

**THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular/Statement in relation to renewal of shareholders’ mandate for Recurrent Related Party Transactions and Proposed Share Buy-Back prior to its issuance as they are exempt documents pursuant to Paragraph 2.1 of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

In relation to this Circular/Statement, Bursa Securities has only perused the contents of the Proposed New Shareholders’ Mandate of Recurrent Related Party Transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of the Exchange’s Main Market Listing Requirements. Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



**CAPITAL A BERHAD  
(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**

*[Registration No.: 201701030323 (1244493-V)]  
(Incorporated in Malaysia under the Companies Act, 2016)*

**CIRCULAR/STATEMENT TO SHAREHOLDERS IN RELATION TO THE**

**PART A:**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND  
NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE  
 (“PROPOSED MANDATE”)**

**PART B:**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO TEN  
PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF  
CAPITAL A BERHAD (FORMERLY KNOWN AS AIRASIA GROUP BERHAD)  
 (“PROPOSED SHARE BUY-BACK”)**

The Proposed Mandate and Proposed Share Buy-Back will be tabled at the Fifth Annual General Meeting (“**AGM**”) of Capital A Berhad (formerly known as AirAsia Group Berhad) (“**Capital A**”) which will be conducted as a virtual meeting through live streaming from the Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIIH Online website at <https://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m. The Notice of the Fifth AGM together with the Form of Proxy are set out in the Annual Report of Capital A for the financial year ended 31 December 2021.

You are entitled to attend and vote remotely at our AGM or appoint proxy(ies) to vote remotely for and on your behalf. In such event, the Form of Proxy should be completed and lodged at our registered office at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia or electronically lodged with the poll administrator via the TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the date and time of the Fifth AGM or any adjournment thereof. Please refer to the Administrative Note for the AGM on the procedures for electronic lodgement of the Form of Proxy. The lodging of the Form of Proxy will not preclude you from remotely attending our forthcoming AGM should you subsequently wish to do so but if you do so, your proxy shall be precluded from remotely attending the AGM.

Last date and time for lodging the Form of Proxy	:	Tuesday, 14 June 2022 at 10.00 a.m.
Date and time of the Fifth AGM	:	Thursday, 16 June 2022 at 10.00 a.m.

This Circular/Statement is dated 29 April 2022

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout and for the purposes of this Circular/Statement only:

AAB	:	AirAsia Berhad [Registration No.: 199301029930 (284669-W)], incorporated in Malaysia
AACL	:	Asia Aviation Capital Limited (Registration No.: LL11196), incorporated in Labuan, Malaysia
Capital A or our Company	:	Capital A Berhad (formerly known as AirAsia Group Berhad) [Registration No.: 201701030323 (1244493-V)], incorporated in Malaysia
Capital A Group or our Group	:	Capital A and its subsidiaries, collectively
Capital A Share(s) or Share(s)	:	Ordinary shares in the capital of our Company
AAX	:	AirAsia X Berhad [Registration No.:200601014410 (734161-K)], incorporated in Malaysia
Act	:	Companies Act, 2016 and any statutory modifications or amendments thereto from time to time
AGM	:	Annual General Meeting
AirAsia (Guangzhou)	:	AirAsia (Guangzhou) Aviation Service Limited (Registration No.: 91440101MA5ALG3R31), incorporated in the People's Republic of China
AirAsia.Com	:	AirAsia Com Travel Sdn. Bhd. [Registration No.: 201301020508 (1050338-A)], incorporated in Malaysia
AirAsia SEA	:	AirAsia SEA Sdn. Bhd. [Registration No.: 201301015339 (1045172-A)], incorporated in Malaysia
AirAsia SEA TH/IHQ	:	AirAsia SEA Limited (Thailand) (Registration No.: 0105561157531), incorporated in Thailand
Audit Committee	:	Audit Committee of our Company
BIGLIFE	:	BIGLIFE Sdn. Bhd. [Registration No.: 201001040731 (924656-U)], incorporated in Malaysia
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. [Registration No.: 198701006854 (165570-W)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]

Code	:	Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisition, including any amendments that may be made from time to time
Circular/Statement	:	This Circular/Statement to Shareholders dated 29 April 2022
Datuk Kamarudin	:	Datuk Kamarudin bin Meranun
Dato' Khadar Merican	:	Dato' Mohamed Khadar bin Merican
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purpose of the Proposed Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of our Company, our subsidiary or holding company, in accordance with the definition under paragraph 10.02 (c)(i) and 10.02 (c)(ii) of the Listing Requirements
ECML Hotels	:	ECML Hotels Sdn. Bhd. [Registration No. 201701022399 (1236565-X)]
EPS	:	Earnings per Share
Epsom	:	Epsom College Malaysia Sdn. Bhd. [Registration No.: 201001006063 (890682-X)], incorporated in Malaysia
FYE	:	Financial year(s) ended/ending 31 December, as the case may be
HOD	:	Head of department
IAAX	:	PT. Indonesia AirAsia Extra (Registration No.: 09.03.1.51.89121), incorporated in Indonesia
IKHLAS	:	Ikhlas Com Travel Sdn. Bhd. [Registration No.: 201801010997(1273013-P)], incorporated in Malaysia
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities, including any amendment(s) that may be made from time to time and any Practice Notes issued in relation thereto
LPD	:	31 March 2022, being the latest practicable date prior to the printing of this Circular/Statement
Major Shareholder(s)	:	<p>A person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act. For the purpose of the Proposed Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company or any other corporation which is our Company's subsidiary or holding company</p>

Mandate Period	:	The period during which the RRPT are to be entered into by our Group for which the Proposed Mandate is being sought. This period shall commence immediately upon the passing of the Ordinary Resolution for the Proposed Mandate at the Fifth AGM until the conclusion of the next AGM of Capital A in the year 2023
Market Day(s)	:	A day on which the stock market of Bursa Securities is open for trading in securities
Minister	:	The Minister charged with the responsibility for companies
Notel Management	:	Notel Management Sdn. Bhd. [Registration No.: 200601016858 (736610-U)], incorporated in Malaysia
OHG Services	:	OHG Services Sdn. Bhd. (formerly known as TP Sepang Sdn. Bhd.) [Registration no. 201101018275 (946411-T)]
Person(s) Connected	:	Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Proposed Mandate	:	Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for RRPTs as set out in Part A of Section 2.3 of this Circular/Statement
Proposed Share Buy-Back	:	Proposed share buy-back of up to ten per cent (10%) of the total number of issued shares of Capital A
Record of Depositors	:	A record consisting of names of depositors provided by Bursa Depository pursuant to Chapter 24.0 of the rules of Bursa Depository
RCUIDS	:	7-year redeemable convertible unsecured Islamic debt securities with a nominal value of RM0.75 each issued pursuant to the Rights Issue
Related Party(ies)	:	Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
Rights Issue	:	Renounceable rights issue of up to RM1,024,058,370 in nominal value of RCUIDS based on the Shariah principle of Murabahah (via Tawarruq arrangement) on the basis of 2 RCUIDS with 1 Warrant for every six (6) Capital A Shares
Rokki	:	Rokki Sdn. Bhd. [Registration No.: 201101006967 (935105-W)], incorporated in Malaysia
RRPT(s)	:	Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of our Group, entered or to be entered into by our Group which involve the interest, direct or indirect, of a Related Party(ies)
SC	:	Securities Commission Malaysia
TAAAX	:	Thai AirAsia X Co. Ltd. (Registration No.: 0105556044936), incorporated in Thailand
Tan Sri Tony Fernandes	:	Tan Sri Anthony Francis Fernandes

Teleport	:	Teleport Everywhere Private Limited (Registration No.: 201916239W), incorporated in Singapore or its subsidiaries including, Teleport Commerce Malaysia Sdn. Bhd. [Registration No.: 201801009926 (1271940-D)], incorporated in Malaysia, as applicable.
Tune Air	:	Tune Air Sdn. Bhd. [Registration No.: 200101012770 (548526-V)], incorporated in Malaysia
Tune Group	:	Tune Group Sdn. Bhd. [Registration No.: 200701040836 (798868-P)], incorporated in Malaysia
TIMB	:	Tune Insurance Malaysia Berhad [Registration No.: 197601004719 (30686-K)], incorporated in Malaysia
Tune Live	:	Tune Live Sdn. Bhd. [Registration No.: 201101020485 (948620-U)], incorporated in Malaysia
TPGB	:	Tune Protect Group Berhad [Registration No. 201101020320 (948454-K)], incorporated in Malaysia
TPR		Tune Protect Re Ltd (Company No.: LL08072), incorporated in Labuan, Malaysia
Transacting Party(ies)	:	A party with which our Group has entered or may enter into an RRPT under the Proposed Mandate
Tune Talk		Tune Talk Sdn. Bhd. [Registration No.: 200601001210 (720957-V)], incorporated in Malaysia
WAMP	:	Weighted average market price

<b>Currencies</b>		
CNY	:	Chinese Yuan
RM	:	Ringgit Malaysia
TWD	:	Taiwan New Dollar
USD	:	United States Dollar

All references to “**our Company**” in this Circular/Statement are to Capital A and references to “**our Group**” are to our Company and subsidiaries collectively and references to “**we**”, “**us**”, “**our**”, and “**ourselves**” are to our Company, and save where the context otherwise requires, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice-versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular/Statement to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise specified.

All references to “**you**” in this Circular/Statement are to the shareholders of our Company who are entitled to attend and vote at our forthcoming AGM and whose names are in our Record of Depositors at 5.00 p.m. on 8 June 2022.

Where applicable, values have been rounded to the nearest thousand.

For illustration purposes only, the exchange rate of CNY1 = RM 0.6621, TWD 100 = RM 14.6860 and USD1 = RM 4.204 have been used throughout this Circular/Statement, unless otherwise stated.

**PART A**

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**EXTRACTS OF RESOLUTION**

**ENCLOSED**



**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**

[Registration No. 201701030323 (1244493-V)]  
(Incorporated in Malaysia under the Companies Act, 2016)

**Registered Office:**

RedQ, Jalan Pekeliling 5  
Lapangan Terbang  
Antarabangsa Kuala Lumpur  
(klia2)  
64000 KLIA  
Selangor Darul Ehsan  
Malaysia

29 April 2022

**Board of Directors:**

Datuk Kamarudin bin Meranun (*Executive Chairman*)  
Tan Sri Anthony Francis Fernandes (*Executive Director and Group Chief Executive Officer*)  
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar (*Non-Independent Non-Executive Director*)  
Dato' Fam Lee Ee (*Senior Independent Non-Executive Director*)  
Dato' Mohamed Khadar bin Merican (*Independent Non-Executive Director*)  
Surina binti Shukri (*Independent Non-Executive Director*)

**To: Our shareholders**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the AGM held on 22 July 2021, the Company had obtained a mandate from its shareholders for the Capital A Group to enter into RRPTs as stipulated in the Circular/Statement to Shareholders dated 31 May 2021. The authority granted pursuant to the shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the next AGM of the Company unless the authority is renewed.

Your Board had on 4 April 2022 announced our intention to seek your approval for the Proposed Mandate pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements and Paragraph 3.1.4 of Practice Note 12 of the Listing Requirements at our forthcoming AGM which will be conducted as a virtual meeting through live streaming from the Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIH Online website at <https://tjih.online> on Thursday, 16 June 2022 at 10.00 a.m. which will permit the Capital A Group to enter into RRPTs during the Mandate Period, which are necessary for the day-to-day operations and are in the ordinary course of business of our Group.



**THE PURPOSE OF PART A OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT OUR FORTHCOMING AGM.**

**THE NOTICE OF AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE FYE 31 DECEMBER 2021.**

**YOU ARE ADVISED TO READ PART A OF THIS CIRCULAR/STATEMENT TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED MANDATE.**

## **2. PROPOSED MANDATE**

### **2.1 Details of the Proposed Mandate**

As provided in Paragraph 10.09(2) of the Listing Requirements, our Company proposes to seek a general mandate from you for the existing and new RRPTs subject to, *inter-alia*, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (b) your mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to your mandate during the financial year where the aggregate value is equal to or more than the following threshold:
  - (i) the consideration, value of the assets, capital outlay or costs of the transactions is RM1 million or more; or
  - (ii) the percentage ratio of such transaction is 1% or more,whichever is the higher;
- (c) this Circular/Statement includes the information as may be prescribed by Bursa Securities. The draft Circular/Statement was submitted to Bursa Securities together with a checklist showing compliance with such information earlier;
- (d) in a meeting to obtain your mandate, the relevant interested Related Party(ies) with any interest, direct or indirect must not vote on the resolution in respect of the transaction(s). An interested Director or interested Major Shareholder must ensure that Person(s) Connected with them abstain from voting on the resolution(s) in respect of the transaction(s); and
- (e) our Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by our Company, exceeds the estimated value of the RRPT disclosed in this Circular/Statement by 10% or more and must include the information as may be prescribed by Bursa Securities in our announcement.

Where your mandate has been procured pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements in relation to related party transactions will not apply save for Paragraph 10.08(7).

## **2.2 Principal activities of our Group and Nature of RRPT contemplated**

Our Company is an investment holding company and principally providing air transportation services, while other principal activities of our subsidiaries are the provision of travel solutions, logistics, e-wallet, food & beverages, shared services such as finance and accounting, digital, information and technology, human resources, and sourcing and procurement operation support service, the provision of financing and leasing arrangements and others.

In light of the diversity of our Group's business, it is envisaged that in the normal course of business of our Group, we will be transacting with the Transacting Parties in respect of goods and/or services with some degree of frequency from time to time. The benefits and rationale of the Proposed Mandate is set out in Section 3, Part A of this Circular/Statement.

## **2.3 Details of RRPTs and the Related Parties**

The details of the RRPTs entered / to be entered into by Capital A Group with the Transacting Parties under the Proposed Mandate are as follows:

*(The rest of this page has been intentionally left blank)*

**EXISTING RRPTS**

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
1.	AAX	Provision of the rights to operate scheduled air services under the trade name and livery of AAB.	RM 3,000,000	Nil	**RM 8,600,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
2.	AAX	Supply of in-flight entertainment system, hardware, software, content and updates by Rokki.	*RM 2,300,000	Nil	**RM 700,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
3.	AAX	Provision of operational services by AirAsia (Guangzhou) to AAX in China.	*CNY 1,000,000 (RM 662,000)	CNY 103,119 (RM 68,275)	**CNY 4,104,000 (RM 2,717,000)	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
4.	AAX	Sale of loyalty points from BIGLIFE, which operate and manages a loyalty program branded as the airasia rewards Programme.	*RM 1,809,000	Nil	**RM 5,000,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
5.	TAAX	Provision of the rights to operate scheduled air services under the trade name and livery of AAB.	RM 4,500,000	Nil	**RM 4,500,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
6.	TAAX	Provision of operational services by AirAsia (Guangzhou) to TAAX in China.	CNY 1,100,000 (RM 728,000)	CNY 1,166,202 (RM 772,142)	**CNY 1,760,000 (RM 1,165,000)	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
7.	TAAX	Sale of loyalty points from BIGLIFE, which operate and manages a loyalty program branded as the airasia rewards Programme.	RM 806,000	RM 687	**RM 806,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
8.	TIMB	Provision of travel insurance by TIMB to AAB's customers for journeys originated from Malaysia, resulting in sales commission received by AAB.	RM 9,500,000	RM 2,294,645	RM 13,000,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
9.	TPGB	Provision of the right to access AAB's customer database for TPGB to conduct marketing on TPGB's and/or third-party insurance products and the provision of management services by TPGB to Capital A Group's travel insurance business.	RM 50,000	RM 4,886	RM 50,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
10.	TPGB	TPGB's subscription to advertising services in Rokki's portal.	Nil	Nil	RM 250,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
11.	Tune Talk	Provision of advertisement services on Capital A's Wifi portal.	Nil	Nil	RM 250,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
12.	Tune Talk	Provision of services for sales of travellers' sim cards. This will be part of the advertisement services on Capital A's Wifi portal stated in item number 17 below.	Nil	Nil	RM 100,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
13.	Notel Management	Provision of advertisement services on Capital A's Wifi portal.	Nil	Nil	RM 150,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
14.	AAX	Provision of the following shared services by AirAsia SEA to AAX:  (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services (d) Refunds, and (e) Customer Support.	*RM 4,000,000	RM 849,378	**RM 1,200,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
15.	Epsom	Service Agreements for AirAsia.Com to provide services related to managing digital media activities for Epsom.	RM 300,000	RM 40,422	RM 350,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
16.	TAAX	Supply of in-flight entertainment system, hardware, software, content and updates by Rokki.	RM 300,000	Nil	**RM 1,200,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
17.	TAAX	Provision of the following shared services by AirAsia SEA TH/IHQ and AirAsia Sea to TAAX:  (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; (d) Customer support; and (e) Refund services.	RM 1,650,000	RM 681,936	**RM 1,400,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
18.	TAAX	Information Technology System and Security Services provided by AAB to TAAX.	RM 3,500,000	RM 2,591,028	**RM 3,500,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
19.	TPGB	Service Agreements between AirAsia.Com and TPGB to provide services related to managing digital media activities to TPGB.	RM 500,000	RM 145,514	RM 750,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
20.	Tune Talk	Service Agreements between AirAsia.Com and Tune Talk to provide services related to managing digital media activities to Tune Talk.	RM 300,000	Nil	RM 500,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>						
21.	ECML Hotels	Service Agreements between AirAsia.Com and ECML Hotels to provide services related to managing digital media activities to ECML Hotels.	RM 300,000	RM 43,140	RM 300,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
<b>EXPENSES</b>						
22.	AAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the airasia rewards Programme operated and managed by BIGLIFE for AAX's flights and other ancillary products and services.	RM 1,915,000	RM 87	#RM 6,000,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
23.	AAX	Provision of ground handling services at Taoyuan International Airport.	TWD 9,125,000 (RM 1,340,000)	Nil	Nil	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
24.	AAX	Purchase of AAX's cargo transportation capacity by Teleport on routes operated by AAX.	USD 18,989,000 (RM 79,830,000)	USD 52,955,057 (RM 222,623,060)	#USD 144,985,000 (RM 609,517,000)	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>



No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>EXPENSES</b>						
25.	TAAAX	Purchase of TAAAX's cargo transportation capacity by Teleport on routes operated by TAAAX.	USD 35,734,000 (RM 150,226,000)	USD 13,346,566 (RM 56,108,963)	#USD 38,845,000 (RM 163,304,000)	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
26.	TAAAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the airasia rewards Program operated and managed by BIGLIFE for TAAAX's flights and other ancillary products and services.	RM 1,780,000	Nil	#RM 1,780,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
27.	Notel Management	The contract for this RRPT(s) was signed between Notel Management and AirAsia SEA for the provision of hotel services to Capital A Group and/or its affiliates and/or its guests at corporate rates provided by Notel Management as hotel operator that manages hotels on behalf of the following entities that directly invoices the respective entities of Capital A Group:  1. OHG Services; and 2. ECML Hotels.	RM 6,200,000	RM 666,936	RM 6,200,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value of transactions as disclosed in the Circular/Statement to Shareholders dated 31 May 2021	Actual value of transactions from 22 July 2021 to the LPD	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>EXPENSES</b>						
28.	TPGB	To participate in the BIG Loyalty Program as a merchant partner to purchase BIG Points from BIGLIFE for the purposes of awarding it to TPGB's subscribers.	RM 2,000,000	RM23,024	RM 156,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
29.	Tune Talk	Subscription to Sim Card by Rokki.	RM 40,000	Nil	RM 70,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

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**ADDITIONAL RRPTS**

No.	Transacting Parties	Nature of RRPT	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b>REVENUE/INCOME</b>				
1.	IKHLAS	Commercial Agreement between AirAsia.Com and IKHLAS for the purpose of charging IKHLAS for using the AirAsia SuperApp.	RM500,000	<b>Interested Directors and Major Shareholders</b> Datuk Kamarudin <sup>(2)</sup>
2.	TPG	Distribution Agreement between AirAsia.Com and TPG for the management of insurance business. This includes the Agency Agreement between AirAsia.Com and TIMB, a subsidiary of TPG, to appoint AirAsia.Com as a registered corporate agent of TIMB to transact insurance business on airasia.com website and mobile application on behalf of TIMB in exchange for commission.	RM1,564,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
3.	TPT	Media Services Agreement between AirAsia.Com and TPT for the management of digital media activities.	RM500,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
4.	TPR	Service Agreement between AirAsia SEA and TPR for AirAsia SEA to provide refund service on insurance premium for the guests of AirAsia.	RM1,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
5.	TAAX	Provision of platform services by AirAsia.Com: Online distribution of TAAX flight inventory via airasia.com domain or airasia Superapp mobile app owned/operated by AirAsia.Com	**USD 100,000 (RM 420,400)	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
6.	AAX	Provision of platform services by AirAsia.Com: Online distribution of AAX flight inventory via airasia.com domain or airasia Superapp mobile app owned/operated by AirAsia.Com	**RM 4,200,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

No.	Transacting Parties	Nature of RRPT	Estimated value during the Mandate Period~	Class and relationship of the Related Parties
<b><u>REVENUE/INCOME</u></b>				
7.	AAX	Provision of the following shared services by AirAsia SEA and AirAsia SEA TH/IHQ to AAX: <ul style="list-style-type: none"> <li>(a) Finance and accounting support operation services;</li> <li>(b) People department support operation services;</li> <li>(c) Information and technology operation support services; and</li> <li>(d) Refunds;</li> <li>(e) Customer Support;</li> <li>(f) Facilities;</li> <li>(g) Procurement;</li> <li>(h) Network management center, safety, operational quality assurance and ground operations;</li> <li>(i) Airline strategy, fleet, network, scheduling and regulatory affairs;</li> <li>(j) Airport partnerships and incentives;</li> <li>(k) Information security; and</li> <li>(l) Supply chain.</li> </ul>	*#RM 18,000,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>
8.	TAAX	Provision of the following shared services by AirAsia SEA and AirAsia SEA TH/IHQ to TAAX: <ul style="list-style-type: none"> <li>(a) Finance and accounting support operation services;</li> <li>(b) People department support operation services;</li> <li>(c) Information and technology operation support services; and</li> <li>(d) Refunds;</li> <li>(e) Customer Support;</li> <li>(f) Facilities;</li> <li>(g) Procurement;</li> <li>(h) Network management center, safety, operational quality assurance and ground operations;</li> <li>(i) Airline strategy, fleet, network, scheduling and regulatory affairs;</li> <li>(j) Airport partnerships and incentives;</li> <li>(k) Information security; and</li> <li>(l) Supply chain.</li> </ul>	*#RM 11,000,000	<b>Interested Directors and Major Shareholders</b> Tan Sri Tony Fernandes <sup>(1)</sup> Datuk Kamarudin <sup>(2)</sup>

**Notes:**

- ~ *Indicative estimate during the Mandate Period which is based on historical trends and may vary from the estimated values above depending on the prevailing economic and competitive environment.*
- \* *The amounts are to be prepaid before such services are rendered to AAX and TAAX. Please refer to Section 3 for further information.*
- # *Amount is based on the current view of the recovery from Covid-19 pandemic and business model adopted by AAX and TAAX.*

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(1) *Tan Sri Tony Fernandes is an interested Director and interested Major Shareholder by virtue of his directorships, direct and indirect shareholdings in our Company, and the Transacting Parties. Please refer to Section 7 of this Circular/Statement for details of his shareholdings in our Company.*

*As at the LPD, the directorship and direct and indirect shareholdings of Tan Sri Tony Fernandes in the Transacting Parties are as follows:*

	<----- Direct ----->		<----- Indirect ----->		Directorship
	No. of shares	%	No. of shares	%	
AAX	11,130,372	2.68	131,033,136	31.59*	✓
TPGB	100,000	0.01	221,172,150	29.42^	-
TIMB	-	-	83,273,097	83.26**	-
TAAX	-	-	20,457,500	49.00@	-
IAAX	-	-	8,536,539	49.00^^	-
Tune Group	334,110,000	50.00	-	-	✓
Notel Management	-	-	100,000	100.00#	✓
ECML Hotels	-	-	118,967,386	24.79@@	-
TPT	-	-	14,700,000	49.00~	-
TPR	-	-	3,207,288	100.00°	-

\* *Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, pursuant to Section 8 of the Act.*

^ *Deemed interested via his interest in Tune Group and AirAsia Digital Sdn. Bhd., which is a wholly-owned subsidiary of Capital A, being the Major Shareholders of TPGB, pursuant to Section 8 of the Act.*

\*\* *Deemed interested via his interest in TPGB, being the Holding Company of TIMB, pursuant to Section 8 of the Act.*

@ *Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, being the Major Shareholder of TAAX, pursuant to Section 8 of the Act.*

^^ *Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, which in turn owns 49% shares in IAAX, pursuant to Section 8 of the Act.*

# *Deemed interested via his interest in Tune Group, being the Major Shareholder of Tune Hotels.com Ltd., being the Major Shareholder of Tune Hotels.com (BVI) Ltd, which in turn is the Major Shareholder of Notel Management, pursuant to Section 8 of the Act.*

@@ *Deemed interested via his interest in Tune Group, being the Major Shareholder of ECM Libra Group Berhad, being the Major Shareholder of ECML Hotels, pursuant to Section 8 of the Act.*

~ *Deemed interested pursuant to Section 8 of the Act via his interest in Tune Group and AAB, being the Major Shareholders of TPGB which in turn is a Major Shareholder of TPT.*

° *Deemed interested pursuant to Section 8 of the Act via his interest in Tune Group and AAB, being the Major Shareholders of TPGB which is the holding company of TPR.*

(2) Datuk Kamarudin is an interested Director and interested Major Shareholder by virtue of his directorships, direct and indirect shareholdings in our Company, and the Transacting Parties. Please refer to Section 7 of this Circular/Statement for details of his shareholdings in our Company.

As at the LPD, the directorship and direct and indirect shareholdings of Datuk Kamarudin in the Transacting Parties are as follows:

	<----- Direct ----->		<-----Indirect----->		Directorship
	No. of shares	%	No. of shares	%	
AAX	37,070,993	8.94	131,033,136	31.59*	✓
TPGB	81,900	0.01	221,172,150	29.42^	-
TIMB	-	-	83,273,097	83.26**	-
TAAX	-	-	20,457,500	49.00@	✓
IAAX	-	-	8,536,539	49.00^^	-
Tune Group	334,110,000	50.00	-	-	✓
Notel Management	-	-	100,000	100.00#	✓
ECML Hotels	-	-	118,967,386	24.79@@	-
IKHLAS	-	-	3,015,202	100.00##	-
TPT	-	-	14,700,000	49.00~	-
TPR	-	-	3,207,288	100.00°	-

- \* Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, pursuant to Section 8 of the Act.
- ^ Deemed interested via his interest in Tune Group and AirAsia Digital Sdn. Bhd., which is a wholly-owned subsidiary of Capital A, being the Major Shareholders of TPGB, pursuant to Section 8 of the Act.
- \*\* Deemed interested via his interest in TPGB, being the Holding Company of TIMB, pursuant to Section 8 of the Act.
- @ Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, being the Major Shareholder of TAAX, pursuant to Section 8 of the Act.
- ^^ Deemed interested via his interest in Tune Group and AAB, being the Major Shareholders of AAX, which in turn owns 49% shares in IAAX, pursuant to Section 8 of the Act.
- # Deemed interested via his interest in Tune Group, being the Major Shareholder of Tune Hotels.com Ltd., being the Major Shareholder of Tune Hotels.com (BVI) Ltd, which in turn is the Major Shareholder of Notel Management pursuant to Section 8 of the Act
- @@ Deemed interested via his interest in Tune Group, being the Major Shareholder of ECM Libra Group Berhad, being the Major Shareholder of ECML Hotels, pursuant to Section 8 of the Act.
- ## Deemed interested pursuant to Sections 8(4) and 59 of the Act by virtue of shares held through Capital A, being an indirect Major Shareholder of IKHLAS, and his family member.
- ~ Deemed interested pursuant to Section 8 of the Act via his interest in Tune Group and AAB, being the Major Shareholders of TPGB which in turn is a Major Shareholder of TPT.
- ° Deemed interested pursuant to Section 8 of the Act via his interest in Tune Group and AAB, being the Major Shareholders of TPGB which is the holding company of TPR.

## 2.4 Amounts due and owing to our Group by the Related Parties in relation to services given under RRPT

Save for IAAX, AAX and TAAX there are no other amounts due and owing by any other Related Parties to our Group pursuant to the RRPTs (as of 31 December 2021, being the latest financial year-end of our Company), which exceeded the credit terms. The principal sum for the total ageing and outstanding amount due and owing by IAAX, AAX and TAAX to our Group are as follows:

Related Party	Total	1 year or less	1 to 3 years	3 to 5 years	More than 5 years
IAAX	RM 55,571,000	-	RM 52,340,000*	RM 2,507,000*	RM 724,000*
AAX	RM 9,432,000	-	RM 9,432,000#	-	-
TAAX	RM 108,646,000	RM 4,119,000	RM 37,856,000%@	RM 66,671,000%@	-

Note:

\* The amount was provided for in prior years

# The amounts were fully provided and to be written off pursuant to the Sanction Order which has been duly lodged by AAX with the Registrar of Companies on 16 March 2022 in accordance with Section 366(5) of the Act as announced by AAX on even date.

% The amount was provided for during the prior financial year

@ Majority of the amount is related to the RRPT regarding rights to operate under the trade name and livery of AAB

As a result of the unprecedented coronavirus disease 2019 (“COVID-19”) pandemic, travel and border restrictions have been enforced and prolonged in many countries which continues to virtually eliminate demand for air travel both domestically and internationally, thus the following events had occurred during the year:

- AAX had announced on 16 March 2022 that the debt restructuring exercise which was first announced on 6 October 2020 and subsequently on 14 December 2020, 18 October 2021, 12 November 2021 and 16 December 2021 has been completed. Based on the said announcement, only 0.5% of the amounts owing to our Group will be recoverable. The Group has provided for the amounts in full and it is to be written off pursuant to the Sanction Order which has been duly lodged by AAX with the Registrar of Companies on 16 March 2022 in accordance with Section 366(5) of the Act as announced by AAX on even date.
- Provisions have been provided for IAAX in prior years. IAAX has since ceased operations.
- International borders are starting to open in Q1 2022 whereas Malaysia is set to open its borders from 1 April 2022 onwards, and this would enable airline companies and tourism related businesses to revive themselves.

There were no interest and late payment charges imposed on the amounts as our Company had reviewed the outstanding amounts and is of the opinion that the overdue amounts have been incurred under normal business transaction arrangements.

## 2.5 Basis of estimates

The estimated transaction values for the RRPTs referred to in Section 2.3 of this Circular/Statement are based on (i) estimated prevailing prices, which are reasonably market-competitive; and (ii) the sums incurred or received over the past years for similar transactions. The estimated transaction values were also projected based on the assumption that (i) our Group’s usual levels of transaction; (ii) our Group’s projected business volume; and (iii) our current level of operations would be maintained during the Mandate Period.

## 2.6 Review procedures for RRPTs

To promote good corporate governance in the conduct of our Company’s business, our Group has established a framework for evaluating potential conflicts of interest and disclosure



obligations arising out of transactions, arrangements and relationships between our Company and its Related Parties. The procedures in this framework ensure the RRPTs are on arm's length basis and in the best interest of our Group. We set forth below the review procedures of our Company's RRPTs:

- (i) Each Director is required to make full disclosure at once of any interest he or she may have in any business enterprise with an existing or proposed business relationship or transaction with our Company and/or our subsidiaries.
- (ii) There are no specific thresholds for approval of RRPTs within our Group. All potential RRPTs have to be disclosed by management, being the relevant HOD in which the transaction falls under ("**Management**"). Management will then propose the RRPT by providing a RRPT paper and other relevant documents, including a draft of the announcement to be made to Bursa Securities to the Group Legal Department, at least two (2) weeks prior to the Audit Committee meeting to ensure that regulatory requirements have been met. The Internal Audit Department shall ensure that internal processes in respect of the RRPT are followed. Upon obtaining clearance from the Group Legal Department, Group Company Secretarial Department as well as the Group Internal Audit Department, Management will sign off on the RRPT papers and the matter shall be tabled to the Audit Committee for consideration and if deemed appropriate, recommended to your Board for approval.
- (iii) With the information provided in the RRPT papers, your Board ascertains that at least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities. In the event that a quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms and not more favourable to the Related Party than those generally available to the public and are not to the detriment of our Company or our Group or to our minority shareholders.
- (iv) The interested Director(s) in the RRPT must abstain from your Board's deliberation and voting on the relevant resolution(s) in respect of the RRPT. The interested Director(s) must inform your Board of the details of the nature and extent of his/her interest, including all matters in relation to the proposed RRPT that he/she is aware of or should reasonably be aware of, which is not in the best interest of our Company or our subsidiary, as the case may be.
- (v) The interested Major Shareholder(s) and/or Person(s) Connected to them must not vote at the general meeting on the resolution approving the RRPT. It is the duty of the interested Director(s) and interested Major Shareholder(s) to ensure that Person(s) Connected to them abstain from voting on the resolution approving the RRPT.

## **2.7 Audit Committee's Statement**

The Audit Committee has seen and reviewed the procedures set out in Section 2.6 of this Circular/Statement and is of the view that the procedures are:

- (i) sufficient to ensure that the RRPTs are undertaken on arm's length basis not more favourable to the Transacting Parties than those generally available to the public and are not to the detriment of our Company's minority shareholders; and
- (ii) adequate to monitor, track and identify RRPTs in a timely and orderly manner and that such procedures and processes are reviewed on an annual basis or whenever the need arises.

## **2.8 Disclosure of RRPTs**

If the Proposed Mandate is approved, disclosure will be made in our Annual Report and in the Annual Reports for the subsequent years that the Proposed Mandate continues to be in force in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements which requires, in addition to what is set out in Section 2.1(b) of this Circular/Statement, a breakdown of the aggregate value of the RRPTs made during the financial year, among others, based on the following information:

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of RRPT made and their relationship with our Company.

If the actual value of an RRPT exceeds the estimated value of the RRPT disclosed in Section 2.3 of this Circular/Statement by 10% or more, our Company will make an immediate announcement to Bursa Securities which will include information as may be prescribed by Bursa Securities.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED MANDATE**

The rationale and benefits of the Proposed Mandate to our Group are as follows:

The RRPTs that have been entered into and will be entered into by our Group as set out in Section 2.3 of this Circular/Statement are necessary for our business and are intended to meet business needs on the best possible terms so as to achieve the synergistic benefits within the entire Group. Our Group should be able to have access to all available markets, products and services provided by all vendors including Related Parties and to provide products and services to all persons including our Related Parties. This will enhance the ability of our Group to explore beneficial business opportunities as well as to promote cross-selling which will be beneficial to our Group.

The Proposed Mandate will eliminate the need to announce and convene separate general meetings on each occasion to seek your prior approval for the entry by our Group into such transactions. This will reduce the associated expenses, improve administrative efficiency and allow manpower, resource and time to be better channelled towards achieving other corporate objectives.

The RRPTs are likely to continue in the future on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek your prior approval on a case-by-case basis before entering into such transactions.

The RRPTs are transactions in the ordinary course of our business, made on commercial terms on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

The Company acknowledges that AAX is currently undergoing its corporate and debt restructuring as detailed in their announcements dated 6 October 2020, 14 December 2020, 18 October 2021 and 12 November 2021. On 16 December 2021, AAX announced that it had filed an application to the High Court of Malaya pursuant to Section 366 of the Act for approval and/or sanction of the Proposed Debt Restructuring and the High Court of Malaya had, at the hearing on 16 December 2021, granted an order thereof ("Sanction Order"). The Proposed Debt Restructuring would take effect upon lodgement of the Sanction Order with the Registrar of Companies of Malaysia. Whilst undergoing the restructuring, AAX will still require some of these services until such time they can organise an independent service within their organisation. The Sanction Order has been duly lodged with the Registrar of Companies of Malaysia on 16 March

2022 in accordance with Section 366(5) of the Act and accordingly, the Proposed Debt Restructuring took effect on even date. As such, AAX will be looking at their current business model and to negotiate new contracts with vendors.

With the recent positive development from the government in several countries gradually easing the travel restriction(s) and re-opening international borders, AAX and TAAX would gradually resume their operations to serve the pent-up travel demand and would require the services stated in Section 2.3 of this Circular to support their operations. The services provided include brand licencing, shared services for financial accounting and payroll processing, and cargo handling. Additionally, AAX and TAAX would need to leverage the airasia Superapp platform for the distribution of flights and services of WiFi on board, sharing of IT platforms, allowing redemption and issuance of Big Points on their flights as well as for Teleport to purchase AAX's and TAAX's cargo transportation capacity on routes operated by AAX and TAAX. In view of this, the Company has agreed to continue providing services to AAX and TAAX on the basis that the services would be provided on a prepaid basis.

#### **4. VALIDITY PERIOD FOR THE PROPOSED MANDATE**

The Proposed Mandate, if approved at our forthcoming AGM, shall take effect from the date of the passing of the ordinary resolution proposed at our forthcoming AGM to approve the Proposed Mandate and is subject to annual renewal. In this respect, the Proposed Mandate shall only continue to be in force until:

- (a) the conclusion of our next AGM following our forthcoming AGM at which such ordinary resolution is passed to effect the Proposed Mandate, at which time it will lapse, unless renewed by a resolution passed at a meeting or the authority is renewed;
- (b) the expiration of the period within which our next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the Proposed Mandate is revoked or varied by resolution passed by you in a general meeting,

whichever is the earliest.

#### **5. EFFECTS OF THE PROPOSED MANDATE**

The Proposed Mandate will not have any effect on the issued and paid-up share capital of our Company and our substantial shareholders' shareholdings and is not expected to have a material effect on the NA per Share and gearing of our Group.

The Proposed Mandate is in relation to the transactions which are of revenue or trading nature which forms part of our Group's day-to-day operations. Thus, those transactions will contribute positively to our Group's financial performance and EPS.

#### **6. APPROVALS REQUIRED**

The Proposed Mandate is subject to and conditional upon obtaining your approval at our forthcoming AGM.

#### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save as disclosed below, none of our Directors, Major Shareholders, and/or Persons Connected to them, have any interests, direct or indirect in the Proposed Mandate:

- (i) Tan Sri Tony Fernandes, by virtue of his directorship in our Company and being a Major Shareholder of our Company and by virtue of his directorships and shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular/Statement; and
- (ii) Datuk Kamarudin, by virtue of his directorship in our Company and being a Major Shareholder of our Company and by virtue of his directorships and shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular/Statement.

The shareholdings of the interested Directors and Major Shareholders in our Company as at the LPD are as follows:

	<-----Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%
<b><u>Interested Directors/Major Shareholders</u></b>				
Tan Sri Tony Fernandes	1,600,000	0.04	*1,025,485,082	24.64
Datuk Kamarudin	2,000,000	0.05	*1,025,485,082	24.64

**Notes:**

\*\* Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Tune Live Sdn. Bhd and Tune Air Sdn. Bhd., both being Major Shareholders of our Company.

	<-----Direct ----->		<----- Indirect ----->	
	No. of RCUIDS		No. of RCUIDS	
<b><u>Interested Directors/Major Shareholders</u></b>				
Tan Sri Tony Fernandes	-		343,028,359 <sup>#</sup>	
Datuk Kamarudin	-		343,028,359 <sup>#</sup>	

**Notes:**

<sup>#</sup> Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Sky Accord Sdn. Bhd.

	<-----Direct ----->		<----- Indirect ----->	
	No. of Warrants		No. of Warrants	
<b><u>Interested Directors/Major Shareholders</u></b>				
Tan Sri Tony Fernandes	-		171,514,179 <sup>#</sup>	
Datuk Kamarudin	-		171,514,179 <sup>#</sup>	

**Notes:**

<sup>#</sup> Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Sky Accord Sdn. Bhd.

Accordingly, the interested Directors have abstained and will continue to abstain from deliberations and voting on the Proposed Mandate at all your Board's meetings. Further, the interested Directors and interested Major Shareholders will abstain from voting in respect of their direct and indirect interests, if any, on the resolution pertaining to the Proposed Mandate at our forthcoming AGM.

In addition, the interested Directors and interested Major Shareholders have undertaken to ensure that the Persons Connected to them shall abstain from voting, deliberating or approving the resolution pertaining to the Proposed Mandate at our forthcoming AGM in respect of their direct and indirect interests in our Company.

In line with corporate governance standards, one of our Directors, Dato' Khadar Merican, who is also the Independent Non-Executive Chairman of TPGB, has abstained and will continue to abstain from all board deliberations and voting on the RRPTs in relation to TPGB, TIMB, TPR and TPT.

## **8. DIRECTORS' RECOMMENDATION**

Your Board (save for the interested Directors), having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in our Company's best and long-term interests.

Accordingly, your Board (save for the interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at our forthcoming AGM.

## **9. AGM**

The Fifth AGM, the notice of which is set out in the Annual Report of Capital A for the financial year ended 31 December 2021, will be held as a virtual meeting through live streaming from the Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIIH Online website at <https://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Mandate.

You are entitled to attend and vote remotely at our forthcoming AGM or appoint proxy(ies) to vote remotely for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia or electronically lodged with the poll administrator on the online portal via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time fixed for our forthcoming AGM or any adjournment thereof. Please refer to the Administrative Note for the AGM on the procedures for electronic lodgement of the Form of Proxy. The last date and time for you to lodge the Form of Proxy is on Tuesday, 14 June 2022 at 10.00 a.m. The lodging of the Form of Proxy will not preclude you from remotely attending our forthcoming AGM should you subsequently wish to do so but if you do so, your proxy shall be precluded from remotely attending the AGM.

## **10. FURTHER INFORMATION**

You are advised to refer to the attached appendix for further information.

Yours faithfully,  
For and on behalf of the Board of Directors  
**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**

**DATO' FAM LEE EE**  
Senior Independent Non-Executive Director

**PART B**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF CAPITAL A BERHAD (FORMERLY KNOWN AS AIRASIA GROUP BERHAD) (“CAPITAL A” OR THE “COMPANY”)**



**CAPITAL A BERHAD  
(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**

*[Registration No. 201701030323 (1244493-V)]  
(Incorporated in Malaysia under the Companies Act, 2016)*

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF CAPITAL A (“PROPOSED SHARE BUY-BACK”)**

**1. INTRODUCTION**

At the Fourth AGM of our Company held on 22 July 2021, your Board had obtained your approval for the authority for Capital A to purchase its own Shares of up to 10% of its prevailing total number of issued shares.

Such authority will expire at the conclusion of the forthcoming Fifth AGM.

On 26 April 2022, our Company announced that your Board proposed to seek your approval for the renewal of the authority to purchase up to ten per cent (10%) of our total number of issued Shares.

**THE PURPOSE OF PART B OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED SHARE BUY-BACK AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT OUR FORTHCOMING AGM.**

**THE NOTICE OF AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE FYE 31 DECEMBER 2021.**

**YOU ARE ADVISED TO READ PART B OF THIS CIRCULAR/STATEMENT TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK.**

**2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

Your Board proposes to seek your approval for the renewal of the authority to purchase our Company's own Shares of up to ten per cent (10%) of the total number of issued shares of our Company.

The Proposed Share Buy-Back is subject to compliance with the Act, our Company's Constitution, the Listing Requirements and any prevailing laws, guidelines, orders, rules and regulations issued by the relevant authorities at the time of purchase.

The Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution relating to the Proposed Share Buy-Back at our forthcoming AGM and shall be valid until:

- (a) the conclusion of the next AGM of our Company following at which time the authority will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of our Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by you in a general meeting,

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

## **2.1 Quantum**

The maximum aggregate number of Shares, which may be purchased by our Company, shall not exceed ten per cent (10%) of the total number of issued shares of our Company as quoted on Bursa Securities at any point in time. As at the LPD, the total number of issued Shares of our Company is 4,161,756,619 Shares. The maximum number of Shares which may be purchased and/or held as treasury shares by our Company is 416,175,661 Shares representing ten per cent (10%) of the total number of issued Shares of our Company as at the LPD.

The actual number of Shares to be purchased and the timing of such purchase will depend on, among others, the market conditions and sentiments of the stock market as well as the retained profits and financial resources available to our Company as at the point of purchase.

## **2.2 Funding**

Pursuant to Paragraph 12.10 of the Listing Requirements, our Company is required to ensure that the proposed purchase(s) of our own Shares is made wholly out of our Company's retained profits. Your Board proposes to allocate a maximum amount not exceeding the aggregate of the retained profits of our Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase. Our Company's audited retained earnings, based on our Company's latest audited financial statements for the FYE 31 December 2021 at our Company level, amounts to RM569 million.

The funding for the Proposed Share Buy-Back will be from internally generated funds and/or external bank borrowings and the amount allocated for the Purchased Shares will not exceed the aggregate amount of our Company's retained earnings. All Purchased Shares may be cancelled or retained as treasury shares or a combination of both. Treasury shares may be distributed as share dividends, resold or transferred on Bursa Securities and/or subsequently cancelled.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of Shares to be purchased, the availability of funds as at the point of purchase and other relevant cost factors.

The Proposed Share Buy-Back, if funded via internally generated funds, is not expected to have a material impact on our Company's cash flow position. In the event the Proposed Share Buy-Back is funded through external bank borrowings, your Board will ensure that our Company will have sufficient funds to repay such borrowings and that the repayment thereof would not have any material effect on our Company's cash flow position. In addition, your Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Share Buy-Back.



## 2.3 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, our Company may only purchase our own Shares on Bursa Securities at a price which is not more than 15% above the WAMP of Capital A Shares for the five (5) Market Days immediately before the date of any purchase(s).

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, in the case of a resale or transfer of treasury shares, our Company may only resell treasury shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act, at:

- (a) a price which is not less than the WAMP of Capital A Shares for the five (5) Market Days immediately before the resale or transfer; or
- (b) a discounted price of not more than five per cent (5%) to the WAMP of Capital A Shares for the five (5) Market Days immediately before the resale or transfer provided that:
  - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of Capital A Shares being resold or transferred.

## 2.4 Treatment of Purchased Shares

Pursuant to Section 127 of the Act, our Directors may deal with the Purchased Shares in the following manner:

- (a) to cancel all or part of the Purchased Shares;
- (b) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (c) to distribute all or part of the treasury shares as dividends to you as shareholders of our Company;
- (d) to resell all or part of the treasury shares in accordance with the Listing Requirements;
- (e) to transfer all or part of the treasury shares for the purposes of the employees' share scheme established by our Company and/or our subsidiaries;
- (f) to transfer all or part of the treasury shares as purchase consideration;
- (g) to sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (h) to deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

It is the present intention of your Board to retain the Purchased Shares as treasury shares and subsequently resell them on Bursa Securities if the opportunity arises for our Company to realise gains from the resale on Bursa Securities. However, your Board may distribute the Purchased Shares as share dividends, which will depend on the availability of, amongst others, the retained earnings of our Company, transfer or cancel the Purchased Shares if your Board decides to change the capital structure of our Company.

In the event the Purchased Shares are held as treasury shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise, would be suspended and the treasury shares would not be taken into account in calculating the number of percentage of Shares, or of a class of Capital A Shares for any purposes including without limiting the generality of the provision of Section 127 of the Act, the provisions of any law or the requirements of the Company's Constitution or the Listing Requirements on the substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the results of a vote on resolution(s) at meetings.

An appropriate announcement will be made to Bursa Securities in respect of the intention of our Directors to either retain the Purchased Shares as treasury shares or cancel them or a combination of both following any transaction(s) executed pursuant to the authority granted under the Proposed Share Buy-Back. An immediate announcement will also be made to Bursa Securities on any resale or transfer of Purchased Shares.

The Proposed Share Buy-Back and/or the resale of treasury shares and/or transfer of treasury shares is however subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities at the time of the purchase and/or resale and/or transfer.

## **2.5 Public shareholding spread**

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the point of purchase including compliance with the 25% shareholding spread in the hands of public shareholders as required under Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the Record of Depositors of our Company showed 2,796,728,732 Shares, representing 67.2% of our total number of issued Shares were held in the hands of public shareholders. We will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if the purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

## **2.6 Implications of the Code**

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of our Company's substantial shareholders and/or persons acting in concert with them, your Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of our Company's substantial shareholders and/or persons acting in concert with them. In this connection, your Board is mindful of the requirements when making any purchase of our Shares pursuant to the Proposed Share Buy-Back.

## **2.7 Details of purchase of shares and resale, transfer and/or cancellation of treasury shares in the previous twelve (12) months**

There have not been any purchase of shares and resale, transfer and/or cancellation of treasury shares of our Company in the previous twelve (12) months preceding the date of this Statement and up to the LPD. As at the date of this Statement, our Company does not hold any treasury shares.

## **3. RATIONALE OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, will enable our Company to utilise our surplus financial resources, which are not immediately required for other uses, to purchase our own Shares from the Main Market of Bursa Securities. The Proposed Share Buy-Back may assist in stabilising the supply and demand as well as the market price of Capital A Shares and to prevent against speculation of Capital A Shares, when undervalued, to enhance investors' confidence.

Other things being equal, the Proposed Share Buy-Back, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Therefore, the Proposed Share Buy-Back will improve the EPS of our Company, which in turn is expected to have a positive impact on the market price of our Company.

The Purchased Shares may be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued Shares of our Company. Should any treasury shares be distributed as share dividends, this would serve to reward you as shareholders of our Company, or transferred for purposes of or under an employees' share scheme established by our Company and/or our subsidiaries, or as purchase consideration.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantages to our Group and it will be implemented only after due consideration of the financial resources of our Group and the resultant impact on the shareholders of our Company. Your Board, in undertaking the Proposed Share Buy-Back, will be mindful of the interests of our Company and its shareholders.

#### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages of the Proposed Share Buy-Back, if implemented, are as follows:

- (a) Where the Directors resolve to retain the Purchased Shares as treasury shares and/or cancel the Shares so purchased, our Company expects to enhance the EPS of our Group as a result of the reduction in the total number of issued Shares of our Company thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in our Company.
- (b) As permitted under Section 127 of the Act, where Purchased Shares are retained as treasury shares, it will provide our Company with opportunities for potential gain if the Purchased Shares which are retained as treasury shares are resold at a higher price and it will also serve to reward our shareholders if the Purchased Shares which are retained as treasury shares are distributed as share dividends.
- (c) Our Company may be able to reduce any unwarranted volatility of our Shares and assist to stabilise the supply and demand of our Shares traded on the open market of Bursa Securities, and reduce the volatility of the price of our Shares. The stability of the price of our Shares is important to maintain and/or enhance investors' confidence.
- (d) It will allow our Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity.

The potential disadvantages of the Proposed Share Buy-Back, if implemented, are as follows:

- (a) The Proposed Share Buy-Back will reduce the available cash of our Group and may result in our Group foregoing better investment opportunities that may emerge in the future or, at least, deprive our Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back.
- (b) The Proposed Share Buy-Back will reduce the available cash of our Group for distribution to you in the immediate future.
- (c) In the event that the Proposed Share Buy-Back is funded by bank borrowings, our Company would have to service the interest costs associated with bank borrowings, thereby reducing the available cash of our Company to the extent of such interest costs.

However, these disadvantages are mitigated by the prospect that the financial capacity of our Group may increase, if the Purchased Shares held as treasury shares are resold at higher price than their purchase price.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to our Company or to you as any share buy-back exercise will be undertaken only after in-depth consideration of the financial resources of our Company and of the resultant impact to you. Our Directors, in exercising any decision on the Proposed Share Buy-Back, will be mindful of the interest of our Company and its shareholders.

## 5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

### 5.1 Share capital

The proforma effects of the Proposed Share Buy-Back on the total number of issued Shares of our Company are as follows:

	<u>No. of Capital A Shares</u>
Total number of issued Shares as at the LPD	4,161,756,619
Assuming the Purchased Shares are cancelled*	(416,175,661)
<b>Resultant total number of issued Shares</b>	<b><u>3,745,580,958</u></b>

**Note:** Assuming up to ten per cent (10%) of the total number of issued Shares of our Company as at LPD are purchased under the Proposed Share Buy-Back and subsequently cancelled.

The proforma effects of the Proposed Share Buy-Back on the resultant total number of issued Shares of our Company will depend on the treatment of the Purchased Shares, whether the Purchased Shares are cancelled, retained as treasury shares, resold on Bursa Securities, distributed as share dividends, or transferred for purposes of or under an employees' share scheme established by our Company and/or our subsidiaries or as purchase consideration.

The above illustration assumes that the Purchased Shares are cancelled. Nevertheless, if the Purchased Shares are retained as treasury shares, resold, distributed to you or transferred for purposes of or under an employees' share scheme or as purchase consideration, the Proposed Share Buy-Back will have no effect on the total number of issued Shares of our Company.

### 5.2 Directors', Major Shareholders' and substantial shareholders' shareholdings

The proforma effects of the Proposed Share Buy-Back on our Directors', Major Shareholders' and substantial shareholders' shareholdings are as follows:

	Existing as at the LPD				After the Proposed Share Buy-Back*			
	Direct		Indirect		Direct		Indirect	
	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%
<u>Directors</u>								
Datuk Kamarudin	2,000	0.05	<sup>(1)</sup> 1,025,485	24.64	2,000	0.05	<sup>(1)</sup> 1,025,485	27.38
Tan Sri Tony Fernandes	1,600	0.04	<sup>(1)</sup> 1,025,485	24.64	1,600	0.04	<sup>(1)</sup> 1,025,485	27.38
Dato' Khadar Merican	100	0.00 <sup>#</sup>	-	-	100	0.00 <sup>#</sup>	-	-
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	<sup>(2)</sup> 990	0.02	-	-	<sup>(2)</sup> 990	0.02	-	-
Dato' Fam Lee Ee	-	-	-	-	-	-	-	-
Surina binti Shukri	-	-	-	-	-	-	-	-

	Existing as at the LPD				After the Proposed Share Buy-Back*			
	Direct		Indirect		Direct		Indirect	
	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%	No. of Capital A Shares ('000)	%
<u>Major Shareholders</u>								
Datuk Kamarudin	2,000	0.05	<sup>(1)</sup> 1,025,485	24.64	2,000	0.05	<sup>(1)</sup> 1,025,485	27.38
Tan Sri Tony Fernandes	1,600	0.04	<sup>(1)</sup> 1,025,485	24.64	1,600	0.04	<sup>(1)</sup> 1,025,485	27.38
Tune Live	509,000	12.23	-	-	509,000	13.59	-	-
Tune Air	516,485	12.41	-	-	516,485	13.79	-	-
Positive Boom Limited	<sup>(3)</sup> 332,499	7.99	-	-	<sup>(3)</sup> 332,499	8.88	-	-
Choi Chiu Fai, Stanley	-	-	<sup>(3)</sup> <sup>(4)</sup> 332,499	7.99	-	-	<sup>(3)</sup> <sup>(4)</sup> 332,499	8.88

**Notes:**

\* Assuming up to ten per cent (10%) of the total number of issued Shares of our Company as at LPD are purchased under the Proposed Share Buy-Back and subsequently cancelled or retained as treasury shares, and there is no change in Shares held by our Directors, Major Shareholders, substantial shareholders and Persons Connected to our Directors and/or Major Shareholders.

# Negligible.

(1) Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Tune Air and Tune Live.

(2) Rounded up from 989,500.

(3) Rounded up from 332,498,504.

(4) Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Positive Boom Limited.

### **5.3 NA and working capital**

The effect of the Proposed Share Buy-Back on the NA of our Group will depend on the actual number of and prices paid for the Purchased Shares, the effective funding cost to our Group to finance the purchase of such Shares, or any loss in interest income to our Group, and whether the Purchased Shares are cancelled, retained as treasury shares, resold on Bursa Securities or distributed as share dividends to you.

If all Purchased Shares are cancelled, the NA of our Group would decrease if the purchase price per Purchased Share is more than the NA per Share at the relevant point in time, and vice versa.

The NA of our Group would decrease if the Purchased Shares are retained as treasury shares, due to the requirement for treasury shares to be carried at cost and be offset against equity.

If the treasury shares are resold on Bursa Securities, the NA of our Group would increase if our Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA of our Group would decrease by the cost of the treasury shares.

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and available cash of our Group, the quantum of which will depend on, among others, the number of Purchased Shares and the purchase price(s) of the Purchased Shares.

For Purchased Shares which are kept as treasury shares, upon their resale, the working capital and available cash of our Group will increase upon the receipt of the proceeds from the resale. The quantum of the increase in the working capital and available cash will depend on the actual selling prices(s) of the treasury shares and the number of treasury shares resold.

### **5.4 Gearing**

The effects of the Proposed Share Buy-Back on the gearing of our Group will depend on the proportion of borrowing utilised to fund any purchase of the Purchased Shares. At this juncture, we have not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back.

### **5.5 EPS**

The Proposed Share Buy-Back may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to our Company to finance the purchase of such Shares, or any loss in interest income to our Company or opportunity cost in relation to other investment opportunities.

Nevertheless, all else being equal, assuming that the treasury shares are retained by our Company, the Proposed Share Buy-Back is expected to increase the EPS of our Group as the treasury shares held by our Company will not be taken into account in calculating the total number of Capital A Shares in issue.

Assuming that the Purchased Shares are retained as treasury shares and subsequently resold, the extent of the effects on the earnings of our Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest cost savings arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back will increase the EPS of our Group provided the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

## 6. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to and conditional upon your approval at our forthcoming AGM.

The Proposed Share Buy-Back is not conditional or inter-conditional upon any other corporate exercise being or proposed to be undertaken by our Company.

## 7. SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of Capital A Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
<b>2021</b>		
March	1.21	0.925
April	1.03	0.86
May	0.90	0.82
June	0.985	0.87
July	0.925	0.81
August	0.93	0.80
September	1.07	0.905
October	1.28	1.01
November	1.15	0.87
December	0.85	0.765
<b>2022</b>		
January	0.815	0.545
February	0.685	0.565

The last transacted price of Capital A Shares as at the LPD was RM0.735 per Share.

*(Source: Bloomberg)*

## 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of our Directors, Major Shareholders and/or Persons Connected to them has any interest, direct or indirect in the Proposed Share Buy-Back or proposed resale of treasury shares, if any.

## 9. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Board having considered the Proposed Share Buy-Back is of the view that the Proposed Share Buy-Back is in our Company's best interests.

Accordingly, your Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at our forthcoming AGM.

## 10. AGM

The Fifth AGM, the extract of the notice of which is set out in this Statement, will be conducted as a virtual meeting through live streaming from the Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia using the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the **TIIH Online** website at <https://tiih.online> on **Thursday, 16 June 2022 at 10.00 a.m.**, for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Share Buy-Back.

You are entitled to attend and vote remotely at our forthcoming AGM or appoint proxy(ies) to attend and vote remotely for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia or electronically lodged with the poll administrator via **TIIH Online** website at <https://tiih.online>, not less than forty-eight (48) hours before the time fixed for our forthcoming AGM or any adjournment thereof. Please refer to the Administrative Note for the AGM on the procedures for electronic lodgement of the Form of Proxy. The last date and time for you to lodge the Form of Proxy is on **Tuesday, 14 June 2022 at 10.00 a.m.** The lodging of the Form of Proxy will not preclude you from remotely attending and voting at our forthcoming AGM should you subsequently wish to do so but if you do so, your proxy shall be precluded from attending the AGM.

## 11. FURTHER INFORMATION

You are advised to refer to the attached appendix for further information.

This Circular/Statement is dated 29 April 2022.



### FURTHER INFORMATION

#### 1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular/Statement and they collectively and individually accept full responsibility for the accuracy of the information in this Circular/Statement. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts which, if omitted, would make a statement in this Circular/Statement false or misleading.

#### 2. MATERIAL CONTRACT

There are no material contracts (not being contracts entered into in the ordinary course of business), which have been entered into by our Group within the past two (2) years immediately preceding the date of this Circular/Statement.

#### 3. MATERIAL LITIGATION

As at the date of this Circular/Statement, save as disclosed below, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our financial position or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect our financial position or business:

##### 3.1 AAB and AAX vs. Malaysia Airports (Sepang) Sdn Bhd

**Kuala Lumpur High Court Civil Suit No. WA-23NCvC-56-10/2019  
AIRASIA BERHAD & AIRASIA X BERHAD V MALAYSIA AIRPORTS (SEPANG) SDN BHD  
(SY1447)**

On 2 October 2019, AAB (together with AAX) filed a Writ of Summons at the Kuala Lumpur High Court (“**High Court**”) against Malaysia Airports (Sepang) Sdn Bhd (“**MASSB**”) for special damages in the sum of RM479,781,285.00 and general damages occasioned by MASSB’s negligence and/or breaches of contract in maintaining and operating KLIA2.

AAB and AAX subsequently filed an amended statement of claim on 23 December 2019 and a reply on 26 December 2019.

MASSB has filed an application to strike out AirAsia X Berhad and AAB’s claim on 12 November 2019 (“**Striking Out Application**”). On 8 January 2020, MASSB filed an application for further and better particulars of the Amended Statement of Claim (“**MASSB’s FBP Application**”). MASSB’s FBP Application is held over pending the disposal of the Striking Out Application.

On 13 November 2020, MASSB filed a supplementary affidavit exhibiting certain correspondence which MASSB says evince a settlement agreement between the parties to, amongst others, withdraw the claim. On 10 December 2020, AAB and AirAsia X Berhad applied to expunge that affidavit and its exhibits. The expungement application was dismissed by the High Court on 10 December 2021 with costs in the cause, and parties were allowed to submit on whether there is a concluded settlement agreement at the hearing of MASSB’s Striking Out Application.

MASSB's Striking Out Application was heard on 14 February 2022 but the High Court reserved its decision. The High Court dismissed the Striking Out Application on 25 March 2022 with costs in the cause.

Presently, the status of the proceedings are as follows:-

- (i) On 4 April 2022, MASSB has lodged an appeal against the dismissal of the Striking Out Application. The Court of Appeal has fixed the Case Management for 23 May 2022.
- (ii) On 4 April 2022 also, the High Court managed MASSB's FBP Application and directed that the application be heard on 22 June 2022. A case management has also been scheduled to take place after the hearing of MASSB's FBP Application.

The solicitors acting for AAB and AAX in this suit have indicated that AAB and AAX have an even chance in succeeding in this claim provided there is clear, cogent and independent evidence to support the claim.

- (I) COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCVC)-1367-07/2019**
- (II) COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCVC)-1369-07/2019  
AIRASIA BERHAD V MALAYSIA AIRPORTS (SEPANG) SDN. BHD.**
- (III) COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCVC)-1362-07/2019  
AIRASIA X BERHAD V MALAYSIA AIRPORTS (SEPANG) SDN. BHD. (SY1444)**

On 10 December 2018 and 31 January 2019 respectively, MASSB initiated Civil Suits No. WA-22NCvC-816-12/2018 ("**Suit 816**"); No. WA- 22NCvC-817-12/2018 ("**Suit 817**") and No. WA-22NCVC-58-01/2019 ("**Suit 58**") in the Court for the outstanding Passenger Service Charges ("**PSC**") and Late Payment Charges ("**LPC**") which were purportedly due and owing to it by AAB & AAX.

On 18 July 2019, the Court, inter alia, allowed MASSB's application for summary judgment against AAB and ordered AAB to pay MASSB:-

- (i) RM9,395,856.50 in outstanding PSC and RM90,055.50 in outstanding LPC for Suit 816; and
- (ii) RM4,614,329.00 in outstanding PSC and RM40,577.47 in outstanding LPC for Suit 58.

On the same day, the Court, inter alia, allowed MASSB's application for summary judgment against AAX and ordered AAX to pay MASSB RM26,718,142.00 in outstanding PSC and RM661,748.77 in outstanding LPC.

These appeals were filed in the Court of Appeal against the aforesaid Court decision on 22 July 2019.

On 17 and 18 September 2019, AAB paid a sum of RM14,156,818.47 (being the amounts specified in the Garnishee Show Cause Orders dated 23 August 2019) to MASSB to defray the garnishee execution proceedings. The payment was made by AAB without prejudice to AAB's rights, including AAB's rights in the appeals made in relation to the judgement order dated 18 July 2019 and any connected interlocutory applications.

On 22 January 2021, MASSB filed a supplementary affidavit in an attempt to adduce fresh evidence in these appeals. On 5 February 2021, AAB filed motions to adduce fresh evidence in these appeals. In view of these developments, the hearing proper of the appeals were adjourned, pending the disposal of AAB's motions to adduce fresh evidence and MASSB's supplementary affidavits.

On 24 March 2021, the Court of Appeal allowed AAB's motions to adduce fresh evidence and Supplementary Records of Appeal consisting of the fresh evidence were filed on 5 April 2021 and served on 6 April 2021.

On 14 April 2021, the Court of Appeal gave directions for the filing of written submissions. The appeals were heard on 27 January 2022.

Presently, the status of the proceedings are as follows:-

- (i) On 3 March 2022, the Court of Appeal dismissed AAB's four (4) appeals against the High Court's two (2) summary judgments and two (2) orders dismissing AAB's application to strike out MASSB's claim for outstanding Passenger Service Charges. The appeals were dismissed with costs of RM10,000.00 for each appeal, subject to payment of allocator fee.
- (ii) On 1 April 2022, AAB filed motions for leave to appeal to the Federal Court against the dismissal of the four (4) PSC Appeals on 3 March 2022 by the Court of Appeal.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Circular/Statement up to and including the date of our forthcoming AGM:

- (i) our Constitution;
- (ii) our audited financial statements for the past two (2) FYE 31 December 2020 and 31 December 2021; and.
- (iii) the relevant cause papers for the material litigation referred to in Section 3 of this Appendix.

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**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
*[Registration No.: 201701030323 (1244493-V)]*  
*(Incorporated in Malaysia under the Companies Act, 2016)*

**EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING FIFTH ANNUAL GENERAL MEETING**

**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")**

"**THAT** approval be and is hereby given for the renewal of existing shareholders' mandate and new shareholders' mandate for Capital A Berhad (formerly known as 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 29 April 2022 ("**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;
  - (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) or 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.”

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**CAPITAL A BERHAD**  
**(FORMERLY KNOWN AS AIRASIA GROUP BERHAD)**  
*[Registration No.: 201701030323 (1244493-V)]*  
*(Incorporated in Malaysia under the Companies Act, 2016)*

**EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING FIFTH ANNUAL GENERAL MEETING**

**ORDINARY RESOLUTION 7**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF CAPITAL A BERHAD (FORMERLY KNOWN AS 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:

- i. 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;
- iii. 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
- 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.”

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**Personal data privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with all applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will fully and wholly indemnify the Company on full indemnity basis (whether demanded or not) in respect of penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the warranty.*