

AIRASIA GROUP BERHAD
 (Registration No.: 201701030323 (1244493-V))
 (“AAGB” or “the Company”)
 (Incorporated in Malaysia)

Minutes of the Fourth Annual General Meeting (“**AGM**”) of the Company (“**4th AGM**” or “**Meeting**”) held as a fully virtual meeting entirely through live streaming from the online meeting platform using the Remote Participation and Voting (“**RPV**”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) via the TIIH Online website, on Thursday, 22 July 2021 at 10.00 a.m.

Present & In Attendance: As per attendance list

1.0 WELCOME & INTRODUCTION

- 1.1 On behalf of the Board of Directors (“**Board**” or “**Directors**”) and the Company, En. Amzar Anizam, the emcee (the “**Emcee**”) for the Meeting, welcomed the shareholders to the 4th AGM and thanked them for participating remotely.
- 1.2 The Emcee informed that the Company was holding its 4th AGM virtually due to the impact of the COVID-19 pandemic, in adherence to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia (“**SC**”) on 1 June 2021 and on the advice of health authorities to take preventive measures to curb the spread of COVID-19. The Board had taken this step, considering the paramount safety and well-being of the Company’s shareholders, staff members and other stakeholders.
- 1.3 The Emcee informed that participation in the Meeting was restricted to shareholders, proxies, authorised representatives of corporate shareholders and attorneys who had registered to participate in the Meeting remotely.
- 1.4 The Emcee proceeded to introduce the members of the Board, Senior Management of the Company and representatives of Ernst & Young PLT, the Company’s auditors, who joined the 4th AGM via video conference.

2.0 CHAIRMAN OF THE MEETING

- 2.1 The Chairman, Y. Bhg. Datuk Kamarudin bin Meranun (the “**Chairman**” or “**Datuk Kamarudin**”), informed that Y. Bhg. Dato’ Fam Lee Ee (“**Dato’ Fam**”) was appointed as the Alternate Chairman of the Meeting in the event of an unforeseen circumstance or an unexpected interruption in the Chairman’s internet connection during the live streaming of the 4th AGM.
- 2.2 With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

3.0 NOTICE OF THE 4TH AGM

- 3.1 The notice convening the Meeting, having been advertised in the newspaper, circulated within the prescribed period, also having been announced to Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and as referred to on pages 18 to 24 of the Annual Report of the Company, with the consent of the shareholders present, was taken as read.
- 3.2 Before proceeding with the Meeting agenda, the Chairman highlighted that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia, all resolutions set out in the Notice of the Meeting dated 31 May 2021 would be put to vote by way of poll, and polling would be conducted electronically via the RPV facilities. The online voting was accessible for shareholders to vote any time from the commencement of the Meeting until

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such time that would be announced later in the Meeting. The Chairman informed that TIIH was acting as poll administrator and the poll results would be verified by BDO Consulting Sdn. Bhd., the appointed Independent Scrutineers (“**Scrutineers**”). The resolutions tabled for voting were displayed on the screen.

- 3.3 The Chairman informed that the proceedings of the 4th AGM would be conducted according to the sequence in the agenda, followed by a questions and answers (“**Q&A**”) session. Shareholders were given the opportunity to ask questions or seek clarifications on each agenda item, which would be responded to during the Q&A session but repeated or similar questions would be answered once and if questions were particularly lengthy, it would be summarised for reasons of brevity. The responses to questions not addressed during the Q&A session due to time constraint would be e-mailed at the earliest possible, after the Meeting.
- 3.4 For the benefit of shareholders participating remotely, TIIH presented a 3 minutes explanatory video on the RPV facilities and procedure(s) for remote voting.

4.0 SUMMARY OF THE COMPANY’S OVERALL PERFORMANCE IN 2020

4.1 The Chairman invited the Chief Executive Officer (“**CEO**”) of the Company, Y. Bhg. Tan Sri Anthony Francis Fernandes (“**Tan Sri Tony**”) to brief the shareholders on AAGB’s overall performance in 2020. Tan Sri Tony took the shareholders through a presentation and highlighted the following matters on the Company’s performance throughout 2020:

- 4.2 (i) **2020 a year of survival and transformation**
- The management has successfully pivoted the airline business into a digital lifestyle company anchored on travel.
 - AirAsia has established a leaner and more optimised airline operations while ensuring sufficient liquidity through Group-wide cost containment exercises.
 - Active capacity management resulted in commendable load factor at 74%;
 - Reduced 52% fixed costs; exceeded target of 50%; and
 - Strong trends were seen in pent-up demand, translating into spontaneous travel and increase in forward bookings.
 - AirAsia has turned a deep crisis caused by the Covid-19 pandemic into a digital diversification opportunity which inclusive the followings:-

airasia SuperApp

- Launched AirAsia food and AirAsia fresh to meet the shift in demand for home delivery services;
- Launched AirAsia health and attracted over 100,000 unique visitors within 3 months; and
- Sold over 200,000 unlimited in Malaysia, Thailand, Indonesia and Philippines.

BigPay

- App launched in Singapore; and
- Expanded remittance services to India, Nepal, Bangladesh, Australia and China.

Teleport

- Launched another logistics base in Singapore;
- Partnered with Alibaba’s logistics arm, Cainiao for cross-border deliveries; and

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- Expanded delivery services to every major city AirAsia flies to, up to 77 cities across 5 countries.

(ii) **Leaner and more optimised airlines operations**

- Group load factor was decent in 1Q2021 at 67% with active capacity management to meet demand.
- No aircraft delivery in 2021 and 2022. 14 aircraft to be returned this year.
- Airline profitability expected to increase compared to pre-covid levels:
 - Concentrating on profitable and popular routes, removed loss-making routes & stations;
 - Encouraging fare environment with rational competition; and
 - Lower fixed costs as seen in 1Q2021. Have been on a QoQ downtrend since late 1Q2020.
- Remain committed to strengthen domestic position while awaiting developments on international air travel.
- Expect to see improved stability on operations with the acceleration of vaccine rollouts. Majority of population in key markets are expected to be fully vaccinated by the end of 2021.

4.3 Tan Sri Tony highlighted that AirAsia had continued to establish an organisation structure that would show the airasia group as much more than just an airline by creating a holistic ecosystem leveraging differentiated data capability and analytics. He pointed out the following salient matters in relation to the airasia group structure:-

- The airline group under AirAsia Aviation comprises the five (5) airline operating companies within the Group;
- Asia Digital Engineering Sdn. Bhd., a wholly-owned subsidiary of the Company, is envisaged to be a low-cost and data-savvy digital engineering company in the region;
- Ground Team Red Sdn. Bhd., the Company’s joint venture with SATS Ltd., was operating the ground handling services for the Group with the ambition to expand into ASEAN regions;
- The airline services group under Santan included the restaurant, inflight catering and services as well as a central kitchen; and
- Under the SuperApp arm of airasia digital, the Group operates the airasia Super App, Big Rewards and airasia farm. The logistics arm falls under Teleport, and BigPay houses the financial services segment of the digital business.

4.4 The airasia SuperApp is dominated by travel and it is envisaged to be a strong platform for delivery in terms of improving logistics for Teleport, a financial marketplace and later on, health and edu tech would also be a strong part of the business. The BIG Rewards loyalty programme would also be linked to the airasia SuperApp through the single sign on function. Additionally, an airasia chat programme was developed as part of the airasia group’s media assets and to keep advertising costs low.

4.5 Tan Sri Tony went on to brief shareholders that Teleport is enabling door-to-door logistics across ASEAN and meanwhile, BigPay is democratising access to digital bank services. He presented the following updates:-

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Teleport

- (i) Cargo
 - Key is speed and leveraging on high flight frequencies and point-to-point network
 - To expand partnership with airlines. Current partnerships include with SIA for KL-Singapore lane
 - Would receive the first 737 freighter to capture the big cargo demand & converting selected passenger aircraft to cargo-only freighter planes soon in third quarter
- (ii) Delivery
 - E-commerce fulfilment capabilities for SMEs and marketplace at unbeatable rates, offers door-to-door on-demand delivery within city as fast as 1 hour and standard delivery as fast as 24 hours
 - Key logistics partner for airasia SuperApp
 - Higher deliveries contribute to growth in cargo. To focus on optimising deliveries and operational enhancements

BigPay

- (i) Current offerings
 - Payments: Mobile peer-to-peer (P2P) payments, Bill payments, DuitNow QR payment and Mastercard
 - Remittance to 10 countries from Malaysia and Singapore
 - Insurance: Rolled out an all-in-one Lifestyle Insurance in 2Q21
- (ii) Updates
 - Submitted digital bank licence application in Malaysia with a consortium of strategic partners
 - Product developments: Wealth management products underway, to launch transactional microlending for airasia SuperApp, overdraft lending
 - Market expansion: Exploring payments and remittance in Thailand and the Philippines

4.6 With regards to ensuring sufficient liquidity in the next two (2) years, Tan Sri Tony updated the shareholders on the following fundraising, monetisation and other corporate exercises:-

- (i) The Company has raised RM336.5 million via two (2) tranches of private placement in 1Q2021;
- (ii) The Company has submitted the first application for the Danajamin PRIHATIN Guarantee Scheme in June 2021 and the first drawdown is expected within the next two (2) months;
- (iii) AAGB has proposed to undertake a renounceable rights issue of up to RM1.0 billion in nominal value of 7-year Redeemable Convertible Unsecured Islamic Debt Securities (RCUIDS) with a nominal value of RM0.75 each on the basis of two (2) RCUIDS with one (1) free detachable warrant for every six (6) ordinary shares in AAGB. This is subject to SC & Bursa Malaysia’s approval, as well as shareholders’ approval at an Extraordinary General Meeting (“**EGM**”);

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- (iv) There are positive ongoing discussions for raising new capital in Indonesia and Philippines;
- (v) AirAsia has completed the acquisition of Gojek businesses in Thailand, for a share swap consideration, which valued airasia SuperApp at USD1 billion;
- (vi) Carlyle Aviation is acquiring the Company’s shares in Fly Leasing Ltd, with expected cash proceeds of approximately USD57 million in 3Q2021;
- (vii) The Company completed the sale and leaseback (“**SLB**”) of one (1) engine and sale of another engine in 1Q2021, after the SLB of seven (7) engines in 3Q2020;
- (viii) AAGB is in discussion with lessors to negotiate the restructuring of leases and is making good progress; and
- (ix) The Company obtained the shareholders’ approval for the following matters at the EGM held on 21 June 2021:-
 - The proposed establishment of a Long Term Incentive Scheme of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time for eligible employees and directors of AAGB and its subsidiaries (excluding dormant subsidiaries); and
 - The proposed acquisition by AAGB of the remaining 1,665,000 ordinary shares in BIGLIFE Sdn. Bhd. (“**BIGLIFE**”), representing 20.00% of the equity interest in BIGLIFE, from AIMIA Holdings UK II Limited for a purchase consideration of RM103,037,500 to be satisfied wholly via the issuance of 85,864,583 new ordinary shares of AAGB at an issue price of RM1.20 per share.

4.7 At the conclusion of the presentation by Tan Sri Tony, the Chairman informed that the Company had received a letter from the Minority Shareholder Watch Group (“**MSWG**”) for the 4th AGM. For the benefit of the shareholders, the questions raised in the MSWG’s letter and the answers thereto were presented on the screen, and read out by the Emcee and CEO respectively. The said questions and answers are stated in **Appendix 1** annexed herewith.

5.0 AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (“AUDITED FINANCIAL STATEMENTS AND REPORTS FY2020”)

- 5.1 The Chairman informed the Meeting that the first item of ordinary business was to receive the Audited Financial Statements and Reports FY2020. This agenda item was meant for discussion only as the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Therefore, this agenda item was not put for voting.
- 5.2 The Chairman invited shareholders to submit their questions, if any, to the Board via the query box, which would be addressed during the Q&A session. Hereafter, the Chairman declared that the Audited Financial Statements and Reports FY2020 were received.

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6.0 ORDINARY RESOLUTION 1
TO APPROVE THE NON-EXECUTIVE DIRECTORS’ REMUNERATION FOR THE PERIOD
FROM 23 JULY 2021 UNTIL THE NEXT AGM OF THE COMPANY TO BE HELD IN THE YEAR
2022

6.1 The Chairman informed the Meeting that Ordinary Resolution 1 was to approve the payment of the Non-Executive Directors’ Remuneration as described in Note B of the Notice of 4th AGM dated 31 May 2021 for the period from 23 July 2021 until the next AGM of the Company to be held in the year 2022. He further informed that there was no change in the Non-Executive Directors’ Remuneration as per the financial year ended 31 December 2020.

6.2 However, in view of the significant impact of the COVID-19 pandemic and the difficult economic circumstances facing the aviation industry, the Non-Executive Directors of the Company had voluntarily offered to receive a 50% reduction in their fees for the period from 1 May 2020 up to the date of the 4thAGM and would continue with such reduction, subject to the shareholders’ approval on the above-mentioned remuneration structure until such time that the Company’s financial performance improves significantly, or up to the next AGM of the Company, whichever is earlier.

6.3 Y. Bhg. Dato’ Mohamed Khadar bin Merican, Y. Bhg. Dato’ Abdel Aziz @ Abdul Aziz bin Abu Bakar and Mr. Stuart L Dean being the Non-Executive Directors who are also shareholders of the Company abstained from voting on Ordinary Resolution 1.

6.4 The Chairman put Ordinary Resolution 1 to the Meeting for consideration.

7.0 ORDINARY RESOLUTION 2
RE-ELECTION OF DATUK KAMARUDIN IN ACCORDANCE WITH RULE 119 OF THE
COMPANY’S CONSTITUTION

7.1 In view that Ordinary Resolution 2 was on the Chairman’s re-election as a Director, the Chairman passed the Chair to Dato’ Fam for the said resolution to be put to the Meeting.

7.2 Datuk Kamarudin was obliged to retire from office pursuant to rule 119 of the Company’s Constitution where one-third of the Directors should retire from office by rotation at each AGM (“**1/3-rotation rule**”), and Datuk Kamarudin had consented to offer himself for re-election under Ordinary Resolution 2.

7.3 Datuk Kamarudin who is also a shareholder of the Company abstained from voting on Ordinary Resolution 2.

7.4 Dato’ Fam put Ordinary Resolution 2 to the Meeting for consideration and handed the Chair back to Datuk Kamarudin.

8.0 ORDINARY RESOLUTION 3
RE-ELECTION OF TAN SRI TONY IN ACCORDANCE WITH RULE 119 OF THE COMPANY’S
CONSTITUTION

8.1 Tan Sri Tony was obliged to retire from office pursuant to the 1/3-rotation rule, and consented to offer himself for re-election under Ordinary Resolution 3.

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8.2 Tan Sri Tony who is also a shareholder of the Company abstained from voting on Ordinary Resolution 3.

8.3 The Chairman put Ordinary Resolution 3 to the Meeting for consideration.

9.0 ORDINARY RESOLUTION 4
RE-APPOINTMENT OF EY AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

9.1 The Chairman put forward Ordinary Resolution 4 to the Meeting for consideration on the re-appointment of EY as auditors of the Company and to authorise the Directors to determine their remuneration.

10.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 5
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (“THE ACT”)

10.1 The Chairman informed the Meeting that the Company had at its Third AGM held on 28 September 2020 obtained the shareholders’ approval on the general mandate for issuance of shares by the Company pursuant to Sections 75 and 76 of the Act as well as the Additional Temporary Relief Measures to listed corporations for COVID-19, issued by Bursa Malaysia via its letter dated 16 April 2020 (“**Additional Temporary Relief Measures**”), for the Directors of the Company to issue ordinary shares in the Company at their discretion provided that the aggregate number of shares issued does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at any point of time, inclusive of the extended utilisation period until 31 December 2021, unless revoked or varied by an ordinary resolution of the Company at a general meeting (“**20% General Mandate**”). As such, the 20% General Mandate would continue to be in force until 31 December 2021.

With effect from 1 January 2022, the 20% General Mandate would be reinstated to a 10% limit pursuant to the Additional Temporary Relief Measures and Paragraph 6.03 of the MMLR of Bursa Malaysia. The Chairman highlighted that Ordinary Resolution 5 if passed, would empower the Directors of the Company authority to issue ordinary shares in the Company at their discretion without having to first convene another general meeting provided that the aggregate number of shares issued pursuant to this resolution during the preceding 12 months, with effect from 1 January 2022, does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at any point of time (“**Proposed 10% General Mandate**”).

The authority for the Proposed 10% General Mandate would, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier. The Proposed 10% General Mandate, if granted, would provide the flexibility to the Company for any future fund raising activities, including but not limited to further placing of shares for the purposes of funding future investment project(s), repayment of bank borrowing(s), working capital and/or acquisition(s), or such other application as the Directors may deem fit in the best interest of the Company, thereby reducing administrative time and costs associated with the convening of additional shareholders’ meeting(s).

10.2 The Chairman put Ordinary Resolution 5, the full text of which was set out in the Notice of 4th AGM, to the Meeting for consideration.

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11.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW
SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE (“PROPOSED MANDATE”)

- 11.1 Since the Chairman was a related party to this proposal, he passed the Chair to Dato’ Fam for the said resolution to be put to the Meeting.
- 11.2 Dato’ Fam informed the Meeting that Ordinary Resolution 6 under item 6 of the agenda as special business, was to seek the shareholders’ approval for the Proposed Mandate. The details of the Proposed Mandate were set out in the Notice of Meeting and Section 2.3 of the Circular to Shareholders dated 31 May 2021.
- 11.3 Dato’ Fam further informed the Meeting that the Interested Related Parties referred to in Section 7 of Part A of the Circular to Shareholders dated 31 May 2021 would abstain from voting on Ordinary Resolution 6 and had undertaken to ensure that persons connected with them would also abstain from voting on the said resolution.
- 11.4 Dato’ Fam put Ordinary Resolution 6, the full text of which was set out in the Notice of 4th AGM, to the Meeting for consideration, and thereafter passed the Chair back to Datuk Kamarudin.

12.0 SPECIAL BUSINESS - ORDINARY RESOLUTION 7
PROPOSED AUTHORITY FOR SHARE BUY-BACK BY AIRASIA GROUP BERHAD
(“PROPOSED SHARE BUY-BACK”)

- 12.1 The Chairman informed the Meeting that Ordinary Resolution 7 under item 7 of the agenda as special business, was to seek the shareholders’ approval for the Proposed Share Buy-Back. The details of the Proposed Share Buy-Back were set out in Part B of the Statement to Shareholders dated 31 May 2021.
- 12.2 The Chairman put Ordinary Resolution 7, the full text of which was set out in the Notice of 4th AGM, to the Meeting for consideration.

13.0 OTHER ORDINARY BUSINESS

- 13.1 The Company Secretary informed the Meeting that he had not received any due notice to transact any other business at the 4th AGM.

14.0 Q&A SESSION

- 14.1 Following the presentation of all resolutions in the agenda, and before moving to vote by poll, the Chairman declared the commencement of the Q&A session and he reiterated that the questions received would not be answered in any particular sequence in relation to the business of the 4th AGM. The questions received in the query box were moderated to avoid repetition and would only be answered once, and questions that were particularly lengthy were summarised for reason of brevity. Responses to the questions not addressed during the Q&A session would be e-mailed to the shareholder(s) at the earliest possible, after the Meeting.

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- 14.2 For the benefit of the shareholders and proxy holders participating remotely, the Emcee read out the questions submitted by shareholders *via* the TIIH online platform prior to the Meeting, followed by selected questions submitted by remote participants at the 4th AGM. A total of twenty-one (21) questions raised by shareholders and/or proxy holders were addressed by the CEO and Senior Management of the Company, as detailed in **Appendix 2** annexed herewith. Due to time constraint, it was noted that the remaining questions, clarifications and comments would be addressed accordingly, after the Meeting.

15.0 VOTING SESSION

- 15.1 On conclusion of the Q&A session, the Chairman advised the shareholders and proxy holders to proceed to submit their vote via the RPV facilities as the polling process would conclude after 10 minutes; followed by a 30 minutes recess for the verification of the poll results by the Scrutineers and thereafter the declaration of the poll results. He then declared the 4th AGM adjourned.

16.0 ANNOUNCEMENT OF POLL RESULTS

- 16.1 The 4th AGM re-convened at the conclusion of the polling process and the Chairman called the Meeting to order for the declaration of the poll results. The Chairman informed that the Scrutineers appointed by the Company had verified the poll voting results and the said results were projected on the screen.
- 16.2 Based on the poll results verified by the Scrutineers, annexed herewith as **Appendix 3**, the Chairman declared all the resolutions tabled at the 4th AGM as carried.
- 16.3 Therefore, **IT WAS RESOLVED: -**

ORDINARY RESOLUTION 1
TO APPROVE THE NON-EXECUTIVE DIRECTORS’ REMUNERATION FOR THE PERIOD FROM 23 JULY 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN THE YEAR 2022

THAT the Non-Executive Directors’ Remuneration for the period from 23 July 2021 until the next Annual General Meeting of the Company to be held in the year 2022, the details of which are disclosed in Note B of the Notice of the Fourth Annual General Meeting, be and is hereby approved.

ORDINARY RESOLUTION 2
RE-ELECTION OF DATUK KAMARUDIN BIN MERANUN IN ACCORDANCE WITH RULE 119 OF THE COMPANY’S CONSTITUTION

THAT Datuk Kamarudin bin Meranun, the Director who retired by rotation pursuant to Rule 119 of the Company’s Constitution and who being eligible had offered himself for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

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ORDINARY RESOLUTION 3
RE-ELECTION OF TAN SRI ANTHONY FRANCIS FERNANDES IN ACCORDANCE WITH
RULE 119 OF THE COMPANY’S CONSTITUTION

THAT Tan Sri Anthony Francis Fernandes, the Director who retired by rotation pursuant to Rule 119 of the Company’s Constitution and who being eligible had offered himself for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 4
RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY AND TO
AUTHORISE THE BOARD OF DIRECTORS TO DETERMINE THEIR REMUNERATION

THAT Ernst & Young PLT be and are hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS – ORDINARY RESOLUTION 5
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE
COMPANIES ACT, 2016 (“THE ACT”)

THAT pursuant to Sections 75 and 76 of the Act, the Constitution of AirAsia Group Berhad (“**the Company**”) and subject to the approval of the relevant authorities, where required, the Board of Directors (“**Directors**”) of the Company be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting.

SPECIAL BUSINESS – ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW
SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF
A REVENUE OR TRADING NATURE

THAT approval be and is hereby given for the renewal of existing shareholders’ mandate and new shareholders’ mandate for AirAsia Group Berhad (“**the Company**”) to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“**Recurrent Related Party Transactions**”) as set out in Section 2.3 of the Circular to Shareholders dated 31 May 2021 (“**Circular**”), subject further to the following:-

- i. the Recurrent Related Party Transactions are entered into in the ordinary course of business which are:
 - (a) necessary for the day-to-day operations;

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- (b) on normal commercial terms and transaction price which are not more favourable to the related parties than those generally available to the public;
 - (c) undertaken on arm’s length basis; and
 - (d) not to the detriment of the minority shareholders of the Company;
- ii. the shareholders’ mandate is subject to annual renewal and this shareholders’ mandate shall only continue to be in full force until:
- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following the AGM at which this shareholders’ mandate is approved, at which time it will lapse, unless by an ordinary resolution passed at that AGM, such authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“**Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is the earliest.

THAT the Directors of the Company and/or any one of them be and are hereby authorised to complete and do all such acts and things and take all such steps and to execute all such transactions, deeds, agreements, arrangements and/or undertakings as the Directors in their discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Recurrent Related Party Transactions with full powers to assent to any modifications, variations and/or amendments thereto.

AND THAT as the estimates given for the Recurrent Related Party Transactions specified in Section 2.3 of the Circular being provisional in nature, the Directors of the Company and/or any one of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.6 of the Circular.

SPECIAL BUSINESS - ORDINARY RESOLUTION 7
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF AIRASIA GROUP BERHAD (“THE COMPANY”)

THAT subject always to the Companies Act, 2016 (“**Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Board of Directors (“**Directors**”) of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

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- i. and the aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) or held by the Company pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company at any point in time; and
- ii. the maximum amount of funds to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the amount of the retained profits of the Company at the time of the purchase,

(“**Proposed Share Buy-Back**”).

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, following at which time the authority shall lapse, unless the authority is renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, Constitution of the Company, Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares;
- ii. To distribute all or part of the Purchased Shares as dividends to shareholders;
- iv. To resell all or part of the Purchased Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;
- v. To transfer all or part of the Purchased Shares for the purposes of or under an employees’ share scheme;
- vi. To transfer all or part of the Purchased Shares as purchase consideration; and/or

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- vii In any other manner as may be prescribed by applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities, and/or any other relevant authority for the time being in force,

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and to enter into or execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares.

17.0 CLOSE OF MEETING

- 17.1 There being no other matters, the Chairman thanked all present for their active remote participation in the Meeting, and declared the Meeting closed at 12.07 p.m.

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Appendix 1 to the Minutes of the 4th AGM

ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 13 JULY 2021 FOR THE 4TH AGM

Issues raised	Reply
<u>Operational & Financial Matters</u>	
<p>1. Each one of AirAsia’s other digital businesses has also grown tremendously. Teleport is no longer just a cargo operator; leveraging demand for ecommerce logistics, it now offers home delivery in 77 Asean cities. With BigPay, users in both Malaysia and Singapore can now send money to bank accounts in 10 countries - with India, Nepal, Bangladesh, Australia and China being the latest additions. (Page 62 of Annual Report 2020 (AR))</p> <p>How are the growth rates in the top line for Teleport and BigPay? Have both been registering significant profits?</p>	<p>Teleport’s revenue in 2020 declined 42% YoY as its cargo & freighter business was impacted by the reduction in flights operated by AirAsia’s airlines. Nonetheless, in 2020, Teleport leveraged increased demand to improve its delivery business which saw a significant improvement of 122% YoY in revenue, softening the overall revenue decline for Teleport. Teleport reported an EBITDA margin of 32% in 2020.</p> <p>BigPay’s revenue increased 267% YoY in 2020 as BigPay saw the volume of remittance transactions grow approximately five-fold during the year, while online spending via its card also increased significantly. As BigPay remains in gestation period, BigPay reported a negative EBITDA of RM83 million in 2020.</p>
<p>2. Driven by strategic capacity and route planning as well as robust demand, by December 2020 AirAsia Thailand exceeded its pre-Covid domestic capacity while AirAsia Indonesia had recovered 93% of its capacity. At the Group level, AirAsia ended the year with close to 60% of the number of seats flown prior to the pandemic, and achieved a commendable load factor of 74%, which compared very favourably against its peers. (Page 64 of AR)</p> <p>(a) Moving on into 2021, have the performances of AirAsia Thailand and AirAsia Indonesia continued to improve? What about AirAsia Malaysia and AirAsia Philippines?</p>	<p>(a) After the second wave softened demand in mid-December 2020, AirAsia Thailand managed to resume all domestic routes by the end of March 2021. However, recovery was short-lived as it was impacted by the third Covid-19 wave that began in early April 2021.</p> <p>AirAsia Indonesia operated close to 70% of pre-Covid domestic capacity in 1Q2021 and further demonstrated strong signs of recovery before it went into hibernation in early July as the government of Indonesia called for a state of emergency in Java & Bali as Covid-19 cases spiked.</p>

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<p>(b) With the Covid-19 vaccination moving into full gear, providing positive outlook for the commercial airlines, when is the Group expected to turn around?</p>	<p>AirAsia Indonesia was doing well prior to the current lockdown.</p> <p>AirAsia Malaysia’s recovery has remained subdued due to the lockdown imposed in the country since January 2021.</p> <p>AirAsia Philippines is gradually resuming its services, running a limited number of charter and passenger flights due to community quarantine restrictions implemented within its destinations. At present, AirAsia Philippines is operating approximately 15% of its pre-pandemic commercial operations, but despite flying only from its Manila hub, improvements in flight capacity and passenger count have grown more than 60%, from 2H 2020 to 1H 2021.</p> <p>(b) The Group expects its domestic operations to turnaround within a year. International, however will likely take longer due to multiple extraneous factors such as border controls and country regulations. Nonetheless, AirAsia do expect international travel to resume gradually in late 2021/ 2022 and be more targeted, with the formation of travel bubbles between specific green zones in Asean by the end of this year before seeing further reopening of borders. We do believe short-haul will recover faster than long-haul, and leisure travel will recover faster than business travel.</p>
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3.	<p>For financial reasons and to focus on Asean where its brand and foothold are the strongest, AirAsia made the strategic decision in 2020 to close down its operations in Japan while reducing its equity in India. (Page 64 of AR)</p> <p>What are other compelling reasons to close down its operations in Japan and reduce its equity in India? Why was the operations in India not closed down and any plans to do so in the near future?</p>	<p>The primary reason for AirAsia decision to close down the AirAsia Japan operations and reduce AirAsia equity in AirAsia India is due to financial limitations for the Group during the ongoing pandemic and to refocus AirAsia efforts to grow market share in the Asean core markets.</p> <p>Despite AirAsia efforts to sustain the AirAsia Japan operations, AirAsia concluded that it would be challenging to continue operating without any visibility and certainty of a post-pandemic recovery path. Prior to the pandemic, AirAsia Japan was loss-making primarily due to lack of scale with only three operating aircraft. Growth was challenging as AirAsia were bound by regulatory constraints including limited slots availability.</p> <p>As for India, it remains an important market for us and AirAsia are committed to working together with the other key shareholder as AirAsia associate company.</p>
4.	<p>The Group seeks to raise between RM2.0 billion and RM2.5 billion via a combination of debt and equity funding to ensure sufficient liquidity for the Group. It has also explored opportunities in the international market; and in the first quarter of 2021, successfully completed two tranches of a private placement exercise through which it raised a total of RM336 million. Both tranches make up 470.21 million shares, representing 14.07% of its total issued shares. (Page 65 of AR)</p> <p>(a) What is the targeted timeline to complete raising the funds fully under the private placement exercise? What is the estimated remaining amount to be raised?</p> <p>(b) What is the Group’s current liquidity position and how is the Group coping with it?</p> <p>(c) What is the estimated timeline to raise between RM2.0 billion and RM2.5 billion?</p>	<p>(a) AirAsia have completed its private placement exercise via two tranches in 1Q2021. In total, both tranches delivered 470.21 million new shares issued under the private placement exercise, representing 14.07% of AirAsia Group’s total issued shares and raised a total of RM336.5 million. As for the remaining balance of 6%, this may be utilised by the Company to issue new securities up until 31 December 2021 subject to Bursa’s approval for the extension of time to issue the remaining placement shares up to 31 December 2021.</p> <p>(b) As of 31 March 2021, AirAsia have RM448 million in cash and cash equivalent. We expect to have sufficient liquidity in 2H2021 and 2022. We have undertaken numerous measures to improve AirAsia cash flow including, but not limited to:</p>

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| | | <ul style="list-style-type: none"> (i) Reducing the Group’s operating expenses through Group-wide cost containment exercises such as headcount rationalisation, salary cuts for management, staff and directors and restructuring of leases and fuel hedging. Consequently, average monthly cash burn has been on a quarter-on-quarter downtrend since Covid hit in late 1Q2020. Fixed costs have also reduced by 54% in 1Q2021. (ii) Fundraising and monetisation, such as raising RM336.5 million in 1Q2021 via private placement, completed sale and leaseback of one engine and sale of one engine in 1Q2021 after a sale and leaseback of seven engines in 3Q2020 and disposal of the 32.67% stake in AirAsia India which raised approximately RM153 million. In regards to funding under the Danajamin scheme, we have obtained approval letters from two banks and are in various stages of discussion with other financial institutions to raise RM1.0 billion in total. We have also announced a rights issue earlier this month, which is subject to SC & Bursa’s approval, as well as shareholders’ approval at an Extraordinary General Meeting to be convened. (iii) Accelerating growth of AirAsia’s digital businesses, including the airasia SuperApp, Teleport logistics venture and AirAsia’s fintech arm BigPay across key Asean markets. (iv) Active capacity management to match demand. We have plans to return 14 aircraft in 2021. AirAsia network plans are continuously revised to reflect the latest recovery timeline. We expect profitability of AirAsia’s airline business to increase compared to pre-Covid levels, as AirAsia have established leaner operations, reduced costs and removed loss-making routes and stations to focus on the most profitable and popular routes. We also expect to see an encouraging |
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		<p style="text-align: center;">airfare environment with more rational competition.</p> <p>(c) The timeline is this year. Barring any unforeseen circumstances and subject to the relevant approvals being obtained, the proposed rights issue is expected to be completed in 4Q2021. In regards to Danajamin, AirAsia are waiting for the relevant approvals.</p>
5.	<p>One of the most exciting developments within airasia digital was the launch of the airasia super app in October 2020.</p> <p>Today, the Group is thrilled to offer more than 15 different types of products and services, with a single sign-on and the ability to earn and burn loyalty points, all within one platform. (Page 65 of AR)</p> <p>(a) With so many products/services, would there not be lack of focus/concentration though there may be a certain degree of crossselling?</p> <p>(b) What are the plans to replicate such business model in other countries?</p>	<p>(a) We have established five pillars within the airasia Super App which is overseen by its own line-of-business head, reporting to the CEO:</p> <ul style="list-style-type: none"> (i) Travel (ii) Delivery (iii) Fintech (iv) Health (v) Edutech <p>Each pillar will be complementary to support each other.</p> <p>Additionally, AirAsia believe the following key attributes will power an efficient customer acquisition and retention engine: (i) Vast data pool, (ii) single sign on and BigPay checkout, (iii) rewards program, (iv) Unlimited, (v) proprietary and unique acquisition channels.</p> <p>(b) We would like to replicate all business pillars listed above across all AirAsia’s key Asean countries. For the travel pillar, AirAsia has presence in all Asean countries since pre-Covid times.</p>

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6.	<p>The Group’s digital businesses accounted for 42% of the Group’s revenue in the fourth quarter and achieved break-even earnings before interest, tax, depreciation and amortisation (EBITDA) for the year. The Group is encouraged by these early signs of success and expects its digital and nonairline revenues to contribute around 50% to the Group by the year 2025. (Page 67 of AR)</p> <p>(a) Within the digital business segment, which sub-sectors/businesses registered or expected to register the highest growth and why?</p> <p>(b) Is the digital business segment expected to turn profitable in FY2021?</p>	<p>(a) Super app is expected to register the highest growth due to optimistic outlook on the travel sector and continued growth in the delivery of various e-commerce, food, and fresh products. With the rise in vaccination rates across the globe, and especially in certain Southeast Asian countries such as Malaysia, the domestic and international travel industry’s rebound is within reach. The delivery sector is expected to prevail in the short and long term particularly in the lifestyle sector globally as AirAsia continues to embrace the new normal.</p> <p>(b) No. The Travel/OTA segment is the key contributor to the airasia Super App’s revenue and resumption of flights is the key success factor for Teleport’s Cargo business. For 1Q2021, Travel/Cargo contributes approximately 88% of total revenue of Digital sector of the group.</p>
7.	<p>Asia Digital Engineering (ADE) is a wholly-owned subsidiary setup to provide Maintenance, Repair and Overhaul (MRO) services for airlines in the region. While the objective, initially, was to provide centralised technical support for AirAsia’s fleet of aircraft, in the space of three months, ADE made very encouraging progress and even secured contracts from three external airlines. (Page 80 of AR)</p> <p>(a) What is the total value of the secured contracts and average tenure of the contracts?</p> <p>(b) To which other regions has ADE ventured into to expand its customer base and what is the progress?</p>	<p>(a) The value of the secured contracts is estimated at RM2 million and the average tenure is 3 years.</p> <p>(b) ADE currently has approval from Directorate General of Civil Aviation (DGCA) Indonesia and is looking forward to obtaining the relevant approvals from Civil Aviation Authority of Thailand & Civil Aviation Authority of the Philippines.</p>

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8.	<p>There were substantial increases in impairment charges for the Group in the following items for FY2020: (Page 213 of AR)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: right;">2020</th> <th style="width: 15%; text-align: right;">2019</th> </tr> <tr> <th style="text-align: left;">Impairment of:</th> <th style="text-align: right;">RM'000</th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td>- Amount due from associates (Note 23)</td> <td style="text-align: right;">264,071</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Amount due from related parties (Note 24)</td> <td style="text-align: right;">615,578</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Trade receivables (Note 18)</td> <td style="text-align: right;">53,539</td> <td style="text-align: right;">5,415</td> </tr> <tr> <td>- Other receivables (Note 18)</td> <td style="text-align: right;">344,420</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Property, plant and equipment (Note 11)</td> <td style="text-align: right;">43,670</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Right-of-use assets (Note 29)</td> <td style="text-align: right;">552,290</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Finance lease receivables (Note 29)</td> <td style="text-align: right;">90,035</td> <td style="text-align: right;">-</td> </tr> <tr> <td>- Investment in associates (Note 14)</td> <td style="text-align: right;">59,272</td> <td style="text-align: right;">-</td> </tr> </tbody> </table> <p>(a) What are the main reasons for the substantial impairment charges for each item?</p> <p>(b) For each item, what is the likelihood of further impairment or reversal or recoverability, where applicable, in FY2021?</p>		2020	2019	Impairment of:	RM'000	RM'000	- Amount due from associates (Note 23)	264,071	-	- Amount due from related parties (Note 24)	615,578	-	- Trade receivables (Note 18)	53,539	5,415	- Other receivables (Note 18)	344,420	-	- Property, plant and equipment (Note 11)	43,670	-	- Right-of-use assets (Note 29)	552,290	-	- Finance lease receivables (Note 29)	90,035	-	- Investment in associates (Note 14)	59,272	-	<p>(a) The impairment of amount due from associates, amount due from related parties, trade receivables and other receivables are predominantly arising from the announcements of the cessation of business operations of AirAsia Japan, creditors restructuring announced by AirAsia X and the outlook of future business prospects in the respective countries.</p> <p>For the impairment of rights-of-use assets, finance lease receivables and property, plant and equipment, these are relating to aircraft. Due to the ongoing pandemic, aircraft are grounded, thus reducing cash flow generation. The requirement of the accounting standard is to take an impairment on the reduced generation of profits.</p> <p>For the investment in associates, this is in relation to the ground-handling business which was equally impacted due to the current economic impact of the Covid-19 pandemic.</p> <p>(b) All of the impairment items mentioned above need to be reviewed periodically. If conditions and outlook improve, the impairment items will be adjusted accordingly.</p>
	2020	2019																														
Impairment of:	RM'000	RM'000																														
- Amount due from associates (Note 23)	264,071	-																														
- Amount due from related parties (Note 24)	615,578	-																														
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- Finance lease receivables (Note 29)	90,035	-																														
- Investment in associates (Note 14)	59,272	-																														
9.	<p>The Board of AirAsia Group Berhad had on 7 July 2021 announced the proposed acquisitions of 100.0% of the equity interest in Velox Technology (Thailand) Co. Ltd. (VT) and 100.0% of the equity interest in Velox Fintech Co. Ltd. (VF). The Purchase Considerations were arrived at on a willing-buyer and willing-seller basis, after taking into consideration, inter alia, the initial investment amount put in by the Sellers. The Purchase Considerations may give rise to impairment risk in relation to the recognition of goodwill and/or intangible assets, being the difference between the Purchase Considerations and the fair value of the identifiable assets and liabilities of VT and VF.</p>	<p>(a) The valuation parameter of the acquired asset is in line with comparable peer and precedent transaction multiples. On top of this, AirAsia also considered the future prospects of the acquired asset to arrive at the purchase consideration. There are many business benefits that appeal to the acquirer, such as go-to-market speed, licenses, market expansion, talent onboarding, and cost effectiveness for customer, merchant, and driver acquisition.</p> <p>(b) On purchase of a new entity, the acquirer will have to perform a purchase price allocation to determine the amount of goodwill or intangible or any other assets acquired from the</p>																														

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	<p>(a) What is the basis of using, among others, the investment amount put in by the Sellers instead of using other quantifiable amounts or valuation parameters?</p> <p>(b) What is the estimated amount of goodwill and/or intangible assets that may be impaired?</p>	<p>business. The current exchange of assets is based on the current market valuation of Velox Technology and Velox Fintech and it is not expected to have an immediate impairment. Goodwill and intangibles are tested periodically by reviewing the cash flow and parameters of operational forecast and AirAsia are confident that based on AirAsia overall business plans, AirAsia does not foresee any impairment on either the goodwill or intangible assets.</p>
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Appendix 2 to the Minutes of the 4th AGM

**AirAsia Group Berhad 4th Annual General Meeting
Pre-Meeting and Live Questions**

1. There are more scams happening these days using the name of BigPay. How does AirAsia look at it and what's AirAsia's solution in preventing the leaking of user information?

To clarify, there has been no data leak from BigPay. BigPay's database is 100% guarded and secured against any leak or breach by scammers, fraudsters or hackers. Scammers, however, may gain access to phone numbers through multiple ways such as screenshots of phone numbers in large WhatsApp groups, social media, and from businesses selling consumer phone numbers in batches. Scams impact all e-wallets and financial institutions, not just BigPay and there has been a significant uptick globally as a result of Covid-19. BigPay does not purchase, sell or exchange any of its customers' data to anyone – it is not just against the founding principles of BigPay, it is unlawful and will result in severe legal action.

BigPay's security team is working around the clock to report scammers and evolve its security systems to fight fraud, including:

- Efforts to take down any webpage that's impersonating BigPay
- Reporting to authorities on the WhatsApp numbers used by scammers. BigPay does not engage customers on WhatsApp and in particular, for any sensitive information
- Training its machine learning system to flag and recognise fraudulent behaviours
- Ongoing improvements in BigPay's algorithm to catch scammers early
- Strengthened password reset requirements

Other efforts by BigPay to help keep users' money safe include sending constant reminders if there is unusual user activity, proactively freezing a user's account in serious cases and enabling users to freeze their cards via app, 3D secure and multiple authentication levels.

While BigPay has taken plenty of measures, and is still working on toughening up its security against fraud, the key for users is to never share OTP. The battle against scammers needs to be fought from both BigPay's end and through users' vigilance as the scams are not successful if customers do not give away their personal information.

2. There is no female Director in the Board. What is the plan by Nomination & Remuneration Committee in resolving this matter?

The Board places emphasis on recruiting women directors to achieve an optimum and balanced composition of the Board and has in place a Board Diversity Policy which ensures a broad dimension of diversity is present to guarantee diverse viewpoints. In identifying suitable candidates for appointment to the Board, the Nomination and Remuneration Committee ("NRC") will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Some of the criteria to be taken into consideration in the selection process can include millennial

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appeal, gender diversity, entrepreneurial skills, global mindset and leadership role(s) in medium to large size organisation(s).

The Board had one (1) woman director who resigned during the Financial Year 2020 due to personal commitments. The NRC and Board were actively seeking to fill these vacant positions, but the shift had been to broader concerns, as there were other pressing issues that had affected the airline industry due to the Covid-19 pandemic. Nevertheless, the NRC and the Board have not stopped the process and are actively seeking new women directors to join the Company. The ultimate decision on the selection of candidate(s) would be based on merit in the context of the skills, experience and contribution the chosen candidate(s) will bring to the Board. The Group currently has approximately nine (9) women directors on the Boards of its subsidiaries.

3. Note 24 - Amounts due from/(to) related parties :

(a) Gross amounts due from related parties increased significantly from RM135 million to RM750 million. Could the Management please provide details of the gross receivable balances due from each related parties?

- i. AAX - RM325 million, 43% of total amount;
- ii. TAAX - RM221 million, 29% of total amount;
- iii. IAAX - RM112 million, 16% of total amount; and
- iv. AAI and others - RM83 million representing 11% of total amount from other companies.

(b) Amounts due from AirAsia X Berhad net of impairment is disclosed as RM5,887,000. However, in the Page 16 to the RRPT Circular, it is stated that the Group have provided the amounts due from AAX in full. Does the disclosure note and the statement in Circular contradict each other? Which position is correct?

All past amounts have been fully written off. The amount of net RM5.8 million is related to current amounts for services such as shared service and ICT systems costs that have yet to be separated from AAGB. However, these amounts had being paid in advance in the following month to AAGB. There are two (2) different basis for disclosures in RRPT Circular and Note 24 of Audited Financial Statements for the financial year ended 31 December 2020 (“AFS FYE 2020”) whereas Note 24 inclusive of all receivables (net of impairment) consolidated of AAGB and its subsidiaries, PAA and IAA for the amount due from AAX, IAAX, AAI and others while the statement in RRPT circular are the amount owing to AAGB and its subsidiaries by AAX, IAAX and TAAX are the amount of related parties in relation to the service given under RRPT.

4. Page 271 to the Annual Report - The Group is having RM5,916 million of liabilities with maturity of less than 1 year. How does the Group plan to settle these liabilities when they are due? Does the various funding sources as disclosed in Note 45 and the recently announced right issues be sufficient to cover the repayments?

Out of the liabilities of RM5.9 billion, approximately RM3.2 billion are related to the lease liabilities and RM0.9 million are sales in advance. We are working towards raising

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funding of between RM2 billion to RM2.5 billion whilst also reviewing with the lessors lease restructuring proposals which will reduce the past debt dues. Our fundraising plan includes funding from financial institutions, investors and the recent rights issue announcement which is expected to be completed in 4Q21.

5. Key Audit Matter - Impairment assessment of intangible assets: MFRS 136 Impairment of Assets

- (a) requires disclosures of each key assumption on which management has based its cash flow projections for cash generating units (CGU) containing goodwill or intangible assets with indefinite useful lives. Hence, could the Management please also disclose what is the range of revenue per passenger, load factor, & cost escalation rates throughout the cash flow projections period for CGU of BIG, IAA, & PAA?

The majority of the intangible assets at IAA and PAA are around RM444 million. We expect that the revenue per passenger and load factors for the domestic market will return to pre-Covid levels in mid-2022 with the full recovery overall to pre-Covid levels in 2023. The costs are expected to remain constant with no escalation in the year 2021 and 2022 with a range of 2 - 3% increase in the year 2023 onwards.

- (b) specifically requires quantitative disclosures (i.e. values) in respect of the discount rates and growth rates used to extrapolate cash flow projections. The range of discount rate applied had been disclosed in page 254 to the Annual Report. However, could the Management please also disclose what is the range of growth rate used throughout the cash flow projections period for the airline CGU?

The discount rates and growth rates had been disclosed in Note 16 of AFS FYE 2020 which the discount rates range between 9-12.5% for IAA and PAA and 16% for BigLife. The growth rates are around 2%. The only difference between the 2 projections is the impairment of PPE and ROU is based on the current fleet size and current economic condition due to Covid-19.

6. Note 38 Significant Related Party Transactions (Page 264 to the Annual Report): The recharges of expenses increased significantly although the operating level declined. What are these expenses being recharged by the Group and why the recharges of expenses increased significantly? Are the related parties able to repay these expenses recharged?

The increase in recharges of expenses is related to mainly the fuel hedge losses. AAI has settled the amount, Thai AirAsia will settle by December 2021. Both AAX and TAAX will be able to repay these expenses once the respective countries have opened up the economy and the aviation industry recovers.

7. In light of the dampened demand for air travel, any chance or intention for the Group to recover the deposits on aircraft purchase of RM590 million?

We are currently in talks with Airbus to revise the aircraft redelivery schedule.

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8. It is stated that during the financial year, RM110 million had been drawn down to part-finance the project to turn Kota Kinabalu International Airport into an international hub. Could the Management please provide more insights pertaining to this project and whether is it still on-going?

The current project is still ongoing and AirAsia have already narrowed down lessors for aircraft to be placed out of Kota Kinabalu. The progress had been somewhat slower than expected due to the current economic conditions and prolonged pandemic impacts where travel is still restricted. We expect to launch the routes once international travel is permitted.

9. How is AirAsia maintaining proper good preventive maintenance while most of its airplanes are idle?

The aircraft still requires a maintenance check/inspection every 7 days, 15 days, 30 days etc. even if it's on ground. When the aircraft needs to be back for operations, AirAsia has a check/inspection which needs to be performed as well. All the said maintenance activities for the grounded aircraft are being performed as per Airbus's recommendation regulated by each country's Civil Aviation Authority.

10. What is AirAsia's strategy in digital banking? What is the selling point and difference from the traditional bank?

BigPay is here to democratise access to digital bank services by bringing transparent, convenient and low-cost financial services which would benefit users including the under banked. We also prioritise on user experience by focusing on simplifying lengthy bank processes, convenience and promoting financial management skills. The fundamental differences are in the cost base of a digital bank allowing BigPay to access more customers in a sustainable way. Lastly, the digital bank will distribute tailored products for mSMEs within the AirAsia ecosystem, further reducing acquisition costs.

11.

- (a) What are the advantages of airasia food delivery to compete with GrabFood or FoodPanda in Malaysia? Will this business continue after the aviation sector re-open?
- (b) Will food delivery revenues be sufficient to contribute to the operating cash flow or AirAsia Group if travel still does not resume?
- (c) Is digital business going to become the core business for AirAsia? What is the business plan and rate of return in the next 5-10 years?

The Management is aggressively working on raising brand awareness for AirAsia food and competing with the lowest priced meals and delivery fees while leveraging on a local approach to offer better selections and variety to consumers. AirAsia food, as all line of businesses under AirAsia SuperApp, collectively contribute to the Group via AirAsia's Digital pillar.

The Management has reorganised the Group into two pillars, Airline and AirAsia Digital in 2019 and have used the downtime in flying over the past year to focus more intently on building these digital businesses. One of the most exciting developments within AirAsia Digital was the launch of the AirAsia SuperApp in October 2020. The app is the current iteration of the airasia.com platform that has been used since day 1 for guests to book

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their flights with us. Today, AirAsia is thrilled to offer more than 15 different types of products and services, with a single sign-on and the ability to earn and burn loyalty points, all within one platform.

For Teleport, AirAsia’s logistics arm, the continued growth will be accelerated by the addition of the company’s first dedicated freighter, a Boeing 737-800F and by the conversion of two (2) AirAsia’s A320 passenger aircraft, with seats removed for increased capacity of freight and cargo delivery in Q3 2021. Teleport also leverages on digital interlining *via* Freightchain, the world’s first digital air cargo network run on blockchain, which was launched last year.

AirAsia’s fintech arm, BigPay is here to democratise access to digital bank services by bringing transparent, convenient and low-cost financial services which would benefit users including the unbanked and under banked. The Management also prioritises based on user experience by focusing on simplifying lengthy bank processes, convenience and promoting financial management skills. We are currently focusing on Payments, Remittance, Lending, Insurance and Wealth Management.

For the year 2020, AirAsia Digital contributed 14% to overall Group revenue; and AirAsia are confident of increasing this figure to 50% by 2025.

12. What is AirAsia's view on IATA Pay which aims to cut down on credit card interchange fees for airlines?

IATA Pay is a payments solution within IATA’s overall payment processing proposition. For airlines that use their processing network and solutions, IATA operates a payment orchestration (payment gateway) solution suite to facilitate payments for them. IATA Pay is a “direct debit” payment solution where the funds are debited instantly from the customer’s account and subsequently credited to IATA’s account. It is important to note that the IATA Pay, is a B2B cash management solution put in place between a travel agent and an airline, and it is not a B2C consumer solution (although it could be made to work that way as well).

In this model, IATA operates as an aggregator or acquirer consolidating all transactions through this orchestration platform. IATA Pay stores the customer’s (the agents) bank details securely on their platform and much like “Amazon Checkout” will require that IATA Pay be enabled on the airline’s payment page as a new payment type. Thus allowing for a more frictionless payment experience for their customers. However, for IATA Pay to deduct the amounts due on demand, the customers would need pre-consent for that “on-Demand GIRO” or Request-To-Pay (RtP) to take place. An onboarding process, that is still necessary at setup.

One point to note is that unlike Europe, Open-Banking is in its infancy in ASEAN and not many banks have implemented Open-Banking APIs, most of them are still awaiting direction from their local central banks on a way forward for their markets.

As you may be aware, AirAsia, unlike the larger carriers, are not fully dependent on IATA’s payment infrastructure. AirAsia owns enterprise payments network that was developed in-house, that allows us to handle card, direct debit and wallet based transactions across all the countries AirAsia operates in. AirAsia is also already have an existing B2B payment process already in place today for travel agents utilising both direct debit bank transfers as well as corporate card payments. This allows us to provide AirAsia agents the flexibility

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of payments for the flights they buy from us and AirAsia are also looking to enable a B2B Wallet solution that would allow agents to also purchase on AirAsia B2C sites as well. The wallet solution would allow for a truly seamless experience for AirAsia customers as well as a cost effective solution for us since it will not require the use of Card Scheme rails to do so.

13. Recent Amadeus study shows that 63% Malaysian are more likely to book with an airline that offers pay when you fly concept. Also noted that AirAsia partnered with Zip in Australia to offer BNPL (buy now pay later) option for flights. What are the company's thoughts on this concept? Any plans to offer this to Malaysian market?

AirAsia will also offer buy now pay later (“BNPL”) in Malaysia as currently offered in Australia. BigPay is in the midst of developing its own overdraft landing facility which is another form of BNPL and it is better for the consumers. As at now, AirAsia are still in the discussion stage.

14. Just suggestions. I feel airasia.com may want to sell some products on platforms like Shopee and Lazada. They are frenemies. AirAsia needs more brand awareness. Also I feel AirAsia should focus more in niche segments like localized arts & crafts as a market penetration strategy. Perhaps AirAsia can even try to form a strategic partnership with Etsy? For BigPay, I feel it is not moving fast enough. Perhaps AirAsia should be more aggressive in partnerships like with Genting, Booking.com, etc.?

The Management has developed BigPay business using a limited capital and the app was just launched in October 2020. Currently, AirAsia has acquired Gojek and being partnered with Kiwi.com and there are many others strategic relationships that AirAsia is working with. Once AirAsia have successfully raised the capital, there will be a lot of improvement. Looking ahead five (5) years, AirAsia will be able to build a sustainable business.

15. How confident is AAGB to win the digital bank licence?

There are 29 applications received by Bank Negara Malaysia (“BNM”) for digital banking licenses. BigPay has put together a strong consortium of strategic partners to support its application which inclusive of Malaysian Industrial Development Finance Berhad (MIDF), Ikhlas Capital, a private equity firm partly owned by former banker Datuk Seri Nazir Razak and a foreign conglomerate with fintech expertise. One of the reason for BNM to setting up a digital bank license is to create inclusive financial transaction. We believe that with AirAsia’s brand and strategic partnerships AirAsia can be the first ASEAN digital bank. BigPay has around 1.2 million users and it is expected to be increased once AirAsia is given the license.

16. What is AA plan to revive domestic air travel and are there any plans to improve routes/new routes between states?

Once the Government of Malaysia lifted the state borders and travel restrictions, AirAsia will commence flying to a new routes within Malaysia. AirAsia is committed towards domestic travels.

17. With the on-going worldwide pandemic and inter-state travel restriction, how long can the Group survive based on the current cash balance?

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The outbreak of the global Covid-19 pandemic has started since January 2020 and up till today AirAsia is still able to survive. The Company has implemented several measures to weather through this current challenging time. The Management is also in the midst to raise more capital via proposed rights issue. The Management is confident that AirAsia will resume to fly much quicker with the vaccinations continue to be rolled out in phases across all key markets and fund raising is a critical component for AirAsia recovery strategy. Nonetheless, AirAsia remains confident in its ability to recover quickly and strongly.

18. Based on the previous acquisition of Gojek in Thailand, AirAsia would like to know what type of standard or element of the organisation that had been taking consideration for board to decide on the acquisition? Second: Which will be the next target of acquisition (if there are)

The key that AirAsia looks at is the infrastructures that Gojek has done and built on. The acquisition provides AirAsia SuperApp with immediate access to an existing e-commerce business with registered food merchants, delivery partners, and on-ground resources to jump start AirAsia SuperApp’s e-commerce business.

The Management is keen to build a delivery infrastructure and to be the best logistics provider not only on the air but also on the ground by having AirAsia own delivery companies such as food delivery, ride hailing services and package delivery which would add AirAsia ability to lower the cost for third parties. We are not limiting the business for AirAsia only for example like Teleport, it also provides delivery services for other market players. With 4,000 drivers that Gojek brought together with its infrastructures and GoPay license, AirAsia will be in the right position.

The Management will continue exploring to acquire more small market players into AirAsia and over the next few months there will be more acquisitions mainly for logistics delivery service and logistic capabilities. The Management is also actively looking for skills and if there is, the proposed transaction will be tabled to the Board of Directors for their deliberation.

19. How good is the response towards Airasia SuperApp in terms of food delivery compared to other services (Foodpanda, Grabfood, easieat, etc)

AirAsia SuperApp has opened its e-commerce at Klang Valley, Kota Kinabalu and Penang and the responses received are good and the business is growing. The key of business is to make profit and become sustainable instead of focusing on becoming number one (1) player in the market.

20. As Airasia is applying for digital bank licence for BigPay, is there any consideration of using cryptocurrency in the future via BigPay?

AirAsia will only consider using cryptocurrency once it is recognised as legal tender by BNM.

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21. (i) **Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times.**
- (ii) **Will the Company be giving any e-vouchers/e-wallet to all its shareholders and proxies attending this live streaming AGM and remote voting?**

The Company will not be giving out any door gifts for this AGM.

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(201701030323(1244493-V))

Fourth Annual General Meeting

Online Meeting Platform via TIHH Online website at

<https://tihh.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

On 22-July-2021 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	2,090,747,462	99.4760	605	83.9112	11,012,414	0.5240	116	16.0888	2,101,759,876	100.0000	721	100.0000
Ordinary Resolution 2	2,035,162,172	96.8816	619	84.7945	65,507,829	3.1184	111	15.2055	2,100,670,001	100.0000	730	100.0000
Ordinary Resolution 3	2,073,118,260	98.6651	678	92.7497	28,048,741	1.3349	53	7.2503	2,101,167,001	100.0000	731	100.0000
Ordinary Resolution 4	2,102,517,297	99.9863	693	94.0299	288,614	0.0137	44	5.9701	2,102,805,911	100.0000	737	100.0000
Ordinary Resolution 5	1,843,311,587	87.6695	649	89.1484	259,257,014	12.3305	79	10.8516	2,102,568,601	100.0000	728	100.0000
Ordinary Resolution 6	1,073,156,305	99.9599	664	91.4601	430,414	0.0401	62	8.5399	1,073,586,719	100.0000	726	100.0000
Ordinary Resolution 7	2,102,164,597	99.9711	664	90.8345	608,614	0.0289	67	9.1655	2,102,773,211	100.0000	731	100.0000

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