

Bursa Announcement

Subject: AirAsia Berhad – Acquisition of 10% equity stake in Rokki Sdn. Bhd.

1. INTRODUCTION

- i) AirAsia Berhad (“**AAB**” or “**Company**”) is pleased to announce that it has on 7 June 2017, successfully acquired a total of 120,000 ordinary shares (“**Acquisition Shares**”) in Rokki Sdn. Bhd. (Company No: 935105-W) (“**Rokki**”), of which 96,000 of these ordinary shares were acquired from Sami Joseph El Hadery (“**SE**”) and 24,000 of these ordinary shares were acquired from Clarence Lim Kee Kiat (“**CL**”). The Acquisition Shares in total, are equivalent to ten percent (10%) of the share capital of Rokki for a total purchase consideration of RM2,500,000 (SE: RM2,000,000 / CL: RM500,000) which was satisfied in full by way of cash (the “**Transaction**”). The share transfer instrument was successfully effected on 7 June 2017.
- ii) As a result of the above Transaction, AAB’s shareholding in Rokki is increased from 73% to 83%.

2. INFORMATION ON ROKKI

Rokki is a company incorporated in Malaysia and having its registered address at B-13-15, Level 13, Menara Prima B, Japan PJU1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Incorporated on 7 March 2011 and its paid up capital is RM1,200,000 consisting of ordinary shares which have been issued and fully paid up.

Rokki has two distinct businesses – (i) trading of multimedia content and equipment (ii) design, development & sale & supply of Inflight Entertainment and Communication (“IFEC”) systems and sale of data for inflight use, by its wholly-owned subsidiary, Rokki Avionics Sdn. Bhd. (Company No. 935105-W).

The Directors of Rokki are as follows:

- i) Sami Joseph El Hadery
- ii) Siegtraund Teh Siew Foong (Nominee of AAB)
- iii) How Kim Lian (Nominee of AAB)
- iv) Joanna Ibrahim (Nominee of AAB)

3. BACKGROUND

Rokki supplies IFEC systems and other related services solely to AAB. This is in line with AAB’s goal to enhance customer experience and convenience onboard flights.

4. SHAREHOLDING IN ROKKI PRE AND POST THE ACQUISITION OF SHARES

Shareholders	Current Number of Shares Held	Current percentage (%) of Shareholding	Number of Shares Held post Acquisition Shares	Shareholding percentage (%) post Acquisition Shares
AirAsia Berhad	876,000	73%	996,000	83%
Sami Joseph El Hadery	300,000	23%	204,000	17%
Clarence Lim Kee Kiat	24,000	2%	NIL	NIL
Total	1,200,000	100%	1,200,000	100%

5. TRANSACTION RATIONALE

Acquiring additional equity stake in Rokki would allow AAB greater management control and confer on AAB the following benefits:

- 5.1 **Additional share of profits.** With a higher percentage of shareholdings for AAB, AAB will essentially be able to enjoy additional profits which would have otherwise been earned as profits by external shareholders under the current structure.
- 5.2 **Higher equity stake for strategic maneuverability.** With a higher equity stake in Rokki, AAB would have more room to acquire new strategic partner(s) with equity stake in Rokki, who would be able to significantly contribute to the business, further accelerating the growth of Rokki, all while still maintaining a controlling stake in Rokki.

6. FINANCIAL RISKS

The financial risks associated with entering into the Transaction are expected to be limited to the Company's investment in Rokki.

7. STATEMENT BY THE BOARD

The Board of AAB, having considered all the relevant factors in respect of the Transaction is of the opinion that entering into the Transaction is in the best interest of the Company. The directors, major shareholders or persons connected with them have no interest, direct or indirect in the Transaction.

8. FINANCIAL EFFECT OF THE AGREEMENT

The Transaction will not have any material financial impact in the current financial year nor will it have any effect on the share capital and substantial shareholders' shareholdings of AAB. It is also not expected to have material effect on the net assets per share, earnings per share and gearing of AAB for this financial year ending 31 December 2017.

9. APPROVAL REQUIRED

The value of the Transaction would not breach the 25% percentage ratio as prescribed under the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. As such, AAB does not require approval of its shareholders or any authorities to undertake the Transaction.

This announcement is dated 8 June 2017.