

FOR IMMEDIATE RELEASE

MRO MIDDLE EAST :

Q&A WITH ASIA DIGITAL ENGINEERING (ADE) | Booth 460 (near Club Lounge)

Spokesperson :

Mr Mahesh Kumar, Chief Executive Officer, Asia Digital Engineering

1. As the CEO of ADE, could you elaborate on your vision for the company and how it aligns with the evolving needs of the aviation industry?

ADE aims to be the top Maintenance, Repair, and Overhaul (MRO) player in the ASEAN region, serving all key market segments with unparalleled excellence. Our goal is not merely to meet industry standards but to set new benchmarks for quality and innovation in MRO services and digital solutions.

Born from AirAsia's maintenance division in 2020, ADE leverages its expertise acquired from serving the World's Best Low-Cost Airline for more than 20 years, delivering world-class engineering at great value and efficiency. Expanding beyond the group, ADE has secured maintenance orders from third-party customers.

This journey has positioned us as a beacon of excellence in the MRO industry, enabling us to anticipate and meet the evolving needs of our customers. Embracing a robust growth strategy, we remain dedicated to fortifying our core MRO business while capitalizing on digitalization and related fields. By integrating advanced technologies such as artificial intelligence and digital fleet solutions, we aim to elevate our maintenance services to new heights.

2. What set ADE apart from other MRO players?

What sets ADE apart from other MRO players is our unique combination of expertise, capabilities, facilities, and determination to take on challenging tasks that many other MRO players have declined.

Currently, **we are delivering specialized MRO services such as lateral frame replacement and comprehensive structural repairs to our customers**, showcasing our commitment to excellence.

With the launch of our new hangar and additional manpower, we eagerly anticipate expanding our portfolio to include even more specialized services. This will further solidify our position as a leader in the industry and underscore our commitment to innovation and excellence. These efforts will culminate in offering a service that can only be found at ADE, setting us apart from the competition

3. ADE has been expanding in 2023 and achieved significant operational milestones. Looking ahead, what is the outlook for the company in 2024, and where are the priorities?

ADE currently operates an extensive network of cutting-edge hangars, strategically positioned across key locations in Malaysia. These include a four-line hangar in Subang, a two-line hangar in Johor Bahru, and a single-line hangar at Kuala Lumpur International Airport (KLIA). This year, our brand new 14-line hangar in KLIA (8 narrow body, 2 wide body) will be completed. This groundbreaking, integrated maintenance, repair, and overhaul (MRO) facility spanning over 380,000 sqft will see six lines operational by the first half of 2024, with the remaining 8 lines ready by the second half of this year. They will also include dedicated component workshops and a digital product development center, positioning ADE as Malaysia's largest MRO provider and one of the most extensive in the region. With these advancements, ADE stands poised to redefine industry standards, offering a seamless blend of technological innovation and operational excellence.

Upon the inauguration of this hangar, we expect to perform 30% of checks for external airlines. Once operating at maximum capacity, the cutting-edge facilities will provide extensive heavy maintenance, repair, and overhaul (MRO) services concurrently for up to 16 commercial aircraft. This capability enables ADE to extend its services to additional airlines.

ADE will be advancing line maintenance operations in Thailand, Indonesia, the Philippines, and Cambodia

Pioneering innovations and launching diverse products within the ADE Digital Ecosystem, propelling ADE to forefront technology leadership in #FutureMRO, with these products aimed at global airline sales.

4. How does ADE utilize cutting-edge technology and innovation to improve its engineering solutions within the aviation sector?

Technology and innovation drive our business, enhancing our line, base maintenance services, and component workshops. Our focus on technology and innovation drives us to develop our very own in-house digital solutions like AEROTRADE and ELEVADE FLEET, transforming aircraft parts procurement and holistic aircraft health management globally.

Our digital solutions, AEROTRADE, and ELEVADE FLEET, are crafted with a deep understanding of industry needs and pain points, especially heightened during the pandemic. We have integrated Artificial Intelligence (AI) into our services to enhance quality, safety, and efficiency, aligning with industry demands.

AEROTRADE simplifies aircraft parts transactions, globally connecting suppliers and buyers while minimising supply chain disruptions. This reduces turnaround time (TAT) for maintenance, ensuring timely spare parts delivery and decreasing aircraft downtime.

ELEVADE FLEET provides comprehensive aircraft health monitoring, optimising maintenance activities and enhancing safety. Real-time monitoring of aircraft components improves manpower management and reduces downtime, allowing aircraft to stay operational longer.

Moreover, the scalability and modularity of these solutions mean they are not just beneficial for us but can also be seamlessly integrated into the operations of our partners and clients, offering them cost savings and efficiency gains opportunities.

Our research collaboration with universities in Metaverse, AI, and Robotics drives aviation advancements that benefit not only our operations but also the industry as a whole.

Moreover, we are continuously seeking ways to enhance our digital solutions, exemplified by our recent partnership with Zebra Technologies and Swiss AviationSoftware. These collaborations reinforce ADE's digital MRO capabilities in the aviation industry, boosting the modularity and scalability of our services. Together, these advancements offer mutual tangible benefits to both of our customers across applications, ensuring superior engineering solutions and driving the industry forward.

5. Where does ADE see opportunities in the near-term?

In the short term, I see a significant opportunities within Aerotrade, an innovative aviation marketplace, which is the first of its kind in Asia. This platform is intricately designed to alleviate the challenges faced by airlines in acquiring aircraft parts. Through the utilization of cutting-edge technologies, AEROTRADE streamlines the buying and selling processes, ensuring a seamless experience for various stakeholders. Given the current global shortage in aircraft parts within the supply chain, this as a prime opportunity to market and sell its inventory through Aerotrade.

Furthermore, with the upcoming operational status of the new hangar, we anticipates expanding our services substantially. The strategic proximity of the hangar to the warehouse translates to enhanced efficiency and quicker turnaround times. Notably, the new hangar houses workshops such as the seat shop, carpet shop, cabin shop and sheet metal & composite shop.

Additionally, we will be extending maintenance services to include wide body aircraft, specifically A330s, with a long-term vision of offering services to Boeing aircraft as well.

6. What are the key trends in the MRO sector for 2024?

At present, there is a notable surge in demand for MRO slots, reflecting a growing trend that is expected to persist over the next five years. Airlines worldwide are actively seeking MRO services, prompting the industry to swiftly adapt and address the escalating demand. ADE is ready and eager to accommodate potential customers from across the globe during this surge and in the foreseeable future.

7. What are some key issues/challenges that are likely to come in 2024, and how is ADE gearing up for these?

A significant challenge facing the MRO business in 2024 is the need for substantial capacity building. ADE is proactively addressing this challenge with the introduction of our state-of-the-art 14-line hangar in Kuala Lumpur, providing an immediate and robust solution. Furthermore, our strategic approach involves expanding our presence in key locations such as Indonesia, Thailand, the Philippines, and Cambodia to meet the evolving demands of the industry.

Additionally, to fortify our commitment to future growth, ADE has secured the first right of refusal for a 5-acre land adjacent to our upcoming KLIA facility, earmarked specifically for the construction of additional cutting-edge hangars, positioning us for seamless expansion and sustained success in the years to come.

8. In what ways does ADE contribute to the safety and efficiency of aircraft operations through its services?

Aviation is a highly regulated industry, and at Asia Digital Engineering (ADE), we understand the critical importance of meeting and exceeding regulatory standards to ensure the safety and reliability of aircraft operations. We take great pride in our extensive list of maintenance certifications from multiple countries and authorizations, including the prestigious approval from the European Union Aviation Safety Agency (EASA) for our Part 145 Maintenance Organization.

EASA Part 145 is widely recognized as the gold standard in aviation maintenance, representing the highest levels of safety and quality in our operations. This achievement stands as a testament to the hard work and unwavering commitment of the entire team at ADE.

With these certifications, ADE is positioned to deliver industry-leading aircraft maintenance support, ensuring the safety and reliability of aircraft operations in the Asia Pacific region. Moving forward, ADE remains dedicated to upholding the highest work ethics and business standards in the aviation industry.

9. ADE operates in a dynamic and rapidly changing industry. How does the company stay ahead of technological advancements and industry trends to provide top-notch services?

ADE understands that as technologies continue to advance, aviation maintenance teams must be prepared to keep up. Embracing emerging technologies can help save time, increase safety, and reduce costs, resulting in savings for customers. Our inspiration is highly driven by our parent company, AirAsia, which has been a pioneer in embracing technology since day one. AirAsia reshaped the aviation industry, disrupted the digital space, and transformed the lives of our communities. It was Asia's first airline to go ticketless in 2002 and the world's first airline to use SMS booking.

To ensure we remain at the forefront of technological innovation, we have made substantial investments in technology. This investment encompasses not only cutting-edge software but also the recruitment of top-tier talent dedicated to exploring new opportunities and pushing the boundaries of what is possible in the aviation industry. In addition, we foster a culture of innovation across the board - from the office to the hangars.

Furthermore, our commitment to innovation is evident in our state-of-the-art facilities such as RedChain, our warehouse, and our component workshop. These hi-tech facilities enable us to stay ahead of the curve and provide exceptional service to our clients.

10. How does ADE collaborate with other stakeholders in the aviation industry to foster innovation and address common challenges?

At ADE, we embrace collaboration with industry stakeholders as a cornerstone of fostering innovation and addressing common challenges in the aviation sector. We have active partnerships with leading brands such as Airbus, Original Equipment Manufacturer (OEM) as well as software providers namely Intel, MongoDB, AMOS, Zebra Technologies, Google, and others, leveraging their expertise and resources to drive innovation forward.

Moreover, we prioritize collaboration with our clients, working closely with them on various projects to ensure we offer the best services.

11. Sustainability is increasingly important in the aviation sector. How does ADE incorporate environmentally friendly practices into its operations and services?

ADE is dedicated to embracing sustainable practices, which is evident in our commitment to green elements such as having our building certified as environmentally friendly and utilizing clean energy sources. We're also committed to reducing the wastage of shelf-expired consumables by promoting the selling of surplus inventory to needy aircraft operators via our in-house aviation marketplace, AEROTRADE. With AEROTRADE, operators can now optimize their inventory by sharing their surplus resources with others, while at the same time, generating revenues and indirectly saving the environment.

However, our focus on sustainability extends beyond infrastructure to the very core of our business model. One key aspect of our sustainability efforts is reducing waste within the aviation industry. We recognize the environmental impact of single-use aircraft parts and are

actively advocating for a shift towards increased repairs and reduced scrap rates. Instead of disposing parts after a single use, we are urging manufacturers to explore alternative solutions that are both safe and airworthy while aligning with a more sustainable approach.

By prioritizing repairs over replacement, we aim to minimize waste and extend the lifecycle of aircraft components, thereby reducing our environmental footprint. Additionally, we are continually exploring innovative ways to incorporate sustainable practices into our operations, ensuring that we not only meet but exceed environmental standards while maintaining the highest levels of safety and airworthiness.

12. What are some of the upcoming projects or initiatives that ADE is particularly excited about?

We are thrilled about several upcoming projects and initiatives that underscore our commitment to innovation and excellence in the aviation industry.

First and foremost, our state-of-the-art 14-line hangar at Kuala Lumpur International Airport (KLIA) will be completed this year. This groundbreaking facility, spanning over 380,000 sqft, will be an integrated maintenance, repair, and overhaul (MRO) center equipped with cutting-edge technology and operational excellence. With six lines operational by the first half of 2024 and the remaining eight lines ready by the second half of the year, this facility will position ADE as Malaysia's largest MRO provider and one of the most extensive in the region. It will also include dedicated component workshops and a digital product development center, further solidifying our commitment to technological innovation.

Upon the inauguration of this hangar, we anticipate conducting 30% of checks for external airlines, highlighting our growing presence in the industry. Operating at maximum capacity, the facility will be capable of providing extensive heavy maintenance, repair, and overhaul (MRO) services concurrently for up to 16 commercial aircraft, expanding our service offerings to more airlines. We anticipate to hit the completion of 200th C-check this year.

In addition to our expansion in Malaysia, we are also advancing our line maintenance operations in Thailand, Indonesia, the Philippines, and Cambodia, further solidifying our presence and commitment to excellence across the ASEAN region.

13. As the aviation industry evolves, what role do you see ADE playing in shaping its future landscape?

As the aviation industry evolves, ADE is dedicated to shaping its future landscape through innovation and service excellence. Our projects and initiatives exemplify this commitment, pushing boundaries, redefining standards, and providing unparalleled quality.

While the core MRO offer will remain the bread and butter of our operations, we are open to injecting all sorts of technology into it and ensuring the offerings are top-notch. From our cutting-edge facilities to digital solutions and sustainability efforts, we're driving positive change and propelling the industry forward. ADE remains steadfast in meeting evolving needs and advancing aviation into a new era of efficiency and safety.

14. Continuous learning and development are crucial in the aviation industry. How does ADE invest in the training and professional development of its employees to stay at the forefront of industry advancements?

We invest substantially in the training and professional development of our employees to ensure they stay at the forefront of industry advancements in the aviation sector. The inclusion of training agreements in our collaborations with aircraft manufacturers, partners, industry players as well as educational institutions. Additionally, we foster a culture of continuous learning within our organization, empowering our team to remain abreast of the latest technological developments and excel in their roles.

15. How does ADE ensure that its engineering teams stay updated on the latest technological advancements in the aviation sector?

ADE team stays updated on aviation sector advancements through diverse approaches. We encourage staff to attend industry events and conferences, fostering a broad knowledge base. Additionally, beyond traditional training, we collaborate on trial projects with aircraft manufacturers, OEMs, partners and clients, providing invaluable hands-on experience. Moreover, our culture of sharing and learning, combined with easy access to information, keeps us at the forefront of industry developments.

16. Finally, what message would you like to convey to current and potential clients, partners, and stakeholders about the future of Asia Digital Engineering?

We are on a growth trajectory and aspire to strengthen our leading position in the MRO market. Consequently, we will actively engage in both expansion and partnership opportunities in the coming years. The backbone of our operations is our efficient core MRO service, which will continue to be the cornerstone of our business. Our market significance derives from our extensive portfolio and profound capabilities, giving us a competitive edge.

As the industry undergoes transformation, we strive to lead in innovative solutions. By merging digital expertise with our engineering and technical operations acumen, we can provide superior service and establish industry benchmarks.

We are excited about the future - we have set the right ambition and have the means and mindset to realize our goals. In my view, it is the expertise, capabilities, and innovation present at ADE that will ensure our continued success and resilience in an industry that is constantly evolving.

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Image of Mr Mahesh Kumar:



