases of approximately RM2.4 billion. The lease liabilities are supported by ROU assets of RM9.4 billion (net of impairment) and finance lease receivables of RM0.7 billion (net of impairment).

As at 31 December 2021, documentation for restructuring had been completed for a total of 81 aircraft. The restructuring of the leases resulted in the lease liabilities being recomputed using the new lease terms and reduced lease rates. The amounts waived was approximately RM1,011.0 million for financial year ended 31 December 2021.

22. Derivative financial instruments

(a) Forward Foreign Exchange Contracts

As at 31 December 2021, there is no outstanding amount for forward foreign exchange contracts.

(b) Interest Rate Hedging.

As at 31 December 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.

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22. Derivative financial instruments (Cont'd.)

(c) Fuel Hedging

As at 31 December 2021, there is no outstanding fuel derivative contracts.

Type of Derivatives	Notional Value As at 31/12/2021	Fair value 31/12/2021 Assets/(Liabilities)
<u>Interest rate contracts</u>	RM million	RM million
- More than 3 years	710.4	(32.8)

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.

(d) Early redemption option

The RCUIDS issued by the Company as disclosed in Note 23 below allows for an option of refinancing the debt at a price of 105% of the principal which will provide future savings to the Company.

23. Status of corporate proposals announced

Private Placement

On 21 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.

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

Private Placement (cont'd.)

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 9th 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. The Company has decided that it will not pursue any further private placement.

Renounceable Rights Issue of Redeemable Convertible Unsecured Islamic Debt Securities (“RCUIDS”)

On 12 July 2021, the Company announced that it proposed to undertake a renounceable rights issue of up to RM1,024,058,370 in nominal value of a 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 above proposal was approved by shareholders at an Extraordinary General Meeting held on 11 November 2021.

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

The proposed utilisation of the proceeds received of RM974.5 million are as follows:

Utilisation of Proceeds	Expected timeframe	Proposed Utilisation RM m	Actual Utilisation RM m	Unutilised Amounts RM m
Fuel Hedging Settlement	5 months	226.7	114.3	112.4
Aircraft lease and maintenance	Within 12 months	202.8	202.8	-
AirAsia Digital Sdn Bhd business units	Within 12 months	73.7	60.0	13.7
General working capital expenses	Within 12 months	451.0	140.0	311.0
Estimated expenses	Within 3 months	20.3	20.3	-
		974.5	537.4	437.1

24. Contingent assets

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

25. 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.

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

Capital commitments for property, plant and equipment:

	As at 31/12/2021 RM million	As at 31/12/2020 RM million
Approved and contracted for	97,123.8	124,855.1

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27. Material related party transactions

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 31 December 2021 are set out below:

	Quarter ended 31/12/2021 RM million	Quarter ended 31/12/2020 RM million
1. Transaction of the Group with associates of a subsidiary		
a. Purchase of cargo transportation capacity		
- Thai AirAsia	0.1	0.7
b. Commission charged		
- Thai AirAsia	7.2	-
c. Management fees		
- Thai AirAsia	6.2	0.3
2. Transaction of the Group with company with common directors and shareholders		
a. Purchase of cargo transportation capacity		
- AirAsia X	83.4	21.8
- Thai AirAsia X	8.4	0.1
b. Management fees		
- AirAsia X	0.3	0.1
- Thai AirAsia X	-	0.1

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28. 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 domestic operations in our operating countries while growing our digital businesses.

The Group reported a revenue of RM717.2 million in 4Q21, which more than doubled that in 4Q20, as travel restriction eases and the introduction of quarantine free travel lanes. 64% of the Group's revenue was attributed to the aviation segment while 36% of revenue was derived from its digital businesses. 19% of revenue was contributed by Teleport for 4Q21 as compared to 10% in 4Q20.

The Group reported a FYE 2021 revenue of RM1,732.3 million with Teleport contributing to 31% of the Group's revenue. Superapp and BigPay saw steady growth in their revenues as it launched more products and invested into technology and talent to scale up business.

The Group reported a narrower net loss for 4Q21 of RM1,008.3 million as compared to RM2,682.3 million in 4Q20. The comparative quarter recorded one off impairment, write off and fuel hedging losses totaling RM1,874.0 million. On a year to date basis, net loss for 2021 has reduced significantly to RM3,814.4 million as compared to the 2020 loss of RM5,887.9 million.

Cashflow commentary for current quarter against corresponding quarter

Net Cash Flow	Year ended 31/12/2021 RM million	Year ended 31/12/2020 RM million
Cash from/(to) Operating activities	(335.2)	(2,168.2)
Cash from/(to) Investing activities	(205.5)	460.9
Cash from/(to) Financing activities	1,266.6	(412.5)
Net cashflow for the Period	725.8	(2,199.8)

The Group reported a positive net cashflow for FYE 2021. Cash outflow to operating activities for the year was greatly reduced through cost containment exercises. Cashflow from investing activities include the additional investment into AAV, utilizing the proceeds from disposal of TAA and the repayment of intercompany balances from TAA. The cash inflow from financing activities for the current period includes proceeds of placement shares issued, borrowings received as indicated in Note 20 and RCUIDS proceeds, net off payment for deferred fuel hedge settlements from year 2020 and payment of debt and aircraft leases.

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28. Review of Group Performance (cont'd.)

(a) Aviation

Performance indicators

	Oct to Dec 2021	Oct to Dec 2020	Change %	YTD 2021	YTD 2020	Change %
Passengers Carried	2,724,679	1,342,171	103%	4,812,364	13,308,895	-64%
Capacity	3,393,618	1,999,180	70%	6,500,182	17,940,200	-64%
Seat Load Factor	80%	67%	13	74%	74%	0
RPK (million)	2,195	1,051	109%	4,149	14,267	-71%
ASK (million)	2,786	1,621	72%	5,723	19,118	-70%
Average Fare (RM)	141	129	10%	160	175	-9%
Unit Passenger Revenue (RM)	173	172	1%	196	215	-9%
Revenue / ASK (sen)	16.91	14.20	19%	16.67	15.06	11%
Revenue / ASK (US cents)	4.08	3.42	19%	4.00	3.61	11%
Cost / ASK (sen)	43.86	80.00	-45%	68.64	35.24	95%
Cost / ASK (US cents)	10.57	19.27	-45%	16.45	8.45	95%
Cost / ASK-ex Fuel (sen)	37.00	60.96	-39%	61.70	24.96	147%
Cost / ASK-ex Fuel (US cents)	8.92	14.69	-39%	14.79	5.98	147%
Aircraft (end of period)	157	148	9	157	148	9
Average Stage Length (km)	825	842	-2%	882	1,001	-12%
Number of Flights	18,324	10,942	67%	35,350	98,249	-64%
Fuel Consumed (Barrels)	483,867	284,513	70%	990,225	3,198,665	-69%
Average Fuel Price (US\$ / Barrel)	95	58	63%	89	117	-24%

Prior year US cent and dollar are restated at current average exchange rate during the quarter for ease of reference

The Aviation Group recorded the highest quarterly load factor of 80% since the beginning of the pandemic. ASK grew by 72% YoY, contributed by strong demand from the introduction of quarantine free travel bubble and easing of travel restrictions.

In FYE 2021, the load factor for the Aviation Group remained healthy at 74% with strategies implemented to manage the multiple disruptive lockdowns imposed by respective governments. The improved monthly performance of passengers carried and additional capacity across the group indicate a V-shaped resumption trend in air travel demand throughout 2021.

AirAsia Malaysia passengers carried and capacity increased by 164% and 139% respectively as compared to the same quarter in the previous year, on the back of rising demand after the reopening of state borders announced by the Government of Malaysia. Load factor increased by 7ppts YoY and 19ppts QoQ to 80% in conjunction with the year-end festive season and increased frequencies on high demand routes including between Kuala Lumpur and Langkawi, followed by the Kuala Lumpur to Kota Kinabalu route in November and December 2021. AirAsia Malaysia ended the year with a high load factor of 76%.

AirAsia Indonesia posted a high load factor of 81% in the 4Q21, which grew 22ppts YoY driven by increased frequency of flights in line with growing demand, particularly in December 2021. For the YTD 2021, the load factor was 64%.

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28. Review of Group Performance (cont'd.)

(a) Aviation

AirAsia Philippines continue to outperform with load factor achieving 85% for the 4Q21 as a result of strong pent up demand in a number of core destinations including Cebu, Cagayan de Oro, Boracay, and Tacloban. It posted a healthy YTD 2021 load factor of 80%.

The Aviation Group reported a revenue of RM462.6 million for 4Q21, up 108% YoY, as easing of travel restrictions is seen in various countries coupled with pent up demand that resulted in achieving the highest load factor since the start of the pandemic. Revenue for YTD 2021 is RM996.7 million as compared to a RM2,845.7 million in YTD 2020 as the airlines were in restricted travelling and borders since the pandemic in March 2020.

Through strict cost control and capacity management, the Aviation Group reported a negative EBITDA of RM789.3 million for YTD 2021 as compared to a negative EBITDA of RM3,417.4 million for YTD 2020. Excluding the one offs in YTD 2020, the Aviation Group would have reported a negative EBITDA of RM1,543.4 million.

(b) Digital

	Quarter ended 31/12/2021				Quarter ended 31/12/2020			
	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	139,261	94,975	5,694	14,674	37,240	62,815	4,431	1,538
Operating expenses	(148,663)	(72,833)	(52,280)	(15,819)	(34,656)	(29,817)	(18,144)	10,777
Elimination	12,591	(13,222)	-	-	14,743	(4,553)		
EBITDA	3,190	8,920	(46,587)	(1,144)	17,327	28,445	(13,713)	12,315

(i) Teleport

Teleport's quarterly revenue was 274% higher YoY which was a direct outcome of the strategic growth of our cargo network, undertaken to compensate the 90% reduction to pre-pandemic passenger network capacity. EBITDA took a turn and returned to the black in 4Q21 as cargo margins improved significantly during 4Q21 as well as the network was optimised to take advantage of the seasonal upturn in yields.

Delivery segment's volume grew 950% YoY and 90% QoQ to nearly 600,000 deliveries in 4Q21. Unit economics also improved QoQ as we increased the proportion of deliveries utilising air cargo from 40% to 60%. Growth in high margin deliveries is expected to continue in 2022 as we add new international lanes and delivery hubs.

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28. Review of Group Performance (cont'd.)

(ii) airasia super app

airasia Super App recorded the highest quarterly revenue of RM95.0 million driven by a resurgence of travel demand, the launch of the Super App OTA platform, increased performance of airasia ride, and breakage income.

airasia Super App reported a positive EBITDA of RM8.9 million in 4Q21 primarily driven by the breakage income from airasia rewards as the operating expenses remained constant quarter to quarter.

YTD revenue grew by 30% from RM 117.0 million to RM 150.2 million mainly contributed by the revenue from the travel vertical due to the lifting of travel restrictions in the region and the recovery of domestic travel. airasia Super App reported a negative EBITDA of RM 136.3 million for the full year, primarily attributed to investment costs to accelerate expansion of our ecosystem and development of technology.

The launch of airasia Super App's OTA platform capitalized on the return of travel demand, leading to a 15x growth in daily bookings. Similarly, hotel bookings on the Super App achieved a 4x growth quarter-on-quarter.

Airasia food also successfully achieved nationwide coverage with the 4Q21 launch in Penang following the acquisition of DeliverEat by Teleport, and in East Malaysia (Miri/Kuching). Airasia Super App subsequently launched airasia xpress, an on-demand parcel delivery service in 8 cities in Malaysia.

Airasia ride continues to make significant gains post-launch, achieving an average of 10-14% week-on-week growth in completed rides, and achieving a total of more than 350,000 completed rides in Q4.

Average Monthly Active Users (MAU) of the Super App saw an increase across all markets in Q4 due to a surge in travel and an influx of new users from the delivery vertical. In Malaysia, the MAU increase is also contributed by the rapidly growing operation of airasia ride, food and xpress, which has a higher usage frequency.

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28. Review of Group Performance (cont'd.)

(iii) BigPay Group

BigPay continues to focus on growth with strong market adoption, accelerating user growth momentum since the end of 3Q21. At the end of the year, BigPay's user base increased by 50% compared to last year. The quarter saw the easing of movement control restrictions both domestically and internationally, and the business would be expected to benefit in the coming quarters. BigPay's payments business increased margins as the share of international spend increased, and the international remittance also saw improvements as it optimised higher margin corridors. BigPay continued investing in user acquisition, product development, and market expansion, as it prepares for key launches in early 2022. Despite the existing business improvements, the investments brought a faster increase in operating expenses to ensure business scaling can be tackled at the same time.

29. Variation of results against preceding quarter

The Group recorded narrower a marginally lower net loss of RM1,008.3 million for the quarter under review, against the net loss of RM1,110.3 million in the immediately preceding quarter ended 30 September 2021 primarily due to the opening up of domestic travels in all markets and better margins from Teleport.

30. Profit forecast

No profit forecast has been issued.

31. Commentary on prospects

The airline industry is gradually moving in the right direction, but slower than our expectations due to a number of extraneous factors including the recent spread of the Omicron variant and certain border control restrictions. Delayed border openings and inconsistent entry requirements for travellers may delay a V shaped tourism recovery in the short term. However, the Group expects that the further easing of travel restrictions alongside reduced quarantine requirements and better testing procedures, will support a strong air travel revival in the coming quarters. The Group welcomes the recent news that the Thai government has resumed its quarantine-free travel scheme from 1st February and is lowering entry requirements from 1st March 2022. The return of the vaccinated travel lane (VTL) between Malaysia and Singapore from 24 January 2022 and the reopening of the Philippines to fully vaccinated international travellers without quarantine is also very pleasing progress in a number of our core markets and we look forward to further reduced entry requirements across all markets in the near future that will encourage the industry return to normalcy as soon as possible.

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31. Commentary on prospects (cont'd)

With leaner and more optimised airline operations, and as more restrictions continue to ease, we expect the current sales momentum and reduced cashburn trend to continue through 2022. With a robust platform for sustainable growth that has been implemented over the past two years, the Group is well positioned to recover fast and to serve the significant pent-up demand for leisure travel throughout the year ahead and beyond.

Other than the aviation segment, we are seeing solid traction across all of our other portfolio companies including our aircraft engineering maintenance business Asia Digital Engineering (ADE) and Teleport, our cargo and last mile logistics venture. Our airasia Super App is the fastest growing in Asean and our fintech division BigPay is on track to truly democratise financial services across the region.

In January 2022, we had sought the approval from our shareholders for the name change of the Company from AirAsia Group to Capital A. This new corporate identity is to better reflect the Group's core businesses and its future undertakings as the rapid digital transformation takes shape. The name change represents an exciting new era as the Group is now much more than just an airline. Capital A is an investment company with a broad portfolio of businesses which all deliver the best value at the lowest cost, supported by strong data built up over two decades. The Group also has one of Asia's leading brands to ride on, a strong people-first culture and an underlying promise of remaining committed to serving the underserved in all that we do. Just like what the airline has done from day one, all of the Group's different lines of business will deliver the same strategy that is underscored by doing what we do best - making travel and everyday lifestyle services affordable, accessible and inclusive to all.

Following strong consumer and investor support for our transformation strategy, the Group sets our sights on further capital raising initiatives for the airasia Super App, Teleport, Aviation Group and ADE which will be announced in due course.

Through various fundraising exercises where the Group has raised more than RM2.5 billion in the last two years, and further fundraising exercises as mentioned above, while continuing our strict cost containment policy, the Board foresees it will not only have sufficient liquidity to sustain the business operations throughout 2022 but also recover fast as the world continues to gradually open up.

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32. Material Litigation

As at 31 December 2021, there was no material litigation against the Group.

33. 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	Quarter ended	Year ended	Year ended
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Net loss attributable to owners of the Company (RM'000)	(884,089)	(2,455,441)	(3,118,573)	(5,111,667)
Weighted average number of ordinary shares in issue ('000)	3,898,052	3,341,974	3,759,482	3,341,974
Basic earnings per share (sen)	(22.7)	(73.5)	(83.0)	(153.0)
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.

34. 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
28 FEBRUARY 2022