

AIRASIA BERHAD
("AirAsia" or "the Company")
(Company No. 284669-W)
(Incorporated in Malaysia)

MINUTES of the Court Convened Meeting of **AIRASIA BERHAD** held at Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan on Monday, 8 January 2018 at 10.00 a.m.

PRESENT:

DIRECTORS

YBhg. Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar (*In the Chair*)
YBhg. Tan Sri Dr. Anthony Francis Fernandes
YBhg. Dato' Mohamed Khadar Bin Merican
YBhg. Dato' Fam Lee Ee
Mr. Stuart L Dean
Cik Noor Neelofa Binti Mohd Noor

SHAREHOLDERS

- As per attendance list

PROXIES

- As per attendance list

CORPORATE REPRESENTATIVES

- As per attendance list

INVITED GUESTS

- As per attendance list

ABSENT WITH APOLOGIES

- YBhg. Datuk Kamarudin Bin Meranun

IN ATTENDANCE:

Ms. Jasmindar Kaur A/P Sarban Singh (*Company Secretary*)

1.0 CHAIRMAN OF THE MEETING

- 1.1 By way of an Order, the Court appointed YBhg. Datuk Kamarudin Bin Meranun ("Datuk Kamarudin") or failing him YBhg. Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar ("Dato' Aziz") to act as the Chairman of the meeting. Dato' Aziz presided over the meeting as the Chairman and welcomed all present to the Court Convened Meeting ("CCM"). Datuk Kamarudin was absent on medical grounds and extended his apologies.

2.0 QUORUM

- 2.1 Upon confirming the presence of the requisite quorum by the Secretary, the Chairman called the meeting to order at 10.05 a.m.

3.0 NOTICE OF MEETING

- 3.1 The notice convening the meeting, having been circulated and with the consent of the

AirAsia Berhad

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shareholders present, was taken as read.

- 3.2 The Chairman informed the shareholders that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the CCM dated 14 December 2017 would be put to vote by way of poll and that the voting for the resolution will take place after the conclusion of the deliberations of the business to be transacted.
- 3.3 The Chairman highlighted to the shareholders that for the resolution of this CCM to be passed, Section 366(3) of the Companies Act, 2016 ("Act") requires a seventy-five per centum of the total value of the shareholders present and voting either in person or by proxy at the meeting or the adjourned meeting to vote in favour of the resolution.
- 3.4 Before proceeding with the Agenda, the Chairman called upon En. Rozman Omar ("En. Rozman") to give a brief presentation relating to the Company's proposed exercise. En. Rozman briefed the shareholders on his presentation of the Company's key strategic initiatives in particular those initiatives set out in the Explanatory Statement / Circular of the proposed listing of AirAsia Group Berhad ("AAGB") including the key dates and milestones, the proposed structure, the financial effects and the rationale and benefits of the proposed exercise. The Chairman thanked En. Rozman for his presentation.

4.0 PROPOSED SCHEME OF ARRANGEMENT BETWEEN AIRASIA AND ITS SHAREHOLDERS ("PROPOSED SCHEME OF ARRANGEMENT") PURSUANT TO SECTION 366(1) OF THE ACT

- 4.1 The Chairman informed the shareholders that the Agenda was to seek the shareholders' approval of the Proposed Scheme of Arrangement, subject to the relevant approvals being obtained, and subject to the passing of the resolution, which was set out in the Notice of the CCM in the Circular dated 14 December 2017.
- 4.2 The Chairman welcomed questions from the shareholders in relation to the Proposed Scheme of Arrangement (or alternatively referred to as "the Proposed Internal Reorganisation"). In summary, the issues raised by the shareholders/corporate representatives/proxies were responded by the Board of Directors/Management/Auditor as follows:-
- 4.3 1) Mr. Khong Seng Kin ("Mr. Khong") congratulated the Board of Directors on the reverse take-over acquisition of PT Rimau Multi Putra Pratama Tbk ("RMPP") by PT Indonesia AirAsia (IAA) resulting in the listing of IAA through RMPP, and the move to a "One AirAsia" structure.
- (a) Mr. Khong enquired on the equity stake and effective interest in RMPP and whether the Board of Directors would consider acquiring more shares.

En. Rozman informed the meeting that AirAsia's shareholding are 47% in RMPP and 57% in PT Indonesia AirAsia ("IAA") respectively, and explained that the shareholder's spread would be small to avoid putting pressure on the Company's

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ability to raise money from the public. He informed the meeting that AirAsia needed to be mindful of Indonesia’s foreign ownership rule, where the maximum shareholding for a foreign company is capped at 49% as well as another rule where foreign shareholding could not be more than the single largest shareholder. En. Rozman confirmed that the effective interest in IAA was 48%.

- (b) Mr. Khong enquired whether the most recent dividend was derived from the sale of the Asian Aviation Centre of Excellence (“AACE”) and if the next round of dividend payout would come from the sale of an equity stake in Ground Team Red Sdn. Bhd. (“GTR”).

The Group Chief Executive Officer of the Company, YBhg. Tan Sri Dr. Anthony Francis Fernandes (“Tan Sri Tony”) confirmed that the most recent interim dividend paid in September 2017 was derived from the sale of AACE and that the Board of Directors would deliberate on the details of future dividend payout. Tan Sri Tony informed the meeting that the Board of Directors would consider the financial position of the Company in view of its investments in joint ventures in China and Vietnam.

- (c) Mr. Khong queried whether the financials would be feasible in the One AirAsia structure.

Tan Sri Tony explained that while the Company’s shares were undervalued, the ultimate hope is for AirAsia to be a single economic vehicle. However, this aspiration of the Company would have to take into account the laws of each ASEAN country, in particular in relation to foreign equity restrictions.

- (d) Mr. Khong queried on the plans by the Company to increase the effective interest in Philippines AirAsia Inc. (“PAA”).

Tan Sri Tony informed that the Company was in discussions with the Philippines Government on possible relaxation of its foreign ownership policy.

- (e) Mr. Khong also asked whether there were plans for a joint venture on the Maintenance, Repairs and Operations (“MRO”) business.

Tan Sri Tony informed that this was in the initial stage and negotiations were taking place.

- 2) (a) Mr. Richter Anselu (“Mr. Anselu”) enquired as to whether the Board of Directors had considered merging AirAsia and AirAsia X Berhad (“AAX”) and the possibility of a dual listing.

Tan Sri Tony explained that where possible in terms of cost, AirAsia and AAX will perform things collectively. However, the business model and strategies of both companies are different, hence there were no immediate plans for the companies to be

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merged. On the possibility of a dual listing, the Company would first need to put in place a proper coherent structure and concurrently engage the respective Governments on having one ASEAN community and economic vehicle.

(b) Mr. Anselu also asked whether the Company was Shariah-compliant and if not, whether the Board of Directors had considered selling alcohol on selected routes to help boost profits.

En. Rozman explained that the Company did not meet the requisites to be a Shariah-compliant company due to the proportion of its foreign loans. He explained that following the sale of its leasing arm, the Company would be able to re-consider this issue.

Tan Sri Tony informed the meeting that the selling of alcohol on flights for selected routes was in discussion.

- 3) Mr. Poh Chung Wee ("Mr. Poh") enquired into the merger deficit of RM3.6 million and the impact it would have on the balance sheet. Mr. Poh requested that the explanation be put in writing to the shareholders.

Mr. Ong Chee Wai ("Mr. Ong") from Messrs Ernst & Young ("EY") explained that the only change would be in the holding company from AirAsia to AAGB and any difference between AirAsia and AAGB would be a mathematical deduction, which would be shown as a merger deficit. Mr. Ong informed that due to a requirement to explain and illustrate, this would be done in the audited financial statements accordingly.

- 4) (a) Mr. Tam Thin Choy ("Mr. Tam") enquired as to whether the Proposed Scheme of Arrangement would be financially beneficial and if so to substantiate it.

En. Rozman explained that the restructuring will create financial benefit to the Company and its shareholders as the Company would be more focused moving forward, which will in turn provide opportunities in the future for more revenue generation.

(b) Mr. Tam enquired into the details of the China joint venture and disposal of the leasing arm of the Company.

Tan Sri Tony informed that discussions on the China joint venture was on-going and it would be launched at the right time. As for the disposal of the leasing arm of the Company, this was also an ongoing initiative.

(c) Mr. Tam suggested that AirAsia should perform fairer disclosure when making announcements following an activity that the Company had performed, as it took about three days to a week after the Investor's call for the Investor's call to be posted on its website.

Tan Sri Tony informed that a meeting will take place in the forthcoming week with the Investor Relations' team to discuss how the Company could enhance communication

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with the shareholders more effectively.

- 5) Mr. Ooi Chim Hock ("Mr. Ooi") asked whether this reorganisation had anything to do with AirAsia and AAX. Mr. Ooi also queried the possibility of a merger.

Tan Sri Tony clarified that the proposed reorganisation is not due to the relationship between AirAsia and AAX and that there is no immediate plan for a merger of the two entities.

- 6) Mr. Khong suggested that once the Company announces the quarter results, some focus could be placed on non-airlines business.

Tan Sri Tony explained that the Company will become a digital entity. The digital arm of the business will be led by Cik Aireen Omar ("Cik Aireen"). The decision of the meeting would be a critical step to making the necessary changes internally and shape public's perception to further drive the business forward as a digital company and therefore increasing the value of the Company.

- 4.6 Mr. Khong took this opportunity to congratulate Cik Aireen on her promotion as the Deputy Group CEO.

- 4.7 Upon addressing the questions raised by the shareholders, the resolution for consideration was proposed by Mr. Khong and seconded by Mr. Poh.

5.0 POLLING PROCESS

- 5.1 For polling purposes, the Chairman declared the closure of the registration for attendance at the CCM at 11.08 a.m. and called upon the representative of Tricor Investor and Issuing House Services Sdn. Bhd ("Tricor"), the Poll Administrator to brief on the polling procedures.

- 5.2 Ms. Wong Yoke Fun of Tricor explained the polling procedures which would be conducted by way of electronic polling process.

- 5.3 The Chairman adjourned the CCM at 11.10 a.m. for fifteen (15) minutes for the polling process. The Chairman informed that the Poll Administrator would assist shareholders/proxies/corporate representatives facing any difficulties during the electronic polling process.

6.0 ANNOUNCEMENT OF POLL RESULTS

- 6.1 The CCM reconvened at 11.25 a.m. and the Chairman called the meeting to order for declaration of results.

- 6.2 The Chairman confirmed that the poll voting results has been verified by Coopers Professional Scrutineers Sdn. Bhd., representing the Independent Scrutineers and were

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presented to the meeting, which is attached as 'Annexure I'.

- 6.3 Based on the poll results verified by the Scrutineers, the Chairman announced the results and accordingly declared the resolution tabled at the CCM as passed in the following manner:

Therefore, **IT WAS RESOLVED:-**

THAT subject to the relevant regulatory approvals being obtained, and subject to the passing of the following resolution, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to implement the following:

- (a) proposed exchange of 3,341,974,080 ordinary shares in AirAsia (including 100,000 treasury shares)("AirAsia Share(s)"), representing the entire issued share capital of AirAsia, with 3,341,974,080 new ordinary shares in AAGB ("AAGB Share(s)"), on the basis of 1 new AAGB Share for every 1 existing AirAsia Share held on an entitlement date to be determined and announced later; and
- (b) proposed assumption of the listing status of AirAsia by AAGB and the admission of AAGB to, and withdrawal of AirAsia from, the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the listing of, and quotation of, the new AAGB Shares on the Main Market of Bursa Securities;

(collectively referred to as the "**Proposed Internal Reorganisation**"),

THAT the Board be and is hereby authorised to complete and give effect to the Proposed Internal Reorganisation and to do all acts and things for and on behalf of the Company as the Directors may consider necessary or expedient with full power to:

- (a) execute any other agreements in relation to the Proposed Internal Reorganisation and such other agreements, deeds, instruments, undertakings, declaration and/or arrangements including any supplementary or variation agreements and documents in connection therewith and to give full effect to and complete the Proposed Internal Reorganisation; and
- (b) assent to any conditions, modifications, variations and/or amendments as may be imposed or permitted by Bursa Securities and any other relevant authorities or as may be deemed necessary by the Directors in the best interest of the Company and to take all steps and do all acts and things in any manner as they may deem necessary and/or expedient to finalise, implement, to give full effect to and complete the Proposed Internal Reorganisation; and

AND THAT all previous actions taken by the Directors of the Company for the purpose of or in connection with the Proposed Internal Reorganisation be and are adopted, approved and ratified.

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7.0 CLOSE OF MEETING

- 7.1 There being no other matters, the meeting was closed at 11.28 a.m. with a vote of thanks from Mr. Tan Chui Heng ("Mr. Tan") to the Chair.

Signed as a correct record


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CHAIRMAN

Dated: 11 January 2018

ARASIA BERHAD
(284669-W)

Court Convened Meeting

Asian Aviation Centre of Excellence, Lot P1/25B, Jalan KLIA S5, Southern Support Zone,
Kuala Lumpur International Airport, 64000 Sepang, Selangor
On 08-January-2018 at 10:00AM

Annexure I

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Resolution 1	2,405,360,592	99.9999	2,100	0.0001	2,405,362,692	100.0000

