

PRESS RELEASE

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DESTINI SIGNS COLLABORATIVE AGREEMENT WITH AIRASIA BERHAD FOR ENGINEERING OUTSOURCING

KUALA LUMPUR, 27 July 2015 – Destini Berhad (“Destini” or the “Group”), a leading Malaysian integrated engineering solutions provider, today announced that it has concluded its on-going preliminary discussions with AirAsia Berhad with the signing of a Collaborative Agreement. This Agreement sets the track for the two companies to start the final negotiations and implementation plan to execute this strategic outsourcing exercise.

The Collaborative Agreement was signed between Destini Aviation Sdn Bhd (“Destini Aviation”), a wholly-owned subsidiary of Destini Berhad and AirAsia Berhad.

The Collaborative Agreement covers key initiatives for strategic outsourcing namely Technical Handling, Component maintenance, repair and overhaul, and hangar based MRO.

Each of these initiatives is to be implemented in a phased manner over the next six to eight months, one after the other.

Chairman of Destini Berhad, Tan Sri Dato’ Rodzali bin Daud said “We are enthusiastic about the growth prospects of the global MRO aviation sector. The global aviation MRO industry is estimated to grow at a compounded annual growth rate of 4% over the next 10 years with global aviation MRO spend exceeding USD 85 billion by 2024. The Asia Pacific region is expected to be the world’s largest aviation MRO market within the next decade and this represents an exciting opportunity for us.”

Managing Director of Destini Berhad, Dato’ Rozabil Abdul Rahman said, “We at Destini Group are very delighted at this opportunity to serve Asia’s largest Low Cost Carrier, AirAsia Berhad. We hope to grow along with AirAsia and eventually be one of the leading service providers in these key segments of the aviation industry.”

Aireen Omar, AirAsia Chief Executive Officer said “We are happy to announce that we are entering into a collaborative agreement with Destini Aviation as part of our plan and initiative to maintain cost efficiency within our MRO arrangements. Some of these services are targeted to start domestically at stations such as Penang, Senai, Kota Kinabalu, Kuching, Langkawi and Kota Bharu.

“Surely, any effort taken to maintain lean operating costs will ultimately translate into savings and it will be passed on to the consumers; who is the end user of air travel services. With this in mind, we look forward to working together with Destini Aviation as we enter into this collaborative agreement,” she added

Destini Aviation intends to use this initiative to strengthen its technical and management skills to further broaden its horizon by going regional in the medium term. Destini Aviation is well poised

for such regional move due to its extensive relationships and approvals from most of the regional airworthiness agencies as well as the industry players, in the region.

With the soon to be implemented ASEAN Open Skies Policy, Destini Group is aggressively positioning itself to ensure it is well placed to be a highly competent and competitive player in this segment of the industry.

“Destini Group believes strongly in building capacity and knowhow in the domestic market and then expanding its service offerings into the foreign market. While we appreciate the home market, the proof of the robustness of our all-round capabilities is when we win and operate contracts in foreign markets, whereby bringing back accolades and valuable experience for our home grown technical personnel,” he added further.

Destini Group had earlier last month announced its acquisition of SafeAir Technical Sdn. Bhd. (“SafeAir Technical”) and the setting up of a Joint Venture with the UK based Avia Technique Ltd (“Avia Technique”). While SafeAir Technical specialises in Line Maintenance, Avia Technique specialises in Component MRO. Both these companies are Part 145 Approved, which is the mandatory approval that is required to conduct MRO activities on civil registered aircraft and helicopters.

ABOUT DESTINI BERHAD

DESTINI BERHAD (“**Destini**” or the “**Group**”) is an integrated engineering solutions provider that is in the business of ensuring safety and survival in the aviation, marine and oil & gas sectors. The Group is the country’s leading player in the maintenance, repair and overhaul (“**MRO**”) services specialising in safety and survival in the aviation and marine industry and a leading provider of tubular handling equipment and running services in the oil & gas sector.

With 15 years of experience, and armed with an extensive portfolio as well as stellar track record, Destini’s contract management and consultation expertise is constantly being sought after by Original Equipment Manufacturers (“**OEM**”). Their core values of perseverance, foresight, rational thinking and determination to succeed have helped nurture a strong working relationship with global customers from both the public and private sectors.

For more information, please log on to <http://www.destinigroup.com>

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About the AirAsia and AirAsia X Group

AirAsia and AirAsia X are the leading and largest low-cost carriers in Asia, servicing the most extensive network with over 100 destinations across Asia, Australia and the Middle East. Since the inception of AirAsia in 2001 and AirAsia X in 2007, the group has carried over 280 million guests. AirAsia has grown

its fleet from just two aircraft to over 170 A320s and proud to be a truly Asean (Association of Southeast Asian Nations) airline with established operations based in Malaysia, Indonesia, Thailand, Philippines & India. Meanwhile, AirAsia X operates a core fleet of 26 A330-300s, each with a seat configuration of 12 Premium Flatbeds and 365 Economy seats. AirAsia X expanded its regional expansion with Thai AirAsia X operating from Don Mueang International Airport, Thailand and Indonesia AirAsia X operating from Bali, Indonesia. Skytrax named AirAsia as the "World's Best Low Cost Airline" for seven consecutive years from 2009 – 2015 and awarded AirAsia X for three consecutive years from 2013 – 2015 with the "World's Best Low Cost Airline Premium Cabin" and "Best Low Cost Airline Premium Seat" at the annual Skytrax World Airline Awards. AirAsia & AirAsia X groups are the first airlines globally to collaborate with INTERPOL to implement the I-Checkit system to screen the passports of all its prospective passengers against information contained in the world police body's Stolen and Lost Travel Documents (SLTD) database.

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