

## AIRASIA GROUP BERHAD (“AIRASIA” OR “COMPANY”)

### PROPOSED ACQUISITION OF RC RED CARGO SERVICES PRIVATE LIMITED

#### 1. Introduction

This announcement is made by our Company pursuant to Paragraph 10.05(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

#### 2. Details of the Transaction

Teleport Everywhere Pte. Ltd., our indirect wholly-owned subsidiary, proposes to acquire RC Red Cargo Services Private Limited (“**Target Company**”), which provides general sales agent services, by subscribing 469,000 ordinary shares in Target Company for cash consideration of INR4,690,000 or approximately RM272,672\*. Details of which are set out in sections 3 to 5 below.

After the completion of this proposed acquisition, the Target Company shall become our 67%-indirectly owned subsidiary.

#### 3. Background of RC Red Cargo Services Private Limited (“Target Company”)

<b>Date of Incorporation</b>	31 January 2019
<b>Country of Incorporation</b>	India
<b>Issued and Paid Up Share Capital</b>	INR100,000 ordinary shares with par value of INR10 per share
<b>Principal Activity</b>	General sales agent of cargo space in India
<b>Shareholders</b>	a) Zeal Global Services Pvt. Ltd. (“ <b>Zeal</b> ”) (99.99%) b) Mr. Panna Lai Anand (“ <b>Mr. Panna</b> ”) (0.01%)

#### 4. Salient Terms of the Share Subscription Agreement (“SSA”)

<b>Contracting Parties</b>	a) Teleport Everywhere Pte. Ltd. (“ <b>Teleport</b> ”) b) Zeal c) Mr. Panna d) Target Company
<b>Date of Agreement</b>	10 September 2019
<b>Amount of Shares to be Subscribed by Teleport</b>	469,000 ordinary shares

<b>Consideration for the Acquisition</b>	INR4,690,000
<b>Warranties from Target Company and the Existing Shareholders</b>	<ul style="list-style-type: none"> <li>a) Good standing and full compliance of the Target Company with all relevant laws and regulations</li> <li>b) The ordinary shares shall rank equal to other shares and have all rights</li> <li>c) All assets relevant for business are fully owned by the Target Company</li> </ul>
<b>Specific warranties from Existing Shareholders</b>	<ul style="list-style-type: none"> <li>a) No involvement in other business which may have conflict of interests with the Target Company</li> <li>b) Lock-in period of 5 years since completion (only for Zeal)</li> </ul>
<b>Condition Precedent</b>	<ul style="list-style-type: none"> <li>a) All parties to obtain all necessary approvals and consents to complete the subscription</li> <li>b) Transfer of shareholding of Mr. Panna to Zeal</li> <li>c) Teleport to complete due diligence exercise and to be satisfied with the results of such due diligence</li> </ul>
<b>Termination</b>	<ul style="list-style-type: none"> <li>a) Mutual consent</li> <li>b) Breach or failure to fulfil obligations</li> <li>c) Inability to perform obligation, such as due to bankruptcy or insolvency</li> <li>d) If all conditions precedent are not fulfilled within 60 days (or any mutually-agreed extended-period)</li> </ul>
<b>Governing Law</b>	The laws of India

5. Salient Terms of the Shareholders' Agreement

<b>Contracting Parties</b>	<ul style="list-style-type: none"> <li>a) Teleport</li> <li>b) Zeal</li> <li>c) Target Company</li> </ul>
<b>Date of Agreement</b>	10 September 2019
<b>Shareholding Proportion</b>	<ul style="list-style-type: none"> <li>a) Teleport: 67%</li> <li>b) Zeal: 33%</li> </ul>
<b>Board Composition</b>	<ul style="list-style-type: none"> <li>a) Teleport: 2 members</li> <li>b) Zeal: 1 member</li> </ul>
<b>Management Personnel</b>	<ul style="list-style-type: none"> <li>a) Teleport: 2 members (including CEO equivalent and CFO equivalent)</li> <li>b) Zeal: 1 member</li> </ul>
<b>Termination</b>	<ul style="list-style-type: none"> <li>a) Mutual consent</li> <li>b) Commencement of exit event</li> <li>c) Breach or failure to fulfil obligations</li> <li>d) Inability to perform obligation, such as due to bankruptcy or insolvency</li> </ul>
<b>Governing Law</b>	The laws of India

6. Why Teleport acquires the Target Company?

- The proposed acquisition of the Target Company aligns with Teleport's strategy to expand its ground presence in strategic markets across Asia.

7. What are the key risks of the SSA?

- We do not expect to assume any financial obligations or financial risks from the proposed acquisition as the Target Company was incorporated less than a year ago with no commercial operations.

8. What are the financial effects of the SSA?

- The proposed acquisition will not have material impact in the current financial year nor will it have any effect on the share capital and substantial shareholders' shareholding in the Company.

9. What is the percentage ratio of the SSA?

- The percentage ratio of the SSA is 0.003%. Hence, we do not require shareholders' approval for this proposed acquisition.

10. Who are the contracting parties and is there any element of conflict of interests?

- Zeal is a company with interests in transportation, hospitality, construction and real estate businesses. Zeal was established in 2014 and has business with various airlines, including AirAsia (via Teleport group).
- Mr Panna is the founder and chairman of Zeal. He is a businessman with over 3 decades of experience in transport and logistics services.
- Zeal and Mr Panna do not have any relationship with our major shareholders, directors and/or persons connected to them, hence none of the Directors of the Company, major shareholders and/or persons connected with them have any interest, direct or indirect in the proposed acquisition.

This announcement is dated 11 September 2019.

\* Based on exchange rate of INR1.00:RM0.058 published on the Bank Negara Malaysia website on 10 September 2019.