



ONE PEOPLE - ALLSTARS

As Asia's largest low-cost carrier by fleet and number of passengers carried, we exist to serve our Allstars. We believe that happy Allstars means happy guests, which ultimately means a healthy business for us.



THE WHO



02

LEADERS

46	Directors
54	Senior Management Team
59	Airline CEOs
63	Non-Airline CEOs

SHIP



DIRECTORS



01

DATUK KAMARUDIN BIN MERANUN

58, Male

Non-Independent Executive Chairman
Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

None

Datuk Kamarudin bin Meranun is the co-founder of AirAsia. He is the Non-Independent Executive Chairman of AirAsia Group Berhad (AAGB) and AirAsia Berhad (AAB), taking the lead in engaging with the government, aviation regulators and airport authorities of Malaysia. Before being designated as Executive Chairman, he was AAB's Deputy Group Chief Executive Officer.

In December 2001, Datuk Kamarudin, together with Tan Sri Tony Fernandes, Dato' Pahamin Ab Rajab and Dato' Abdul Aziz bin Abu Bakar, acquired struggling domestic airline AirAsia and, with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier.

Prior to setting up AirAsia, Datuk Kamarudin worked at Arab-Malaysian Merchant Bank from 1988 to 1993 as a Portfolio Manager, managing both institutional and high net-worth individual clients' investment funds. In 1994, he was appointed Executive Director of Innosabah Capital Management Sdn Bhd,

a subsidiary of Innosabah Securities Sdn Bhd. He subsequently acquired the shares of the joint venture partner of Innosabah Capital Management Sdn Bhd, which was later renamed Intrinsic Capital Management Sdn Bhd.

He holds a Diploma in Actuarial Science from University Technology MARA (UiTM), and graduated with a BSc with Distinction (Magna Cum Laude) majoring in Finance in 1986 and an MBA in 1987 from Central Michigan University.

He received the Darjah Panglima Jasa Negara (PJN), which carries the title Datuk, from the Malaysian King in November 2013.

Datuk Kamarudin is also a Non-Independent Non-Executive Director of AirAsia X Berhad, a Director of Yayasan Pendidikan Titiwangsa, a Director of University Teknologi MARA (UiTM) and a member of the Board of Trustees of the Mahathir Science Award Foundation. He was a Non-Independent Non-Executive Director of Tune Protect Group Berhad from 11 March 2013 till 30 June 2019.



Tan Sri Tony Fernandes is one of Asia's most recognisable entrepreneurs, best known for co-founding AirAsia which has gone on to democratise air travel in the region.

In December 2001, Fernandes, together with Datuk Kamarudin Meranun, Dato' Pahamin Ab Rajab and Dato' Abdul Aziz bin Abu Bakar, acquired struggling domestic airline AirAsia and, with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier.

Fernandes studied in the UK, and qualified as an Associate Member of the Association of Chartered Certified Accountants in 1991, then as a Fellow Member in 1996. An accountant by training, he began his career in Virgin Group before returning to Malaysia as Warner Music Group's Vice President for Southeast Asia before venturing into the airline business.

He has received numerous honours and awards over the course of his career. These include the Honour of the Commander of the Order of the British Empire, conferred by Her Majesty Queen Elizabeth II in 2011, and the Commander of the Legion d'Honneur, awarded by the French Government for outstanding contributions to the economy of France through the aviation industry.

He is also a Non-Independent Non-Executive Director of AirAsia X Berhad.

TAN SRI TONY FERNANDES

56, Male

Non-Independent Executive Director
and Chief Executive Officer
Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

None



ABDEL AZIZ

03

**DATO' ABDEL AZIZ
@ ABDUL AZIZ
BIN ABU BAKAR**

66, Male

Non-Independent Non-Executive Director

Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

- Chairman of the Risk Management Committee
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee

In December 2001, Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar together with Datuk Kamarudin Meranun, Tan Sri Tony Fernandes and Dato' Pahamin Ab Rajab, acquired struggling domestic airline AirAsia, and with the help of Conor McCarthy, relaunched it as a pioneer of budget travel in Asia, building AirAsia into the world's best low-cost carrier.

Dato' Aziz served as Chairman of Performance and Artistes Rights Malaysia Sdn Bhd (PRISM), a collection society for performers of recorded music, and the Academy of Malaysian Music Industry Association (PAIMM) for more than 10 years until end 2012 and January 2011, respectively.

From 1981 to 1983, he was the Executive Director of Showmasters (M) Sdn Bhd, an artiste management and concert promotion company. He subsequently joined BMG Music and was General Manager from 1989 to 1997, and Managing Director from 1997 to 1999. He received a Diploma in Agriculture from Universiti Pertanian Malaysia in 1975, a BSc in Agriculture Business from Louisiana State University, USA in 1978, and an MBA from the University of Dallas, USA in 1980.

He is also currently a Director of Yayasan Astro Kasih and a Non-Executive Non-Independent Chairman of Pegasus Heights Berhad, where he is a member of the Audit Committee and Nomination and Remuneration Committee.



Dato' Mohamed Khadar bin Merican is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

He has more than 40 years' experience in financial and general management. He served as an auditor and a consultant in an international accounting firm, before joining a financial services group in 1986. Dato' Mohamed Khadar has held various senior management positions in the then Pernas International Holdings Berhad, a company listed on Bursa Malaysia, between 1988 and April 2003, including those of President and Chief Operating Officer.

In 2013, Dato' Mohamed Khadar, in his capacity as the Chairman of RHB Capital, was named "Chairman of The Year" by the Minority Shareholders Watchdog Group at its ASEAN Corporate Governance Index Awards 2013.

Dato' Mohamed Khadar's other directorships in public companies are Bonia Corporation Berhad (resigned on 31 December 2019), Iris Corporation Berhad and Rashid Hussain Berhad (In Members' Voluntary Liquidation).

DATO' MOHAMED KHADAR BIN MERICAN

63, Male

Independent Non-Executive Director
Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

- Chairman of the Audit Committee
- Member of the Risk Management Committee
- Member of the Safety Review Board

DIRECTORS (CONT'D)



FAM LEE EE 05

DATO' FAM LEE EE

59, Male

Senior Independent Non-Executive Director

Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

- Chairman of the Nomination and Remuneration Committee
- Member of the Audit Committee
- Member of the Risk Management Committee

Dato' Fam Lee Ee received his BA (Hons) from the University of Malaya in 1986 and LLB (Hons) from the University of Liverpool, England in 1989. Upon obtaining his Certificate of Legal Practice in 1990, he has been practising law since 1991 and is currently a partner at Messrs Gan & Zul.

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

Dato' Fam is also a Non-Independent Non-Executive Director of AirAsia X Berhad and a Director of the Malaysia-China Business Council.

STUART L DEAN

06



Stuart L Dean is an Independent Non-Executive Director of AirAsia Berhad.

Mr Dean graduated magna cum laude from Duke University in 1975 with a BA in Economics and Political Science and as a member of Phi Beta Kappa. He obtained an MBA from Harvard in 1979.

Mr Dean has over 35 years of experience working across GE businesses in the US and Asia in senior positions in sales, marketing, product general management, services marketing and general management.

He started in an advanced sales and marketing entry programme in GE Appliances in 1979. He was the Marketing Manager for the Dishwasher business in 1983.

Mr Dean was appointed Specialty Appliance Manager with responsibility for developing a new line of high-end built-in appliances called the GE Architecture Line. He then was appointed Product General Manager in 1988.

He took a business development role in Singapore in late 1991 and became President of GE Capital, Southeast Asia, in 1993. Following his assignment in GE Capital, he became President, GE Indonesia in February 1995.

In May 2002, he became President and CEO, GE ASEAN and was given responsibility for all of ASEAN, based in KL. He retired from GE in April 2015.

In addition to serving on the AAGB Board and the Board of AirAsia Berhad, he is on the Advisory Boards of Duke University Trinity College and Harvard Business School Asia. He also serves as Chairman of Junior Achievement Malaysia and on the Board of Orbis Asia whose aircraft hospitals train ophthalmologists for eye surgeries in developing countries. More recently, he was appointed the Independent Non-Executive Director of American Asian Medical Group (AAMG) based in Singapore.

STUART L DEAN

67, Male

Independent Non-Executive Director
Appointed: 30 March 2018
American

Membership of Board Committees:

- Chairman of the Safety Review Board
- Member of the Risk Management Committee
- Member of the Nomination and Remuneration Committee

NOOR NEELOFA



NOOR NEELOFA BINTI MOHD NOOR

31, Female

Independent Non-Executive Director
Appointed: 30 March 2018
Malaysian

Membership of Board Committees:

- Member of the Safety Review Board

Noor Neelofa binti Mohd Noor has been at the helm of NH Prima Sdn Bhd for the last four years as its director. Under her leadership, the brand Naelofar Hijab is sold in more than 23 countries including Brunei, Indonesia, Australia, UAE, United Kingdom and Europe.

As an actress and TV host, she has starred in a number of blockbuster movies and hosted popular TV shows. She has also produced her own reality TV show. Cik Neelofa has a strong presence on social media with more than six million followers on Instagram.

She has received many local and international awards including being listed as Forbes Asia 30 Under 30 Class 2017, SME 2017 Celebrity Entrepreneur of The Year, MSMW 2017 Social Media Celebrity of The Year and In Trend Malaysia InTrend Gala Night 2017 Most Charming Celebrity of The Year, The Inspiring Woman Award and The Iconic Role Model Award. She has been invited to speak at forums and talks, most notably at the 2017 Forbes Asia Summit in Manila, 2017 UNDP-MISK in New York and 2017 Forbes Summit in Boston. Many international brands like Lancome, Swarovski and Titan have recognised her achievements thus signing her as their ambassador.

Declaration of Directors:

Family relationship

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

Conflict of Interest

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

Conviction for Offences

None of the Directors has been convicted for any public offence during the financial year ended 31 December 2019 or had any penalty imposed by the relevant regulatory bodies within the past 5 years, other than traffic offences, if any.

Attendance of Board Meetings

The attendance of the Directors at Board of Directors' meetings for the financial year ended 31 December 2019 is disclosed in the Corporate Governance Overview Statement.

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SENIOR MANAGEMENT TEAM

01

TAN SRI TONY FERNANDES

Non-Independent Executive Director
and Chief Executive Officer
Malaysian
(See under Directors)

02

DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Chairman
Malaysian
(See under Directors)



BO LINGAM

President, Airlines

Malaysian

Bo Lingam, male, 55, currently leads our Airlines business and drives customer service improvements and cost efficiencies through digitalisation and the One AirAsia initiative. He also heads AirAsia SEA (formerly known as AirAsia Global Shared Services), a shared services centre that provides corporate and support services to AirAsia.

Bo joined AirAsia in 2001 as a Ground Operations Manager, responsible for implementing the low-cost concept in operations and procurement. Since then, he has held several key positions including Purchasing and Supplies Senior Manager, Regional Guest Services Director and President and Group Chief Operation Officer, where he supervised AirAsia's operations in Malaysia, Thailand, Indonesia, the Philippines, India and Japan, drove process improvement and set up new airlines in the region for the Group.

Prior to joining AirAsia, and upon completing his Sijil Pelajaran Malaysia, he worked extensively in the publication and music industry at various production houses, including as Production Controller at EMI Music Malaysia as well as Operations Manager and Promotions Manager at Warner Music Malaysia.



03

BO LINGAM**KAREN CHAN**

CEO, AirAsia.com

Australian

Karen Chan, female, 48, was appointed as CEO of AirAsia.com in December 2019, responsible for transforming AirAsia into the fastest-growing travel tech and lifestyle platform in ASEAN that offers a frictionless and personalised experience to consumers all in the convenience of one app, powered by unified data, loyalty, and payments technology. Consumers will now be able to browse, buy and engage with other members over 15 new products across travel-related offerings, experiences and lifestyle deals, e-commerce and logistics as well as media solutions (advertising technology and content generation).

Karen joined AirAsia in March 2019 as Group Chief Commercial Officer for the airline overseeing commercial, digital, route management, sales and distribution initiatives.

Karen has over 20 years of experience in digital and retail consulting. Prior to joining AirAsia, she was the SVP of Digital for C&J Clark APMEA and Chief Digital Officer for Pizza Hut APAC, championing efforts in omnichannel retailing, digitalisation of brick-and-mortar stores, customer relationship management and headless e-commerce.

Karen obtained a degree in Bachelor of Arts from The Chinese University of Hong Kong, and an MBA from the Australian Graduate School of Management, University of New South Wales, Australia.



04

KAREN

SENIOR MANAGEMENT TEAM (CONT'D)

AIREEN OMAR

President, RedBeat Ventures

Malaysian

Aireen Omar, female, 47, is responsible for AirAsia's digital strategy, promoting innovation to help transform AirAsia into a global cloud and data-driven company. At RedBeat Ventures, she is pivotal to incubating and growing the Group's digital and fintech businesses and in transforming AirAsia.com into more than just an airline platform. She is also a Non-Executive Director of Tune Protect Group Berhad.

Aireen joined AirAsia in January 2006 as Director of Corporate Finance; her portfolio expanding quickly to also include Insurance, Treasury, Fuel Procurement and Investor Relations functions. In 2012, she was appointed as AirAsia Berhad's Executive Director and Chief Executive Officer.

She began her career at Deutsche Bank Securities Inc, where she was an Associate from 1997-2000 in New York and London. After returning to Malaysia in 2001, she served in several major local financial institutions including the Maybank Group.

Aireen's accolades include the Outstanding CEO Achievement Award by Malaysian Women of Excellence; Corporate Treasurer's 25 Most Influential Women in Treasury, Masterclass Woman CEO of the Year by Selangor Excellence Business Awards; Eminent Leaders in Asia at the Asia Corporate Excellence and Sustainability Awards (ACES); and APAC CEO of the Year 2017 by Aviation 100 Awards. Through her leadership, AirAsia was awarded Digital Transformer of the Year for Malaysia at the IDC Digital Transformation Awards (DXa) 2019.

Aireen is an Economics graduate of the London School of Economics and Political Science and holds a Masters in Economics from New York University.

AIREEN

PATTRA BOOSARAWONGSE

Chief Financial Officer

Thai

Pattra Boosarawongse, female, 50, is responsible for our Group Finance, Group Investor Relations and Group Procurement. She is a Board member of AirAsia Thailand, AirAsia X Thailand and AirAsia Philippines.

Pattra joined AirAsia in March 2014 as Chief Financial Officer of AirAsia Thailand and Asia Aviation PCL and was appointed as Group Chief Financial Officer on 1 September 2016. She has delivered strong financial and operational results within our Thai associate's Finance Department specifically and the Group in general.

In 2019, Pattra was named "Asia's Best CFO" at the 9th Asian Excellence Recognition Awards.

Pattra is a Certified Public Accountant, having started her career as a senior auditor at Ernst & Young. She then joined Sony Music as its Finance Director and rose to become its General Manager. She also assumed a regional role as team leader to implement a new group financial system covering 10 countries. In 2013, she played a key role in the merger of Sony Music with BEC TERO, and led the BEC TERO music department. Pattra graduated from Thammasat University in Thailand with a Master's in Finance and Accounting.



PATTRA



JAVED MALIK

Chief Operations Officer

British

Javed Malik, male, 51, joined AirAsia as Group Chief Operations Officer in April 2019, where he leads the group's operational departments, covering flight operations, cabin crew department, Network Management Centre (NMC), ground services, airport operations, security, quality & compliance, airport infrastructure development, supply chain management for inflight catering, engineering and operations business analytics & business intelligence teams.

Prior to joining AirAsia, Javed spent four years as the Chief Operating Officer at Bangalore International Airport Ltd; and almost four years as Vice President, Global Network Operations at Qatar Airways. He was also previously Director of Operations & Maintenance at Bangkok Flight Services (BFS), a joint venture between Bangkok Airways and World Wide Flight Services, the world's largest cargo handler, at Suvarnabhumi Airport. Additionally, he spent almost 12 years in various operational leadership and senior management roles at British Airways based in Hong Kong and Europe. Notably, he was the first and only non-pilot Fleet Manager for Concorde, Airbus and Boeing short-haul aircraft, during which time he managed and retired the Concorde fleet operations.

After leaving school in the UK, he joined Tesco Stores Group under its Management Trainee Scheme and spent 13 years gaining experience in various operational, commercial and people leadership roles. He was eventually appointed General Store Manager of Superstores, leading 1,100 staff and responsible for USD60 million in annual turnover.

**JAVED****PK MEDAPPA**

Chief People & Culture Officer

British

PK Medappa, male, 59, is responsible for overseeing the company's organisational design along with policies and practices in the areas of strategic staff planning, performance management, training and development, and rewards and long-term incentives. Having worked in multiple locations and gained extensive experience in managing multicultural teams, he is striving to build a strong One AirAsia culture through uniform Human Resources (HR) programmes and initiatives aligned to deliver AirAsia's business objectives across our markets.

Prior to joining AirAsia in 2020, PK worked in various industries over 35 years, a large part of it in banking. His jobs included Group Head of HR of Standard Chartered Bank where he delivered a unified people strategy across the bank's network of more than 50 countries. He also led the people function at First Abu Dhabi Bank where he helped to integrate one of the biggest banking mergers in the Middle East. He has also served as a consultant to other banks and multiple startups and worked as a mentor in numerous organisations nurturing startups.

PK holds a Bachelor of Arts with specialisation in Economics, and an MA with specialisation in Personnel Management & Employee Relations from the TATA Institute of Social Sciences, India.

**PK MEDAPPA**

SENIOR MANAGEMENT TEAM (CONT'D)

LYE KONG WEI

Chief, Data Science

Singaporean

Lye Kong Wei, male, 48, was appointed as Chief of Data Science in March 2019. He oversees the data teams working to improve AirAsia's businesses through the use of data science, artificial intelligence and operations research.

Before joining AirAsia, Kong Wei was the founding regional head of data science at Grab, a ride-sharing, logistics, food delivery and fintech company. There, he led five specialised data science teams that helped drive business metrics such as allocation rates, GMV, cost reduction, transaction volumes, etc, through machine learning and optimisation models. Grab eventually acquired Uber's Southeast Asia operations in 2018.

Kong Wei also spent six years as a research scientist at A*STAR, Singapore's national R&D agency, where he researched machine learning, forecasting, scheduling and optimisation. At A*STAR, he was also concurrently an officer in the Research Liaison Office that oversaw institute-wide policies in research collaboration, publications, science outreach, manpower development, and intellectual property. At the same time, he was also an Adjunct Assistant Professor with the School of Information Systems at Singapore Management University.

Kong Wei earned his degrees mostly on scholarships, including a PhD in machine learning from Carnegie Mellon University, Pennsylvania, USA.

TAN ENG ENG

Head, Internal Audit

Malaysian

Tan Eng Eng, female, 47, is responsible for providing independent and objective assurance on the adequacy and effectiveness of the Group's overall system of internal controls, risk management and governance, reporting to the Audit Committee and the CEO of AAGB.

Eng Eng has 20 years of audit experience in various industries including financial institutions, manufacturing, automotive, construction, property and broadcasting. Prior to joining AirAsia, she led the Astro Group Corporate Assurance's Regional Operations and Special Projects team from 2008 to 2012. She was appointed as Head, Internal Audit on 2 January 2013. Externally, she was recently appointed as a member of the Audit Committee of the Malaysia Stadium Corporation (Perbadanan Stadium Malaysia).

Eng Eng has a Bachelor of Arts (Hons) in Economics from the University of Malaya, and an MBA from the University of Strathclyde, UK. She is a member of the Association of Chartered Certified Accountants (ACCA), Malaysian Institute of Accountants (MIA) and the Institute of Internal Auditors Malaysia (IIAM).



AIRLINE CEOs

RIAD ASMAT

CEO, AirAsia Malaysia

Malaysian

Riad Asmat, male, 48, was appointed AirAsia Malaysia (AirAsia Berhad) CEO on 10 January 2018 and is responsible for the management of the company's Malaysia-based operations. He is also a Board member of AirAsia Berhad, Ground Team Red Sdn Bhd, Ground Team Red Holding Sdn Bhd, GTRSG Pte Ltd, BIGLIFE Sdn Bhd and Tourism Malaysia.

Riad is one of Malaysia's most respected young corporate leaders. He began his career in the Managing Director's Office for Proton Holdings Berhad, where he was responsible for supporting and coordinating key initiatives conceptualised by the Managing Director in improving overall performance of the group alongside key strategic, operational and finance dimensions.

In 2010, he switched gears when he was appointed Chief Executive Officer of Caterham Automotive. In this role, he made tremendous achievements with the establishment of the Caterham F1 Team as well as Caterham Racing-GP2 which clinched numerous podium finishes in Monaco, Singapore and many more. Further to that, he also established a supplementary programme together with Arden Racing and created a team that competed in the World Series by Renault, finishing second in the Constructors Championship 2012.

He then served as the Director of Corporate Planning, Strategy and Business Development at Naza Corporation Holdings Sdn Bhd from 2014 until 2017, before taking off to the skies with AirAsia.

Riad pursued his studies at the Western Michigan University Kalamazoo, Michigan, USA and graduated with a Bachelor of Arts, majoring in Public Relations. He also holds a Masters of Arts from the esteemed university.



01

RIAD

TASSAPON BIJLEVELD

Executive Chairman, AirAsia Thailand

Thai

Tassapon Bijleveld, male, 52, is in charge of executive policy in the interest of sustainable growth.

Tassapon was appointed CEO of AirAsia Thailand when the company was established in 2003. During his tenure, he was responsible for all aspects of the airline's operations as well as boosting growth in Thailand. He was made Executive Chairman in May 2018.

Before joining AirAsia Thailand, Tassapon was Managing Director of Warner Music (Thailand) Co Ltd for five years. Within three years, he turned the company around and positioned Warner Music (Thailand) at the top among international music companies in the country. It was also at Warner Music where he met AirAsia Group CEO Tan Sri Tony Fernandes. Tassapon's willingness to learn from scratch and his can-do attitude have led AirAsia Thailand to become the largest low-cost carrier in Thailand.

Prior to AirAsia, Tassapon had more than 12 years of experience in the consumer product industry, working in various countries in ASEAN for two Fortune 500 companies - Adams (Thailand) Co Ltd and Monsanto (Thailand) Co Ltd. He spent five years with Monsanto as a pioneer, building it into a multi-million dollar business in just a few years. He began his career as an Assistant Product Manager in the confectionery division of Warner-Lambert Thailand Ltd, then became Senior Product Manager with several posts in Asia.

Tassapon holds a Master's degree in Marketing, and is currently a part-time lecturer at several leading universities in Thailand.



02

TASSAPON

AIRLINE CEOs (CONT'D)

SANTISUK KLONGCHAIYA

CEO, AirAsia Thailand

Thai

Santisuk Klongchaiya, male, 54, is entrusted with superintending all operational aspects of the company, contributing his vision and management and marketing acumen to steer the airline towards stable and sustainable growth. He has strong rapport with the team and embodies AirAsia's can-do spirit, which is manifest in the crucial part he plays in the company's strategic success, notably in commercial activities.

Santisuk served as Head of Commercial & Ancillary and Director of Thai AirAsia Co, Ltd from 2007 before succeeding Tassapon Bijleveld as the CEO in May 2018. He has also been promoted to the CEO of Asia Aviation Company Limited – a holding company which owns a majority stake of AirAsia Thailand – after having been its director since 2011.

Prior to joining Thai AirAsia, Santisuk was a General Manager at Warner Music (Thailand) Co, Ltd from 2000-2006, and a Marketing Manager at Reebok Wongpaitoon Footwear Plc from 1996-2000.

Santisuk received a Master's of Science in Marketing Program from Thammasat University, Thailand, and prior to that, graduated with a Bachelor of Business Administration with a Marketing Major from Assumption University (ABAC), Thailand.



03

SANTISUK

VERANITA YOSEPHINE SINAGA

CEO, AirAsia Indonesia

Indonesian

Veranita Yosephine Sinaga, female, 42, was promoted to AirAsia Indonesia CEO in November 2019 where she is responsible for delivering on the company's mission to ensure flying remains affordable in ASEAN's largest market. Closing 2019 with exceptional growth in both domestic and international segments, the company also marked superior performance in operations and customer satisfaction.

Working alongside government and industry stakeholders in Indonesia, Vera also plays an integral role in leading local transformation efforts in Indonesia as the company expands beyond air transport to offer travel and lifestyle, as well as financial services.

Vera joined AirAsia as the Deputy CEO of AirAsia Indonesia in July 2019, after spending more than 18 years in the fast-moving consumer goods (FMCG) sales industry. Prior to AirAsia, she served as Sales Director at Kraft Heinz Indonesia, where she led the company's growth and market penetration in top categories. She also spent a number of years with Danone Waters Indonesia and British American Tobacco Indonesia.

Vera holds an MBA from INSEAD, and a Bachelor of Industrial Engineering from Bandung Institute of Technology (ITB), Indonesia. She is also a strong people, diversity and inclusion leader, and in 2016 was recognised by UN Women with the HeForShe award for her work to create a gender equal world.

04

VERA



RICARDO ISLA

CEO, AirAsia Philippines

Filipino

Ricardo 'Ricky' P Isla, male, 62, oversees all operations at AirAsia Philippines since his appointment as CEO in July 2019.

Ricky has over 40 years' experience in domestic and global operations, including retail and sales distribution, business development, marketing and innovation, and general management across diverse industries such as telecommunications, property development, and consumer and retail companies.

Prior to AirAsia, Ricky worked with PLDT Global Corporation Inc, one of the Philippines' major telecommunications providers. He spent over a decade leading the PLDT Group in international retail sales and distribution focused on expanding its customer base, specifically telecommunications companies, retail distributors, private corporations and government agencies serving Filipino communities. He also expanded the company's retail presence in Asia and the Pacific, North America, the Middle East and Europe.

In addition to his most recent role as Regional Head of Operations for the UK and Europe, Ricky held General Manager positions in PLDT's international retail business in the US, Italy and Singapore.

He is a graduate from the Ateneo de Manila University with a degree in Business Management, and is one of the Top 5 graduates of Asian Institute Management's Basic and Advanced Management Program.

**SUNIL BHASKARAN**

CEO, AirAsia India

Indian

Sunil Bhaskaran, male, 56, is in charge of managing AirAsia India's operations since November 2018. AirAsia India has grown from 19 aircraft in January 2019 to 30 aircraft currently.

Sunil is a Tata Group veteran with a rich career spanning over 30 years across various functions in Tata Steel and Tata International.

In his previous role as Vice President, Corporate Services at Tata Steel, Sunil held a diverse portfolio, providing leadership for regulatory affairs, procurement, corporate communications and external relations, corporate social responsibility, corporate administration, security, medical services and aviation services, along with the administration of civic services at Jamshedpur.

Additionally, he was the Chairman of Tata Steels Global Wires Business, along with other Tata Steel subsidiaries, namely Jamshedpur Utilities and Services Company Limited (JUSCO), SIW (Thailand), TSN Wires (a joint venture in Thailand with Nichia Steel Wires, a direct affiliate of Nippon Steel Corporation) and Indian Steel & Wire Products. He was a Board member and Chair of the audit committee at NatSteel, Singapore.

Sunil is a former chairman of the Confederation of Indian Industry (CII), Jharkhand State Chapter. He is also the founder Director of Jamshedpur Football Club in India's premier football league, Indian Super League, and a National Council member of the All India Management Association.

A chemical engineer from the Indian Institute of Technology Delhi and a management graduate from the Indian Institute of Management Calcutta, Bhaskaran is also an alumnus of the European Centre for Executive Development (CEDEP), co-located on the INSEAD campus in Fontainebleau, France.



AIRLINE CEOs (CONT'D)

JUN AIDA

COO, AirAsia Japan

Japanese

Jun Aida, male, 59, is responsible for the Group's airline operations in Japan and its future growth. As Representative Director and COO of AirAsia Japan effective 1 January 2020, in addition to being an experienced aircraft engineer and executive manager, Jun brings extensive management experience across various industries.

Jun joined AirAsia Group as Senior Advisor in 2017. Prior to joining AirAsia, he was Managing Director of Phoenix Resort Co, Ltd besides holding senior management roles in various multinational companies including Capcom U.S.A., Square U.S.A. and GAGA Communications.

Jun holds a Bachelor's in Aeronautical Engineering from Northrop University in the US as well as aircraft mechanic and private pilot licenses from the US Federal Aviation Administration (FAA).



MICHAEL ZHOU HU

CEO, AirAsia Greater China

Chinese

Michael Zhou, male, 48, was appointed as AirAsia Greater China CEO in June 2020, overseeing all aspects of operations within the Greater China region. AirAsia is the largest foreign low cost carrier in both mainland China and Macau SAR by flight frequency. AirAsia operates more than 800 flights per week in mainland China, connecting 57 international routes and 22 destinations. On a weekly basis, 81 flights are operated in the Macau SAR while 88 flights are operated in the Hong Kong SAR.

Michael has more than 20 years of leadership experience in general management, government relations, commercial and business development for various multinational companies, including General Motors, Johnson Controls and General Electric, with excellent track record of growing and turning around businesses. Prior to AirAsia China, Michael was a Senior Director for Honeywell International Inc, overseeing corporate development as well as mergers and acquisitions (M&A) for APAC and China. His outstanding performance led to Michael being promoted to the position of Global General Manager for Honeywell Logistics Tech Co Ltd based in Malaysia, leading the startup platform for two years, before joining AirAsia in October 2019 as CEO of AirAsia China.

Michael holds an MBA from Loyola University Chicago, US, and a BSc from Huazhong University of Science and Technology in Wuhan, China.



NON-AIRLINE CEOs

CHRIS DAVISON

CEO and Co-Founder, BigPay

British

Christopher Davison, male, 36, leads BigPay as the largest and fastest growing challenger bank in ASEAN.

Before founding BigPay, Chris worked in investment banking and tech venture capital, with a strong track record of both investing in, and setting up, several successful fintech and data analytics companies. While at Merrill Lynch he worked extensively on the refinancing and restructuring of many major European banks after the global financial crisis, as well as the listing of several large financial service providers on the London Stock Exchange.

Chris holds an undergraduate degree from the University of Oxford and a Master's from the University of Cambridge, both in the UK.



PETE CHAREONWONGSAK

CEO, Teleport

Thai

Pete Chareonwongsak, male, 32, has been spearheading the transformation of AirAsia's cargo and logistics arm from a legacy business into a digital venture since March 2018. He is a Board member of AirAsia India and EasyParcel, a regional e-commerce and parcel delivery player.

From 2012 to 2016, Pete was AirAsia Group Head of Business Development, based in Jakarta and later in Kuala Lumpur. During that time, he worked to set up our airlines in India with Tata Group and in Japan with Rakuten Inc, as well as joint ventures in training, ground handling and leasing. He also handled mergers and acquisitions (M&A) covering Indonesia, Japan, South Korea and India.

In August 2016, he was tapped to be AirAsia Regional Chief Operating Officer, where he led the successful turnaround of AirAsia Philippines.

Prior to AirAsia, Pete worked as an Investment Banking Analyst with CIMB, and as the official advisor to the Thailand Trade Representative office, where he was tasked with promoting inbound and outbound international trade and investment, with specialist focus on cross-border Foreign Direct Investment (FDI) through M&A, joint ventures and project finance.

Pete holds a Bachelor's and Master's in Chemical Engineering from the University of Cambridge, UK, where he was a Cambridge Overseas Trust Scholar. He also has a Master's (ALM) in Finance from Harvard University, US. He is a 40 under 40 Honoree from ZICO ASEAN, which recognises outstanding individuals addressing a trend or challenge in ASEAN through their work.



NON-AIRLINE CEOs (CONT'D)

SPENCER LEE

CEO, BIGLIFE

Malaysian

Spencer Lee, male, 43, spearheads BIGLIFE (the company that operates BIG Loyalty programme) since late 2018 to transform BIG Loyalty into a comprehensive lifestyle rewards platform with BIG Points as the universal digital currency. Under his leadership, in the short span of one year, the company's revenue increased remarkably by almost 60% compared to the year before.

Since joining AirAsia in 2006, Spencer has served the Group in different key roles. In 2015, he became the Commercial Director of AirAsia Malaysia, overseeing multiple portfolios including marketing, sales and distribution, digital, ancillary, revenue management, partnerships and loyalty. In the last two years of his service in the capacity of Commercial Director, he has grown the Group's commercial revenue by 258% with only 121% capacity increase.

Spencer is a member of the World Federation of Advertisers (WFA) and Malaysia Advertisers Association (MAA). He holds a Bachelor of Commerce from Curtin University of Technology, Australia.

CATHERINE GOH

General Manager, Santan

Malaysian

Catherine Goh, female, 32, is spearheading Santan's transformation from an AirAsia inflight brand in the sky to the first ASEAN fast food restaurant franchise. Since being appointed to her current role in September 2019, she has been ensuring strong governance while modernising the business through data-driven transformation. Using artificial intelligence and machine learning, consumers can enjoy a seamless and convenient experience from ordering to receiving personalised promotions and making a payment via facial recognition.

Previously, Catherine was the Regional Head of AirAsia Inflight Retail. During her tenure, she played an integral role in managing and driving the performance of regional departments such as Santan, AirAsia Duty Free, AirAsia Merchandise, Logistics, Inflight Marketing, Crew Engagement & Training and Inflight Technology & System across AirAsia entities.

Catherine has a Bachelor's in Finance and Marketing from the Upper Iowa University, US, where she was also a student ambassador.



RUDY KHAW

CEO, FORMAT & Head, Branding

Malaysian

Rudy Khaw, male, 35, envisions FORMAT to be the platform that unites ASEAN through a content ecosystem that defines pop culture for the region. He also oversees the Group's branding strategies and creative campaigns as the Head of Branding for AirAsia Group.

He began his career with AirAsia as a Brand Executive in June 2007, before being promoted to Brand Manager in June 2010, Regional Head of Branding in October 2014 and to his current role in June 2016.

Rudy has led the airline through two rebranding exercises as AirAsia grew into a global brand that has been named World's Best Low-Cost Airline by Skytrax 11 years in a row, while maintaining rooted in Asia. He has also spearheaded numerous award-winning brand campaigns — including partnership/ambassador activities with Taylor Swift, David Foster, Roberto Carlos, Park Ji-Sung, MotoGP, UFC, Queens Park Rangers, (RED) and 88rising — to provide AirAsia wider visibility across the globe and championing the brand's spirit of inspiring youth to Dare to Dream.

Rudy pursued his studies at the University of Adelaide, South Australia, where he graduated with a Bachelor of Arts, majoring in Media and Communications.

Declaration of Senior Management:**Family relationship**

None of the Senior Management Team has any family relationship with any other Director and/or major shareholder of AirAsia Group Berhad.

Conflict of Interest

None of the Senior Management Team has any conflict of interest with AirAsia Group Berhad.

Conviction for Offences

None of the Senior Management Team has been convicted for any public offence during the financial year ended 31 December 2019 or had any penalty imposed by the relevant regulatory bodies within the past 5 years, other than traffic offences, if any.

Other Directorship

None of the Senior Management Team has any other directorship in public companies.

05

RUDY





MITSUI BUSSAN COMMODITIES <https://www.mbccl.com/>

Mitsui Bussan Commodities Ltd is authorised and regulated by the Financial Conduct Authority to conduct designated investment business. This is not applicable to all activities that the firm undertakes. Please see the firm's entry in the Financial Conduct Authority's Financial Services Register for details: <http://www.fca.org.uk/register/>

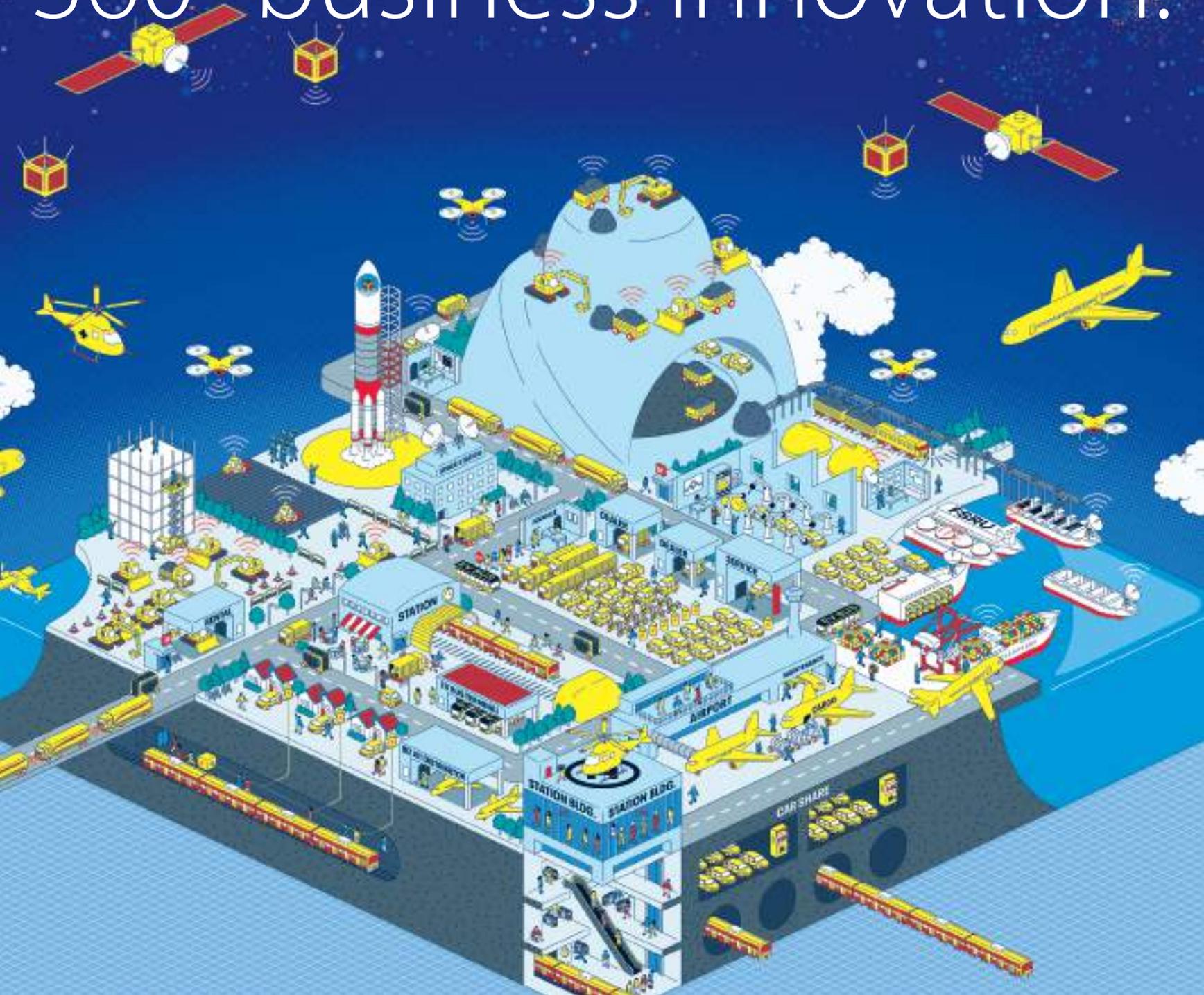
The
Journey
of a Thousand Miles
begins with
a Single Step

Servicing clients across the world, Mitsui Bussan Commodities is a financial risk management specialist providing round-the-clock access to the energy markets.

We are with you **Every Step of the Way**



360° business innovation.



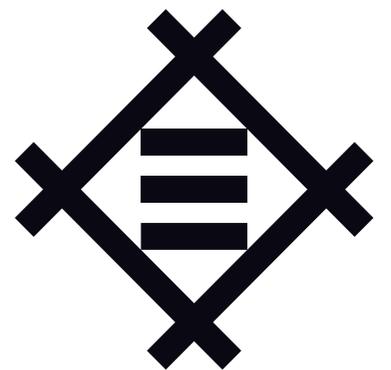
From Underground to Outer Space

Mobility is at a pivotal point.

We are leveraging our know-how across the entire mobility domain to generate new ideas and solutions, from underground to outer space.

Mitsui is not just connecting one vehicle to another; it is combining and recombining its group-wide functions and know-how, technology and ideas, to create new value.

Making the world more convenient and comfortable:
That is what Mitsui's Mobility Chain Concept is all about.



MITSUI & CO.



BREAKING NEW GROUNDS

As forerunners of low-cost airlines in Asia, we place great importance on meeting customer needs and ensuring their overall satisfaction. We are moving beyond airlines and transforming our business to meet the demands of increasingly digital lifestyles.

THE WHY



03

PERFORM

REVIEW

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74 Market Capitalisation

MANAGE

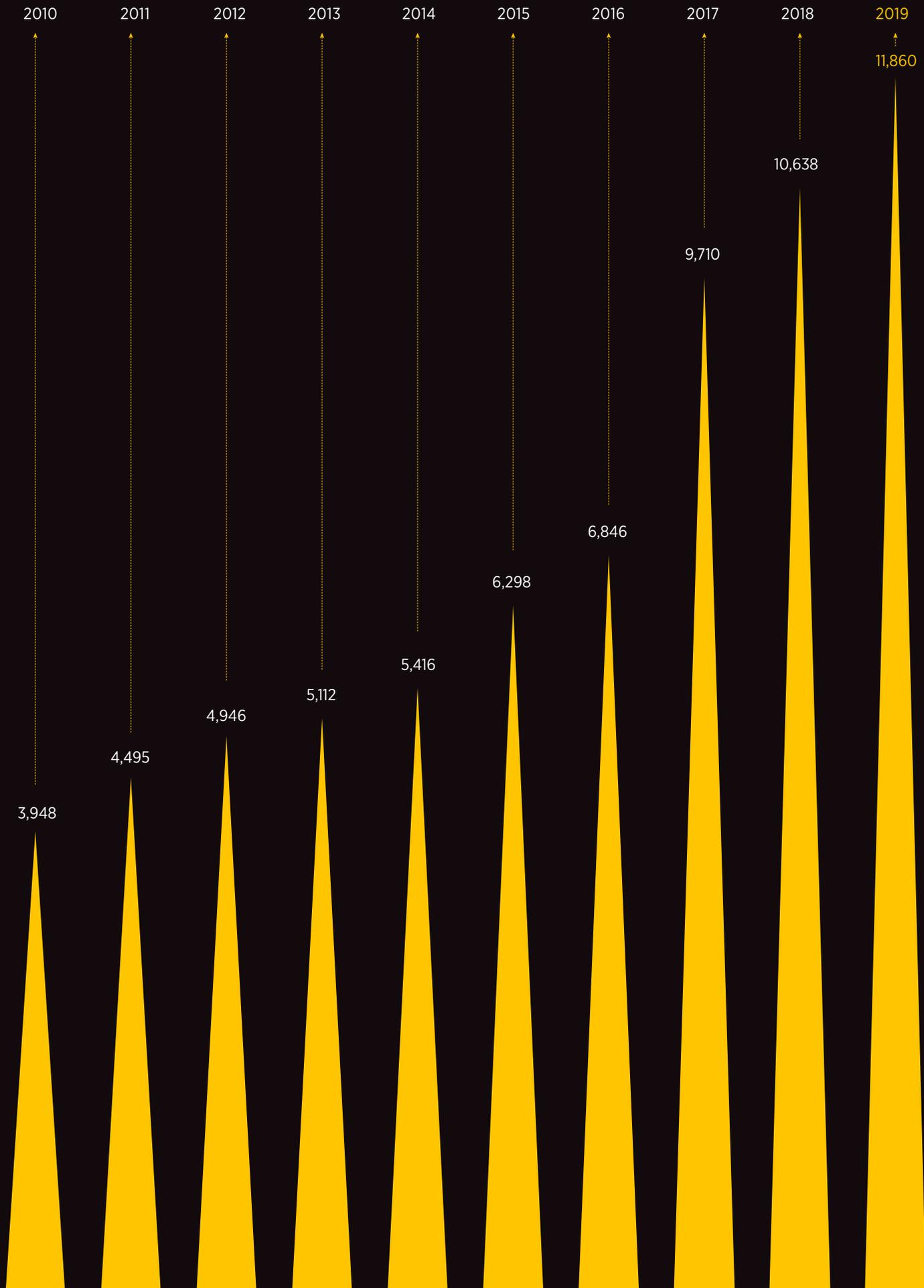


FIVE-YEAR FINANCIAL & OPERATING HIGHLIGHTS

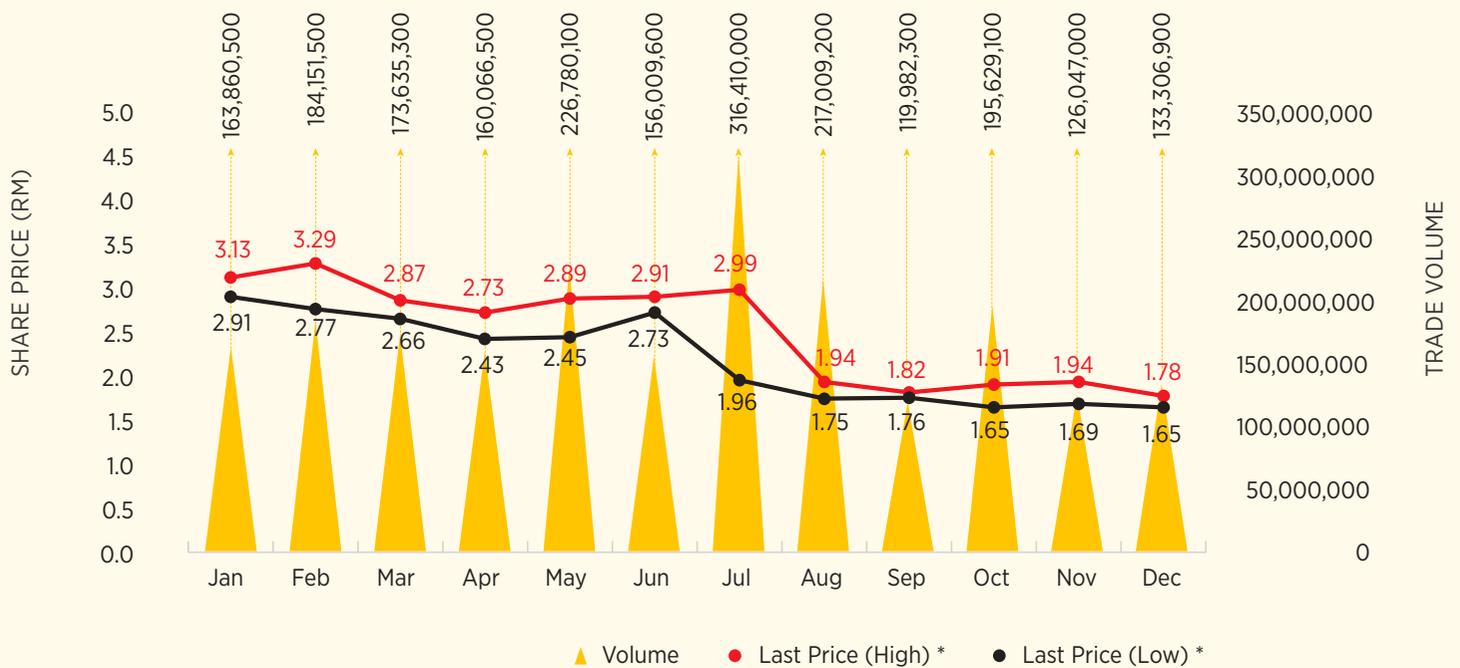
(RM MILLION, UNLESS OTHERWISE STATED)	2015	2016	2017	2018	2019
INCOME STATEMENT					
Revenue	6,298	6,846	9,710	10,638	11,860
Net total expenses	4,702	4,780	7,549	9,419	11,136
Operating profit	1,596	2,066	2,161	1,219	725
Profit before taxation	215	1,705	2,088	1,335	-522
Taxation	326	-86	-516	360	238
Net profit	541	1,619	1,571	1,695	-283
BALANCE SHEET					
Deposits, cash and bank balances	2,427	1,742	1,882	3,327	2,588
Total assets	21,316	21,986	21,674	18,550	25,595
Net debt (total debt - total cash)	-10,186	-8,838	-7,426	287	-2,159
Shareholders' equity	4,451	6,628	6,710	6,185	2,911
CASH FLOW STATEMENTS					
Cash flow from operating activities	2,204	2,167	2,154	353	2,081
Cash flow from investing activities	-103	-642	-1,584	9,049	4,660
Cash flow from financing activities	-1,303	-2,433	-478	-8,087	-7,584
Net Cash Flow	798	-908	91	1316	-842
FINANCIAL PERFORMANCE (%)					
Return on total assets	2.5	7.4	7.3	9.1	-1.1
Return on shareholders' equity	12.2	24.4	23.4	27.4	-9.7
R.O.C.E. (EBIT/(net debt + equity))	10.9	13.4	17	30	34
Operating profit margin	25.3	30.2	22.3	11.5	6.1
Net profit margin	8.6	23.6	16.2	15.9	-2.4
OPERATING STATISTICS					
Passengers carried	24,254,506	26,410,922	39,092,972	44,437,381	51,559,070
Capacity	30,079,666	30,282,671	44,435,006	52,536,954	60,884,616
Load factor (%)	81	87	88	85	85
RPK (million)	30,006	34,676	50,805	55,962	63,382
ASK (million)	37,408	40,086	58,311	66,261	74,642
Aircraft utilisation (hours per day)	12.4	12.4	12.6	13.3	13.0
Average fare (RM)	157	167	176	173	178
Revenue per ASK (sen)	14.2	14.19	15.13	14.71	15.60
Cost per ASK (sen)	12.21	11.27	13.13	14.80	15.02
Cost per ASK - excluding fuel (USc)	6.86	7.22	8.29	8.90	9.39
Revenue per ASK (USc)	3.6	3.43	3.53	3.64	3.77
Cost per ASK (USc)	3.1	2.72	3.07	3.67	3.62
Cost per ASK - excluding fuel (USc)	1.74	1.74	1.94	2.20	2.27
Number of stages	167,002	166,983	246,162	290,461	335,399
Average stage length (km)	1,247	1,316	1,290	1,253	1,225
Size of fleet at year end (Group)	171	174	205	226	246
Number of employees at year end (Group)	6,636	7,615	12,404	18,122	21,059
Percentage revenue via internet (%)	70	72	70	76	75
RM-USD average exchange rate	3.94	4.14	4.28	4.04	4.14

TEN-YEAR REVENUE HIGHLIGHTS

RM million



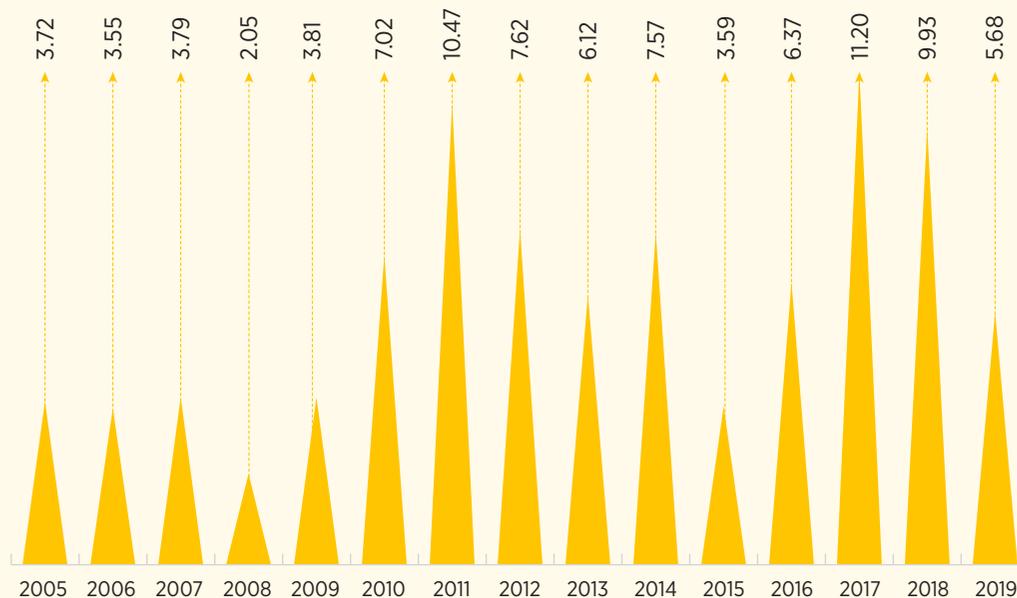
SHARE PERFORMANCE 2019



Note : 29 July 2019 – Ex-date for special dividend of 90 sen per share
 * Highest and lowest closing price for the respective months

MARKET CAPITALISATION

(AS AT 31 DECEMBER OF RESPECTIVE YEARS) (RM BILLION)



Progress is an unstoppable *momentum.*

The more we push for progress, the more it pushes us forward. Our second consecutive win at the Putra Brand Awards is a testament to the momentum we have built with you, and we look forward to achieving even greater success, together.

Learn more about RHB Group at www.rhbgroup.com



Together We Progress

RHB 



INNOVATING TECHNOLOGY

As a technology disruptor, we harness the power of data, machine learning and artificial intelligence which will not only change the way we run our airline business but also build new digital ventures.

THE HOW

THE
PROVIDER
BOTH
CONTRACT
AND
OPERATIONAL



PROVIDER
BOTH
CONTRACT
AND
OPERATIONAL



FACE APPROPRIATE
AND
PROVIDER
SECURITY CHECKPOINT



04

PERSPECT

TIVE



MANAGEMENT DISCUSSION & ANALYSIS

The year 2019 marked a milestone in AirAsia's ongoing journey, seeing the Group transform from an airline into a travel and lifestyle platform company. This was the result of an organisational restructuring that led to the formation of two business pillars, namely Airlines and RedBeat Ventures (Digital Travel & Lifestyle). While undertaking this restructuring, the Group pressed ahead with business as usual, and achieved numerous successes – from increasing the Airlines' capacity and number of guests carried by 14%, to setting up a social commerce platform, launching a restaurant as well as a music label... and becoming an online travel agent (OTA) in our own right.



DATUK
KAMARUDIN
BIN MERANUN

WID & A

Our transformation into AirAsia 3.0 began in earnest three years ago using the immense data we have accumulated from flying more than 600 million guests over a period of 18 years. In our current iteration, AirAsia is a digitally-driven company that is ready to meet the travel and other lifestyle needs of people in ASEAN and beyond.



TAN SRI **TONY**
FERNANDES

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

OPERATING ENVIRONMENT

As a result of various uncertainties including the US-China trade war, global economic growth contracted from 3.6% in 2018 to an estimated 2.9% in 2019. The region was not spared, with the gross domestic product (GDP) of most Asian countries decreasing year-on-year. Malaysia's GDP came in at 4.3%, the lowest since the 2008/9 financial crisis.

With the aid of government funding, competitor airlines in Malaysia strove to maintain passenger loads by lowering their prices, offering irrational fares. Added to this, the Malaysian Ringgit (RM) weakened against the US Dollar (USD), resulting in significant foreign exchange losses for our Malaysian operation. In Thailand, conversely, the Thai Baht (THB) strengthened against the USD to become the strongest currency in the region. This increased the cost of inbound travel, leading to lower numbers. Meanwhile, outbound travel from China was affected by the country's soft economic environment, significantly impacting tourism across all our companies with Air Operator Certificates (AOCs).

The internet economy, however, continues to grow rapidly; and has been estimated by a joint Google and Temasek study to be worth in excess of USD240 billion by 2025 in ASEAN, USD40 billion more than what was projected in 2018. E-commerce itself is anticipated to hit USD102 billion – comprising more than 40% of the region's internet economy.



Global economic growth
2.9%
in 2019

OUR GAME PLAN

While we adhere to our low-cost model to be able to grow our network and offer an ever-increasing range of exciting destinations for our guests, we are not able to fully cushion ourselves from the vagaries of the operating environment. Natural disasters, viral outbreaks, economic downturns, geopolitical upheavals – all of these can, and do, impact travel. As a means to buffer against factors beyond our control, as well as to leverage the wealth of data we possessed, we embarked on a journey to digitalise our entire business model for optimum operational and cost efficiencies.

The plan is to use digital technologies for three main purposes:



To improve the operations of the airline



To provide a seamless experience to guests from the moment they book till they return



To increase revenue via higher conversion rates with more personalised communication, and to create new revenue streams



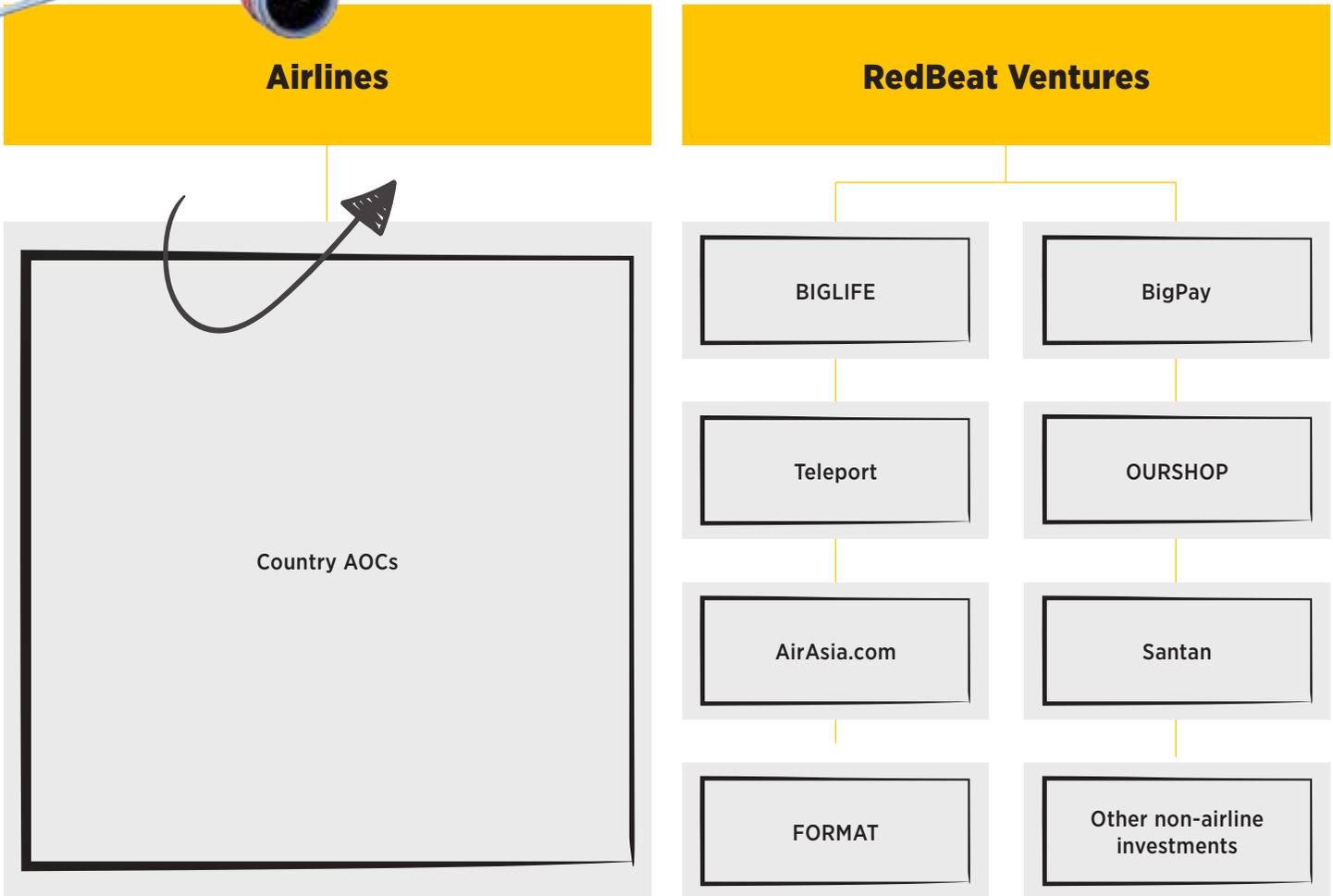
In terms of improving our airline operations, we have been able to create optimal efficiencies in scheduling, rostering and fuel consumption. Leveraging predictive analysis, we are also enhancing our asset maintenance and better managing our ground and flight operations. Meanwhile, by replacing manual work with digital systems, we are able to release Allstars from the tedium of repetitive tasks that carry a high potential of human error to focus on more satisfying, value-add work.

As for our guests, the introduction of more digital platforms serves to greatly enhance their journey with AirAsia. From our mobile app to our artificial intelligence (AI)-powered Allstar Virtual Assistant (AVA) and FACES, we are ensuring AirAsia is the most convenient and hassle-free airline to fly. AVA can handle more than 25,000 chats at a go, greatly enhancing the speed with which we are able to respond to questions and requests. FACES, meanwhile, uses guests' biometric facial details instead of documents as the last security check before boarding flights.

In order to enhance our revenue, the idea is to analyse our data to better understand our guests, and offer them what they want at every touch point of their journey with us. With AI and machine learning (ML), we are able to anticipate guests' needs thereby increase our online bookings and ancillary revenue. More than that, we have used our rich data to form adjacency businesses that are now under RedBeat Ventures (RBV), including re-positioning AirAsia.com as a fast-growing travel and lifestyle portal.



AirAsia Group



By organic serendipity, digitalisation of AirAsia has not just allowed us to meet our initial objectives; it has led to the Group becoming more than just an airline. Other than the Airlines business, we now have a strong and growing digital pillar which brings together all our online travel and lifestyle business ventures under RBV.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

BUSINESS REVIEW

AIRLINES

Despite irrational pricing by competitors in Malaysia, a drop in inbound Chinese tourists, and strengthening of the THB, we grew our capacity by 14% and flew a total of 83.5 million guests in the year, 14% more than in 2018. A highlight was to welcome our first Airbus A321neo aircraft, which offers a 27% to 31% increase in seat capacity while providing more than 10% in fuel savings.

At the same time, we are gaining greater support from airports across the region for our low-cost business structure. In September, AirAsia Japan began operating at the new low-cost carrier (LCC) Terminal 2 in Chubu Centrair International Airport. In Malaysia, after some years of terse negotiations with Malaysia Airport Holdings Berhad (MAHB), we are beginning to see a willingness to collaborate and iron out operational issues. Working groups have been formed as we seek further cooperation in accommodating our needs as an LCC, and to enhance the passenger experience, not just in klia2 but all over the country.

Overall, it was a positive year for our Airlines business with particularly remarkable improvement in the Philippines and Indonesia. AirAsia India also strengthened its position as it awaits being licensed to fly international.



Welcomed our first Airbus A321neo aircraft boasting

31%

increase in seat capacity

AirAsia Malaysia

A key achievement for AirAsia Malaysia was to gain further ground within the country, ending the year with no less than 60% of the domestic market share. That this was achieved on the back of stiff competition and irrational fares made it all the more heartening. AirAsia Malaysia also welcomed the new Airbus A321neo aircraft in November 2019, enabling us to meet demand for popular routes with greater seat capacity, while potentially introducing exciting destinations that are a five-hour flight away, leveraging the engine's enhanced fuel efficiency.

AirAsia Thailand

AirAsia Thailand was affected by dampened tourism due to the strong THB. Using the lull as a window of opportunity, the team embarked on an ongoing route and capacity rationalisation programme, which contributed to a strong load factor of 85%.

AirAsia Indonesia

After a challenging 2018, AirAsia Indonesia soared to greater heights in 2019 with a significantly stronger presence domestically. A key achievement was the opening of Lombok as a new hub, after Jakarta, Medan, Surabaya and Bali. The decision to focus on Lombok followed the spate of earthquakes that affected tourism to the island. Lombok is now connected to Perth, creating a unique route to tap into the Western Australia market which has been contributing significantly to Bali for many years. We believe Lombok's success can be replicated in other destinations across the country. Having identified the need for more connectivity in East Indonesia, this will be given priority going forward.

AirAsia Philippines

Our associate in the Philippines delivered robust performance in 2019, despite a series of earthquakes throughout the year. It successfully grew its network to cover, among others, Osaka, its first destination in Japan. We are currently in discussion with key authorities, advocating expansion of domestic airports to overcome various constraints and to enhance efficiencies in slot scheduling. This would enable us to meet our target of flying into more tertiary cities.



AirAsia India

AirAsia India's domestic network has been growing stronger, aided in part by the collapse of Jet Airways. The resulting increase in airport slots availability enabled our associate to expand into key metro cities which were previously difficult to get into. In 2019, AirAsia India welcomed nine additional aircraft to support growth. Meanwhile, the team continues to work to obtain its international license.

AirAsia Japan

AirAsia Japan posted commendable growth in capacity and number of guests carried with the launch of its first international route to Taipei in February 2019, followed by its second domestic route, Nagoya—Sendai, in the third quarter. As it gains traction in the region, we look forward to seeing enhanced connectivity in 2020. AirAsia Japan's move into the new LCC terminal in Chubu Centrair International Airport is another plus point, lending greater efficiencies to support a more robust cost structure.

Airline Ancillary

Using data from our guests, we have personalised our ancillary offerings, thus increasing their uptake. This saw our Airline Ancillary revenue grow by 13% to RM2.1 billion. The take-up of Baggage and Pick-a-Seat, the two biggest ancillary revenue contributors, increased by 17% and 24% respectively driven by targeted pricing and machine learning-based prediction; with Baggage contributing RM1.2 billion and Pick-a-Seat RM204 million.

A key highlight was the launch of high speed internet on AirAsia WiFi using Ka-band technology starting August 2019. This allows guests to stream live on social media or watch their favourite shows at 30,000ft above ground. Previously known as ROKKI and was available on our Malaysian, Indonesian and Philippine flights, in 2019 the service was expanded to AirAsia Thailand and AirAsia X.

We also continued to expand and enhance our inflight menu through Santan and T&Co. For the first time, we engaged celebrity chefs to develop signature dishes for our flights. We also made available destination-specific meals catering to local tastes, and designed hard-to-resist combos that offer real value for money. Meanwhile, T&Co, our drinks and snacks brand, introduced a number of tantalising offerings including burnt cheesecake while adding to its drinks selection with the Malaysian classic, *teh tarik* (pulled tea), as well as a specially concocted ASEAN Blend Drip Bag, using the best coffee beans hand-picked from the region.

Regional Expansion

Although in last year's annual report we had mentioned expanding to Vietnam, plans towards this end have been put on hold until a suitable partner is found. Meanwhile, we are still very interested in establishing a presence in Indochina, the fastest-growing region within ASEAN, and are looking at possible partnerships in Cambodia as well as Myanmar. If the conditions are right, we would also gladly set up a new base in China.

One AirAsia

Just as each individual AOC is growing, we are making steady progress in terms of integrating all of them under One AirAsia. This year, we set up AirAsia SEA to manage shared services such as Finance, Legal, Procurement and People & Culture across the airlines. This will ensure consistency in processes and systems while enabling us to leverage economies of scale. Supporting the Finance function, we are rolling out Oracle's market-leading Enterprise Resource Planning (ERP) Cloud to reconcile cross-currency data and transact with suppliers in different countries, simplifying, standardising and automating our financial operations Group-wide.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



Teleport's tonnage increased by

109%

year-on-year

DIGITAL BUSINESSES

From around the year 2011, we have been venturing into what we call our adjacency businesses, leveraging on our data and the expertise of suitable partners to develop new revenue streams. This saw us launching, in the earlier days, AirAsia Expedia (AAE), Asian Aviation Centre of Excellence (AACE) and BIG Loyalty, followed by BigPay, Ground Team Red (GTR) and T&Co, among others. Some of the earlier businesses, such as AAE and AACE, have been monetised while others are still being developed to reach their full potential.

All our existing adjacency businesses, including AirAsia.com — our one-stop travel and lifestyle platform — are grouped under RBV, where the focus is on growing companies which can contribute to the AirAsia ecosystem. By grouping them together, there is now more focused attention on the needs of the individual companies and therefore greater support for their rapid expansion.

The year saw significant development of all our RBV businesses.

- BigPay, our fintech company, launched remittance services in September and gained significant traction to become the largest digital e-money issuer in Malaysia by transactional value, as well as the largest new card issuer. Maintaining its current momentum, it is set to become a household name in ASEAN in the near future.
- BIG Loyalty, launched as an airline loyalty programme for AirAsia in December 2010, has grown into a comprehensive lifestyle platform that goes beyond flights, with over 300 partners across lifestyle, travel and financial services categories where BIG Members can earn and redeem BIG Points. Flights now account for only 32% of the programme's total revenue, a significant departure from being 100% reliant on AirAsia 10 years ago.
- Teleport, our end-to-end logistics player (previously RedCargo Logistics) is disrupting the cargo industry and empowering social commerce through Teleport Social. In One AirAsia spirit, beginning from 2020, Teleport encompasses the cargo services of all our ASEAN AOCs enabling us to sell the combined air cargo capacity and network as one. While the global cargo industry receded 4.4% in 2019, Teleport's tonnage increased by 109% year-on-year as operations ramped up.





- Santan opened its first restaurant in Mid Valley Megamall, Kuala Lumpur in December 2019. With the second restaurant just opened in July 2020, we keep our sights on a chain of restaurants across Asia, focusing on the other countries where we have AOCs, and even the US. The restaurants will be differentiated by the fact that they offer the best of ASEAN fast-food; and that they will be digitally operated, taking the meaning of fast-food to a new level.
- OURSHOP takes what was previously our online Duty Free offerings to a new level where we make available both duty-free and non-duty-free items, the latter focused on artisanal items crafted by ASEAN entrepreneurs.
- FORMAT is a multimedia company offering the more than 120 million guests we carry every year access to edgy travel and culture-related content.

We also greatly expanded AirAsia.com, our website where guests have traditionally booked their flights, to offer no less than eight core product lines i.e. Flights, Hotels, SNAP, Activities, Deals, Mobility, AirAsia Ads & WiFi and B2B – with more in the offing.

While Flights and Hotels are self-explanatory, SNAP offers hard-to-beat hotel and flight deals. Through Activities, guests can book tickets for various attractions at their holiday destinations.

At the same time, AirAsia.com is disrupting the world of lifestyle offerings with great Deals for non-travel indulgences such as manicures, pedicures, spa treatments and more. Mobility is a shuttle service between klia2 and KL Sentral. Meanwhile, AirAsia Ads & WiFi enables third parties to advertise across the Group's physical and digital assets; and the B2B portal encourages the 500 or so travel agents on our books to purchase not just air tickets but the full suite of our expanded range of services using their agency credit account.

A key highlight for AirAsia.com was to expand its flight offering beyond AirAsia. Partnering Kiwi.com, we now have over 3,000 destinations on over 100 other airlines on our portal, and the numbers keep increasing as more airlines seek to leverage our high traffic.



SNAP



Activities



Deals



Mobility



Ads & WiFi



B2B portal

Moving forward, we are actively assessing the prospects of a number of products that cater to niche travel. For example, we aim to launch Muslim-friendly services including packages to perform the Haj and Umrah. We are also looking to enter the medical tourism space, a rapidly growing segment where we would be able to provide the full complement of visas, travel, accommodation and insurance.

The idea is to provide complete end-to-end services and experiences for travellers, who only need to search and click for what they want on their mobiles or laptops.

Finally, as the year rolled to an end, we launched RedRecords, a music label through which we seek to promote A-pop by popularising ASEAN artistes worldwide. At its launch in December, we also signed on our first star, Jannine Weigel, a Thai singer, songwriter, influencer, gamer and actress.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

DIGITALISATION

The process of digitalisation at AirAsia is necessarily ongoing, and will see us continue to update our systems and processes as newer technologies evolve. While we partner leading digital technology providers such as Google, Palantir, GE and Oracle to fast-track the adoption of effective digital platforms, we are also building our own tech capability. During the year, we launched our new AirAsia Software Engineering & Technology (AASET) Centre in Bengaluru, where some 35 tech wunderkinds focus on designing custom-built solutions for our Airlines and digital businesses.

To date, the AASET team has developed our AI-powered chatbot, AVA. It is now working with our digital partners on three projects aimed at enhancing both our ground and inflight operations.

For on-ground services, we are collaborating with Google on ODIN and RedEye. ODIN, or Operational Decision Intelligence, is a tool to help the flight operations team realise savings and revenue generation opportunities. With the new platform, we will be able to

enhance our fuel efficiency thus further reduce our carbon footprint and drive cost savings while optimising cargo revenue generation. We successfully launched our first working minimum viable product (MVP) in early June 2020. RedEye, a multiple-language app, will further enhance our safety platform by enabling Allstars to highlight safety-related concerns. These will then be escalated to the respective handling teams for further action. Towards more efficient service, we are enhancing our electronic point of sales (ePOS) used for inflight purchases. The solution has been launched together with a Warehouse Management System in July 2020.

Lastly, we have set up a Tech Academy under RBV to ensure a steady stream of talent to meet our needs. The Academy is open to anyone seeking careers in the fast-growing and exciting digital ecosystem, and will also be used to upskill and reskill Allstars with relevant digital capabilities hence deepen our corporate technical knowledge and expertise. Via Tech Academy, we seek to establish a space that promotes innovation through ideation and creativity.

While benefiting from our digital journey, it is also heartening to know that our achievements are transforming AirAsia into an industry leader within the digital space. During the year, we won the highest accolades at the IDC Digital Transformation Awards (DXa) 2019. In addition, AVA was recognised with a Silver at the Future Travel Experience Asia Awards 2019; Bronze at the Technology in Malaysia PR Awards 2019; and Best Use of CX Technology 2019 at the CX Asia Excellence Awards 2019.



FINANCIAL REVIEW

The Consolidated Group's revenue grew 11% year-on-year to RM11.9 billion from RM10.6 billion¹. This was primarily due to a 10% increase in Airlines revenue from RM10.4 billion to RM11.4 billion, based on a 16% increase in capacity and number of guests flown. Our Indonesian and Philippine associates saw the highest capacity growth, at 49% and 20% respectively. The Consolidated Group's average fare and revenue per available seat kilometre (RASK) also grew, by 3% and 6%, once again with highest RASK growth recorded in Indonesia and the Philippines, at 19% and 8% respectively. AirAsia Malaysia also managed to grow its RASK by 2% despite irrational competition.

In contrast to revenue growth, AirAsia Group Berhad (AAGB) recorded a loss after tax of RM283.2 million as opposed to a profit after tax of RM1.7 billion in 2018, mainly due to RM1.1 billion in one-off gains in 2018 as compared to RM114.5 million one-off costs in 2019. The latter included consultant fees for sale and leaseback transactions, tax provision and discount for a long-term receivable, accounting policy realignment for associates, and a watchdog fine. In addition, we recognised

¹ The Consolidated Group refers to the consolidated AOCs, ie Malaysia, Indonesia and the Philippines affiliates. We have been presenting consolidated financial reporting for AAGB in accordance with MFRS 10 since 1 January 2017.



RM321 million in losses from AirAsia India, and a RM203 million investment into the gestation of RBV entities. Adoption of MFRS16 and MFRS137 in relation to the accounting treatment of leased as opposed to owned aircraft contributed to further losses.

On a positive note, the Airlines business saw a 21% growth in EBITDA to RM1.7 billion, from RM1.4 billion in 2018, while operating cash flow increased from RM353 million in 2018 to RM2.1 billion. This was contributed in part by a 32% increase in ancillary revenue which comprised 23% of our total revenue. Non-airline ancillary grew by a substantial 182% while airline ancillary grew 13%.

Within our non-airline business, Teleport reported revenue of RM481 million, exceeding its target of RM400 million while BigPay saw its revenue quadruple to RM16 million. AirAsia.com reported a more than three-fold increase in revenue to RM27 million with a gross booking value (GBV) in the fourth quarter of RM5.5 billion.

RISK MANAGEMENT & MITIGATION

Foreign exchange (forex) movements and fuel price volatility were among the key risks identified for the year 2019. To manage our forex risk, we strive to achieve a “natural hedge” position as much as possible while proactively hedging exposures via foreign exchange contracts if necessary. As for fuel price volatility, we had hedged 65% of our Brent requirement for the year at an average price of USD62.77 per barrel, which was lower than the market average of USD64.16 per barrel in 2019. Going forward, we continue to monitor and manage our exposure to currency fluctuations and fuel price volatility in a prudent manner while taking all reasonable measures to minimise potential loss.

Technology is key in supporting service delivery and efficiency across the Group; yet also poses its own set of risks. To protect our digital systems, we have developed a robust cyber security risk framework while our Information Security department has in place policies and procedures to address security risks related to IT. Our AOCs continue to upgrade their IT systems to enhance the efficiency of their business operations and services.



11% increase in revenue to
RM11.9 BILLION

As the year 2020 unfolds, the industry has been hit by the COVID-19 outbreak leading to travel restrictions, flight delays and cancellations. In response, since early February we have been redeploying capacity to domestic and intra-ASEAN routes while aggressively protecting our market share. We are also collaborating with stakeholders and the authorities on incentives, discounts and rebates. In addition, the Group has established Crisis Management Teams to minimise the impact of the virus on our business. We believe our proactive approach, together with stricter internal cost controls, places us on a strong footing to recover as soon as possible and emerge from the current crisis stronger, as we have done before.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

SUSTAINABILITY

Over the years, we have deepened our commitment towards a greener environment and greater social equity. As a low-cost carrier we have always been motivated to reduce our fuel consumption as it is a major consideration in our cost equation. In 2019, we took a bold step in quantifying our commitment by setting some ambitious targets. For example, we are aiming for zero net carbon emissions growth from international flights from 2021 onwards while also reducing our net carbon emissions from flights by 50% in 2050 from 2005 levels, both by continuing to enhance our fuel efficiency while engaging in carbon offsetting. During the year itself, we reduced our greenhouse gas (GHG) emissions intensity from operations by 28.5%, from 729.16 gCO₂e per revenue passenger kilometre (RPK) to 521.05 gCO₂e/RPK. We have also been focused on reducing our recyclable waste, both on flights as well as in our premises, and achieved a total recycling rate of 7.59%.

Social Citizenry

The strongest element of our social citizenry has been our core purpose, namely to make flying affordable for all. This year, we demonstrated the lengths to which we will go to protect this core value, when we launched a public petition in response to the increase in passenger service charge (PSC) imposed on guests flying beyond ASEAN from klia2 effective July 2018. As a result of collecting 69,469 signatures, the PSC was reduced to RM50 as of 1 October 2019. Further strengthening our social citizenry, we have been supporting social

enterprises through AirAsia Foundation. To date, we have provided funding to 28 organisations in ASEAN that improve the livelihood of their local communities. In 2019 itself, AirAsia Foundation provided two enterprises with RM88,000 in grants. We also opened our flagship Destination: GOOD outlet in REXKL, where we offer about 400 responsibly sourced goods from over 50 social enterprises, many that have received funding from our foundation. Additionally, we help local communities build the tourism potential of their localities in a sustainable manner via our Journey D programme. Following the success of this programme in Thailand, in 2019 we rolled it out in Langkawi, Malaysia, and Lombok, Indonesia.

An Allstar Place to Work

Meanwhile, we continue to provide a work environment that encourages our Allstars to realise their potential. We believe physical, mental and financial health are important in overall well-being which, in turn, plays a significant role in job satisfaction. Hence, we have been promoting these three areas among our Allstars under our OneHealth initiative. Physically, we provide various facilities including a gym at our headquarters. Mentally, we offer an Allstars Emotional Wellbeing Programme, where Allstars across the Group are able to speak to dedicated professional counsellors for help. Financially, we have started supporting entrepreneurship among the families of our Allstars via our Dare to Dream

Grants. At the same time, we continue to provide training opportunities to enable career progression, while placing greater emphasis on self-learning. We have also added Sustainability to our core values to impress on our Allstars what we mean by sustainability and how we intend for it to be part of our everyday actions and decisions.

Value-Adding for Guests

Sustainability is also about creating a positive guest experience thus extending our value beyond affordable fares. Since 2018, we have intensified all efforts to please our guests — through digital innovations such as FACES, AVA, our app and portal, as well as through warm yet professional personal interaction, on-ground and inflight. Outcomes of our guest-obsession have been very encouraging; our Net Promoter Score (NPS), which keeps us informed of how our guests view us vis-à-vis other airlines, has more than doubled in the last three years, from 17 in 2017 to 38 in 2019. Our goal is to attain an NPS of 50 by end 2020.

While some of the early wins of our sustainability initiatives are evident in our performance, it is also reassuring to receive external validation of our efforts. This year, we were honoured by AirAsia being ranked among the top 10 in the airline category of the Dow Jones Sustainability Index 2019. This was truly heartening given that it was the first time we have been assessed, and that we were the only ASEAN airline and LCC to be within the top 10 in our category.



We have supported
28 ENTERPRISES
in ASEAN that improve the livelihood
of their local communities



OUTLOOK

The year 2020 has got off on an extremely challenging note, with the COVID-19 outbreak causing major disruption to travel globally. Restrictions imposed by governments left airlines, AirAsia inclusive, with no alternative but to temporarily suspend our flights. From the end of March till the end of April, the Group's entire fleet was in hibernation, save to help repatriate citizens or to transport medical supplies and other essential items. As of end May, along with relaxation of travel restrictions, we started resuming domestic flights in the markets we are in, on a staggered basis.

Supporting the Malaysian Government's efforts to revive domestic tourism and stimulate the economy, we have been offering various promotions, with positive results reflecting pent-up demand. In June, we achieved an overall Group load factor of 60%, and 65% for the Malaysian operations. We expect the Group's load factor to hit 70% in July despite a tripling in capacity.

Our non-airline businesses, meanwhile, have continued to operate as per normal. Some even grew significantly despite Malaysia's Movement Control Order (MCO). Teleport, for example, grew by 49% year-on-year in the first quarter of 2020 as a result of transporting medical aid and critical supplies. In addition, the technology-driven logistics company embarked on last mile deliveries of not only parcels but also restaurant orders and fresh produce, for which demand was particularly high. With the launch of Freightchain, the world's first digital cargo platform built on blockchain; the re-launch of OURSHOP as an e-commerce marketplace; and rollout of OURFOOD bringing all types of food businesses online, Teleport's growth prospects for the second half of 2020 are even stronger.

During the MCO, Santan launched a drive-thru service to enable people to take home food safely. It also collaborated with the Food Aid Foundation on various initiatives, and helped small vendors market their food on its online Ramadan Bazaar. Going forward, we are working on the blueprint to start a franchise for ASEAN fast-food restaurant venture.

BigPay made positive strides in 2019, and we expect it to continue with its growth momentum. BIG Loyalty is becoming a currency in itself and should gain more members as there is greater awareness that points earned can be redeemed for everyday items and services, in addition to flights. We also hope to sign on more artistes with RedRecords and launch them to a global audience.

AirAsia.com already has the next few years outlined with plans to offer niche products such as Muslim and medical tourism packages, as well as attractive deals with wider appeal. Ultimately, it seeks to cater to as wide a consumer base as possible — not just AirAsia guests — and is charting a path to achieve this goal.

Despite the unprecedented environment we are currently in, we are continuing to build on our strengths and especially our brand so as to emerge stronger when normalcy returns. Efforts to create a more seamless guest experience are intensifying with innovations such as FACES. Having already rolled this out in Avalon, Senai and Kuching, we are using data from the airports to identify and resolve existing pain points. Ultimately, we intend to develop FACES so it can also be used for more than just boarding clearance.

We are also further enhancing AirAsia WiFi which we hope to install in more aircraft, enabling guests to order their food online and shop for any item available on OURSHOP, AirAsia Deals and AirAsia Activities.

As travel picks up, we are collaborating with airport and health authorities to establish new norms to ensure safe air travel post COVID-19. Our aircraft are already fitted with hospital-standard high-efficiency particulate air (HEPA) filters. However, in line with the World Health Organization (WHO) and the International Civil Aviation Organization (ICAO) recommendations, we are also conducting thorough disinfections after every flight. In addition, we will continue with the social distancing measures implemented on ground and in flight.

Financially, we are focused on ensuring the Group's liquidity and capital adequacy. We have requested for more than RM1 billion in funding, and are currently in discussion with banks, lenders and investors on various forms of capital-raising. A portion of our loans would fall under the Government's Danajamin PRIHATIN Guarantee Scheme (DPGS). Our subsidiaries in the Philippines and Indonesia are also seeking loans to tide over this challenging period.

Further strengthening our capital, we have received deferrals from our lessors and are hopeful of further extensions of our aircraft operating lease payments. While a major portion of our fuel hedge contracts have been restructured, we continue to negotiate on the remaining exposure to reduce losses. We have also temporarily reduced salaries Group-wide by 15%-75% since April 2020 and are looking at organisational restructuring to achieve additional savings.

According to the latest World Economic Outlook by IMF, GDP growth of ASEAN-5 is expected to rebound to 6.2% in 2021, one of the highest growth rates in the world. With the measures we have put in place, we are confident that AirAsia will not only benefit from this growth but also contribute to the region's recovery. Once travel demand returns to normalcy, AirAsia will be there — stronger and more resilient — to make millions of travel dreams come true. In the meantime, we will focus on our digital pillar and help our business partners grow while also enabling Asians to enjoy at least certain aspects of the kind of lifestyle they desire.

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