

## **Bursa Announcement**

**Subject : New Shareholders Agreement in relation to Think BIG Digital Sdn. Bhd.**

### **Contents:**

#### **1. Introduction**

AirAsia Berhad ("AirAsia" or "Company") is pleased to announce that it had last night entered into a new Shareholders Agreement in relation to Think BIG Digital Sdn. Bhd. ("TBD") with Tune Money International Sdn. Bhd. ("TMI"), Aimia Holdings UK II Limited ("Aimia") and TBD to include Aimia as a shareholder in TBD (the "New SA"), the salient terms whereof are set out in Section 3 below.

#### **2. Details of TBD, TMI and Aimia**

TBD is a company incorporated in Malaysia previously equally and jointly owned by the Company and TMI and is in the business of administering the BIG Loyalty Program. TMI is an investment holding company incorporated in Malaysia. TBD and TMI are deemed related parties to AirAsia by virtue of the fact that two of TMI's shareholders and Directors (i.e. Tan Sri Dr. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun) are also the shareholders and Directors in AirAsia. Tan Sri Dr. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun, via Tune Group Sdn Bhd, own a total of 70% of the equity stake in TMI and Tune Group Sdn Bhd is jointly owned by both of them.

Aimia Inc. was incorporated on 5 May 2008 under the laws of Canada as a wholly-owned subsidiary of Aeroplan Income Fund and is primarily involved in the business of providing loyalty management services. Aimia is the entity nominated by Aimia Inc. to hold its shares in TBD.

#### **3. Salient terms of the New SA**

- a) The New SA contains terms which are common to agreements between shareholders such as board composition, reserve matters, deadlock events, termination and so forth.
- b) Aimia would be acquiring a 10% shareholding in TBD and is the first stage in a planned acquisition and/or subscription of a total of 20% shareholding of TBD by Aimia in accordance with a Subscription Agreement by TBD with Aimia and a Share Purchase Agreement by TBD with Aimia, TMI and TMI's shareholders. Under the New SA, Aimia also has the option to acquire an additional 15% equity participation in TBD. In connection thereto, the Company shall make the relevant disclosures to Bursa Malaysia Securities Berhad as and when required.
- c) The Chief Executive Officer ("CEO") is to be proposed by the CEO Nominating Committee comprising of at least 3 Directors, one of each from the Company, TMI and AIMIA. The Chief Financial Officer is to be proposed by the CEO.

- d) The New SA is governed by the laws of Malaysia and the forum for shareholders dispute resolution is the Kuala Lumpur Regional Centre for Arbitration.

#### **4. Rationale for entering into the New SA**

- a) Aimia has been courted by TBD as a strategic investor because of their expertise in the loyalty business.
- b) Therefore the Company is of the opinion that entering into the New SA will be in the best interest of TBD as it would enable TBD to leverage off the experience and know-how of the Aimia Group who are industry leaders in the loyalty program market.
- c) Given the intertwined and integrated nature of the loyalty business between the airline and the loyalty program provider, the New SA is in the best interest of the Company, both as a major shareholder and the anchor airline partner of TBD.

#### **5. Financial Risks**

The financial risks associated with the New SA are expected to be very limited as the Company does not need to make any additional financial investment.

#### **6. Directors' and major shareholders' interests**

Tan Sri Dr. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun ("the Related Parties"), who are directors and major shareholders of the Company, are the indirect shareholders of TMI, as stated in Section 2 above.

The Related Parties are deemed interested in the New SA and they have abstained from all Board and management deliberations in respect of the New SA.

The Related Parties' direct and indirect shareholdings in the Company as at 30 January 2014 are as set out in the table below.

	Direct		Indirect*		
	No. Shares	of %	No. Shares	of %	
Tan Sri Dr. Anthony Francis Fernandes	1,600,000	0.06	640,608,382	23.04	
Datuk Kamarudin Bin Meranun	2,000,000	0.07	640,608,382	23.04	

*Note:*

*\* deemed interested by virtue of Section 6A of the Companies Act, 1965 through a shareholding of more than 15% in Tune Air Sdn Bhd*

Save as disclosed, no other directors and/or major shareholders of AirAsia and/or persons connected with them have any interest, whether directly or indirectly, in the New SA.

**7. Audit Committee's and Board of Directors' Opinion**

The Audit Committee and Board of Directors (save for the Related Parties who have abstained) of the Company having considered all the relevant factors in respect of the New SA is of the opinion that entering into the New SA is in the best interest of the Company and the New SA is entered under fair, reasonable and on normal commercial terms which are not detrimental to the interest of the minority shareholders.

**8. Financial effect of the New SA**

The New SA 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 AirAsia. It is also not expected to have material effect on the net assets per share, earnings per share and gearing of AirAsia for this financial year ending 31 December 2014. TBD is expected to contribute positively to the future profitability of the Company.

**9. Approval required**

AirAsia does not require the approval of its shareholders or any authorities to enter into the New SA.

**10. Documents available for inspection**

The New SA is available for inspection at the registered office of the Company at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

**This announcement is dated 30 January 2014.**