

THIS CIRCULAR 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**”) takes no responsibility for the contents of this Circular, 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.



AIRASIA BERHAD

(Company No.: 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

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

The Proposed Mandate will be tabled at AirAsia Berhad’s Twenty Fourth Annual General Meeting (“**AGM**”) which will be held at Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Thursday, 25 May 2017 at 10.00 a.m. The Notice of the Twenty Fourth AGM together with the Form of Proxy are set out in the Annual Report of AirAsia Berhad for the year ended 31 December 2016.

You are entitled to attend and vote at our AGM or appoint a proxy to vote for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than forty-eight (48) hours before the date and time fixed for our AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 23 May 2017 at 10.00 a.m.

Date and time of AGM : Thursday, 25 May 2017 at 10.00 a.m.

This Circular is dated 28 April 2017

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

AAI	: AirAsia (India) Limited, (Corporate Identity No.: U62200KA2013PLC086204), incorporated in India
AACL	: Asia Aviation Capital Limited (Company No.: LL11196), incorporated in Labuan, Malaysia
AAX	: AirAsia X Berhad (Company No.: 734161-K), incorporated in Malaysia
Act	: Companies Act, 2016 and any statutory modifications or amendments thereto from time to time
AGM	: Annual General Meeting
AGSS	: AirAsia Global Shared Services Sdn Bhd (Company No.: 1045172-A), incorporated in Malaysia
AirAsia or our Company	: AirAsia Berhad (Company No.: 284669-W), incorporated in Malaysia
AirAsia Group or our Group	: AirAsia and our subsidiaries
BIG Duty Free	: BIG Duty Free Holdings Ltd (BVI Company No.: 1791835), incorporated in the British Virgin Islands
Board	: Board of Directors of the Company
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No.: 635998-W)
CaterhamJet	: Caterhamjet Global Ltd, (Company No.: 995558-T), a foreign company registered under Section 332(1) of the Act
Circular	: This Circular dated 28 April 2017
Datuk Kamarudin	: Datuk Kamarudin bin Meranun
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
EPS	: Earnings per Share
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
Listing Requirements	: The Main Market Listing Requirements of Bursa Securities, including any amendments thereto from time to time

LPD	: 7 April 2017, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	: A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: <ul style="list-style-type: none"> (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. <p>For the purpose of this definition, "interests in shares" has the meaning given in Section 8 of the Act.</p> <p>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>
Market Day(s)	: A day on which the stock market of Bursa Securities is open for trading in securities
NA	: Net assets attributable to ordinary equity holders of our Company
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Percentage Ratio	As defined in Chapter 10 of the Listing Requirements.
Proposed Mandate	: Proposed renewal of existing shareholders' mandate and new shareholders' mandate for RRPTs as set out in Section 2.3 of this Circular
QPR	: Queens Park Rangers Football Club
QPR Asia	: QPR Asia Sdn Bhd (Company No.: 955642-H), incorporated in Malaysia
QPR Holdings	: QPR Holdings Limited (Company No.: 3197756), incorporated in England and Wales
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
Related Party(ies)	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
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 Company which involve the interest, direct or indirect, of a Related Party(ies)
Share(s)	: Ordinary shares in the capital of the Company
TAAX	: Thai AirAsia X Co. Ltd. (Company No.: 0105556044936), incorporated in Thailand

Tan Sri (Dr.) Tony Fernandes	: Tan Sri (Dr.) Anthony Francis Fernandes
Think BIG	: Think BIG Digital Sdn Bhd (Company No.: 924656-U), incorporated in Malaysia
TIMB	: Tune Insurance Malaysia Berhad (Company No.: 30686-K), incorporated in Malaysia
TPB	: Tune Protect Group Berhad (Company No.: 948454-K), incorporated in Malaysia
Transacting Party(ies)	: A party which our Company has entered or may enter into a RRPT under the Proposed Mandate
Tune Air	: Tune Air Sdn Bhd (Company No.: 548526-V), incorporated in Malaysia
Tune Group	: Tune Group Sdn Bhd (Company No.: 798868-P), incorporated in Malaysia

Currencies

GBP	: Great Britain Pounds
RM and sen	: Ringgit Malaysia and sen respectively
USD	: United States Dollar

All references to “**our Company**” in this Circular are to AirAsia Berhad 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 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 shall be a reference to Malaysian time, unless otherwise specified.

All references to “you” in this Circular 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 18 May 2017.

For illustration purposes only, the exchange rate of GBP1 = RM 5.51 and USD1 = RM 4.43 have been used throughout this Circular, unless otherwise stated.

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED MANDATE CONTAINING:

SECTION	PAGE
1. INTRODUCTION	1
2. PROPOSED MANDATE	2
3. RATIONALE AND BENEFITS OF THE PROPOSED MANDATE	21
4. VALIDITY PERIOD FOR THE PROPOSED MANDATE	23
5. EFFECTS OF THE PROPOSED MANDATE	24
6. APPROVALS REQUIRED	24
7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	24
8. DIRECTORS' RECOMMENDATION	25
9. AGM	25
10. FURTHER INFORMATION	25
APPENDIX	26
EXTRACT OF RESOLUTION	ENCLOSED



AIRASIA BERHAD

(Company No. 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

B-13-15, Level 13
Menara Prima Tower B
Jalan PJU 1/39
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

28 April 2017

Board of Directors:

Datuk Kamarudin bin Meranun *(Non-Independent Executive Chairman)*
Tan Sri (Dr.) Anthony Francis Fernandes *(Non-Independent Executive Director and Group Chief Executive Officer)*
Aireen Omar *(Non-Independent Executive Director and 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)*
Stuart L Dean *(Independent Non-Executive Director)*
Dato' Mohamed Khadar bin Merican *(Independent Non-Executive Director)*
Tharumalingam A/L Kanagalingam *(Non-Independent Executive Director and Deputy Group Chief Executive Officer, Operations)*

To: Our shareholders

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

1. INTRODUCTION

At the AGM of our Company held on 30 May 2016, you had inter-alia, granted the mandate for our Group to enter into RRPTs as stipulated in the Circular to Shareholders dated 29 April 2016. The authority conferred by the mandate, in accordance with the Listing Requirements, will lapse at the conclusion of our forthcoming Twenty Fourth AGM unless authority for its renewal is obtained from you.

Your Board had on 6 April 2017 announced our intention to seek your approval for the Proposed Mandate at our forthcoming AGM which will be held at Asian Aviation Centre of Excellence, Lot

PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Thursday, 25 May 2017 at 10.00 a.m.

THE PURPOSE OF THIS CIRCULAR 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 2016.

YOU ARE ADVISED TO READ THIS CIRCULAR 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 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 aggregated 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 includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (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 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

Our Company is principally providing air transportation services and an investment holding company while the principal activities of our subsidiaries include the provision of insurance services, the provision of financing and leasing arrangements and others.

2.3 Details of RRPTs and the Related Parties

The details of the RRPTs entered or to be entered into by our Company with the Transacting Parties under the Proposed Mandate are as follows:

Existing RRPTs

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 25 May 2017 to the next AGM
Revenue/income				
1.	AAX	Provision of the following range of services by our Company to AAX: (i) Operational services (a) Commercial (b) Revenue & Process Assurance - Card Fraud Team (c) Cargo (d) Regulatory Network (manpower cost for affiliate of companies in China) (e) IT Internal Audit & Investigation (f) Ground Operations (g) Group Inflight Ancillary (h) Engineering (i) Operations Control Centre (j) Corporate Quality (k) Cabin Crew Department (l) Innovation, Commercial and Technology (ii) Management/advisory services (a) Treasury (b) Legal	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 19,500,000
2.	AAX	Provision of the rights by our Company to AAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾	RM 8,600,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 25 May 2017 to the next AGM
			Datuk Kamarudin ⁽²⁾	
3.	AAX	Provision of charter services to Beirut, Lebanon to be provided by AAX for the Malbatt contingent	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 279,000
4.	AAX	Provision of the following shared services by AGSS to AAX: (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; and (d) Sourcing and procurement operation support services.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 2,695,000
5.	TPB	Provision of the right to access our Company's customer database by our Company to TPB to conduct telesales marketing on TPB's and/or third party insurance products and the provision of management services by TPB to our Company's travel insurance business	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 100,000
6.	TIMB	Provision of travel insurance to our customers for journeys originated from Malaysia resulting in sales commission received by our Company	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 20,710,745

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 25 May 2017 to the next AGM
7.	TAAX	Provision of the rights by our Company to TAAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	USD 3,970,942 (RM 17,591,273)
8.	TAAX	Provision of price risk management through fuel hedging by our Company with hedging counterparties, on behalf of TAAX	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 144,000
9.	TAAX	Provision of the following shared services by AGSS to TAAX: (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; (d) Sourcing and procurement operation support services; and (e) Innovation, commercial and technology services.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 1,447,000
10.	IAAX	Provision of the rights by our Company to IAAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	USD 1,442,920 (RM 6,392,135)
11.	IAAX	Provision of price risk management through fuel	Interested Directors and	RM 144,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 25 May 2017 to the next AGM
		hedging by our Company with hedging counterparties, on behalf of IAAX	Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	
12.	IAAX	Provision of leasing of aircraft by AACL to IAAX	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	USD 16,758,000 (RM 74,237,940)
13.	IAAX	Provision of the following shares services by AGSS to IAAX: (a) Finance and accounting support operation services; (b) People department support operation; (c) Information and technology operation support services; (d) Sourcing and procurement operation support services; and (e) Innovation, commercial and technology services.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM 1,097,000
Expense				
14.	QPR Holdings	Provision of back of kit sponsorship by our Company to QPR in the Football League Championship	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	GBP 100,000 (RM 551,000) - sponsorship fee for the 2016/17 season

Additional RRPTs

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 25 May 2017 to the next AGM
Expense				
1.	AAX	Provision of lounge services to the Company's passengers by subscribing to the AirAsia Premium Lounge operated by AAX	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	MYR 3,100,000

Notes:

- (1) *Tan Sri (Dr.) 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 for details of his shareholdings in our Company.*

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

	<----- Direct ----->		<----- Indirect ----->		Directorship
	No. of shares	%	No. of shares	%	
AAX	87,303,728	2.11	1,163,602,394	28.05*	✓
QPR Holdings	-	-	2,491,153,209	69.21#	✓
TPB	100,000	0.01	221,172,150	29.42^	✓
TIMB	-	-	83,273,097	83.26**	-
TAAX	-	-	19,600,000	49.00@	✓
IAAX	-	-	8,536,539	49.00^^	-
Tune Group	18,150,000	50.00	-	-	✓

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

Deemed interested via his interest in Tune Group which wholly owns Tune Sport Sdn Bhd which in turn, wholly owns QPR Asia, being the Major Shareholder of QPR Holdings pursuant to Section 8 of the Act.

^ *Deemed interested via his interest in Tune Group and AirAsia, being the Major Shareholders of TPB pursuant to Section 8 of the Act.*

** *Deemed interested via his interest in TPB, being the Major Shareholder of TIMB pursuant to Section 8 of the Act.*

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

(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 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	337,702,739	8.14	1,163,602,394	28.05*	✓
QPR Holdings	-	-	2,491,153,209	69.21#	✓
TPB	81,900	0.01	221,172,150	29.42^	✓
TIMB	-	-	83,273,097	83.26**	-
TAAX	-	-	19,600,000	49.00@	✓
IAAX	-	-	8,536,539	49.00^^	-
Tune Group	18,150,000	50.00	-	-	✓

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

Deemed interested via his interest in Tune Group which wholly owns Tune Sport Sdn Bhd which in turn, wholly owns QPR Asia, being the Major Shareholder of QPR Holdings pursuant to Section 8 of the Act.

^ Deemed interested via his interest in Tune Group and AirAsia, being the Major Shareholders of TPB pursuant to Section 8 of the Act.

** Deemed interested via his interest in TPB, being the Major Shareholder of TIMB pursuant to Section 8 of the Act.

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

^^ Deemed interested via his interest in Tune Group and AirAsia, being the Major Shareholder of AAX, being the Major Shareholder of IAAX pursuant to Section 8 of the Act.

[The rest of this page has been intentionally left blank]

2.4 Existing mandate of RRPTs obtained at the last AGM

The details of the estimated value and actual value of the RRPTs transacted from the date of which the existing shareholders' mandate was obtained at the last AGM held on 30 May 2016 are set out in table below:

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
Revenue/income					
1.	AAX	Provision of the following range of services by our Company to AAX: (a) Commercial (b) Treasury (c) Quality Assurance – Credit card fraud unit (d) Cargo (e) Manpower cost (affiliate of companies in China) (f) IT Internal Audits (g) Ground Operations (h) Group Inflight Ancillary (i) Engineering (j) Legal (k) Operations Control Centre (l) Corporate Quality (m) Flight Attendant Department (n) Innovations, Commercial and Technology	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM12,000,000	RM11,671,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
2.	AAX	Provision of the rights by our Company to AAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholder Tune Air</p>	RM8,600,000	RM6,900,000
3.	TPB	Provision of the right to access our Company's customer database by our Company to TPB to conduct telesales marketing on TPB's and/or third party insurance products and the provision of management services by TPB to our Company's travel insurance business	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholder Tune Air</p>	RM250,000	RM58,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
4.	TIMB	Provision of travel insurance to our customers for journeys originated from Malaysia resulting in sales commission received by our Company	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM20,450,000	RM9,456,000
5.	AAX	Provision of charter services to Beirut, Lebanon to be provided by AAX for the Malbatt contingent	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM280,000	RM279,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
6.	TAAX	Provision of the rights by our Company to TAAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholder Tune Air</p>	USD4,700,000	USD3,374,000
7.	Think BIG	Revenue from ticket sales and/or other ancillary sales arising from redemption of loyalty points from Think BIG, which operates and manages a loyalty program branded as the BIG Loyalty Program	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholder Tune Air</p>	RM8,000,000	RM2,839,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
8.	IAAX	Provision of the rights by our Company to IAAX as a licensee to operate scheduled air services under the trade name and livery of AirAsia	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	USD2,900,000	USD422,000
9.	IAAX	Provision of price risk management through fuel hedging by our Company with hedging counterparties, on behalf of IAAX	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM150,000	RM120,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
10.	TAAX	Provision of price risk management through fuel hedging by our Company with hedging counterparties, on behalf of TAAX	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM150,000	RM120,000
11.	AAI	Provision of price risk management through fuel hedging by our Company with hedging counterparties, on behalf of AAI	Interested Directors Tan Sri (Dr.) Tony Fernandes Amit Bhatia	RM150,000	RM120,000
12.	AAI	Provision of leasing of aircraft	Interested Directors Tan Sri (Dr.) Tony Fernandes Amit Bhatia	USD53,980,000	USD21,623,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
13.	AAI	Provision of the following services by our Company to AAI: (a) Network Regulatory; (b) Quality & Assurance; (c) Treasury; (d) Engineering; (e) Operations Control Centre; (f) Audit (Investigation); (g) Flight Attendant Department; and (h) Inflight Business.	Interested Director Tan Sri (Dr.) Tony Fernandes Amit Bhatia	RM1,400,000	RM1,292,000
14.	AAI	Provision of the following shared services by AGSS to AAI: (a) Finance and accounting support operation services; (b) People department support operation services; and (c) Information and technology operation support services.	Interested Director Tan Sri (Dr.) Tony Fernandes Amit Bhatia	RM2,100,000	RM1,886,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
15.	AAX	Provision of the following shared services by AGSS to AAX: (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; and (d) Sourcing and procurement operation support services.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholders Tune Air	RM3,700,000	RM2,428,000
16.	TAAX	Provision of the following shared services by AGSS to TAAX: (f) Finance and accounting support operation services; (g) People department support operation services; (h) Information and technology operation support services; (i) Sourcing and procurement operation support services; and (j) Innovation, commercial and technology services.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholders Tune Air	RM1,400,000	RM1,151,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
17.	IAAX	Provision of leasing of aircraft by AACL to IAAX	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholders Tune Air</p>	USD21,000,000	USD12,183,500
18.	IAAX	<p>Provision of the following shares services by AGSS to IAAX:</p> <p>(f) Finance and accounting support operation services;</p> <p>(g) People department support operation;</p> <p>(h) Information and technology operation support services;</p> <p>(i) Sourcing and procurement operation support services; and</p> <p>(j) Innovation, commercial and technology services.</p>	<p>Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin</p> <p>Interested Major Shareholders Tune Air</p>	RM1,300,000	RM1,159,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 LPD
Expense					
19.	QPR Holdings	Provision of full shirt sponsorship by our Company to QPR which is contingent upon QPR being promoted into the premier league (GBP3,050,000) and bonuses which is contingent upon QPR winning the Capital One Cup and/or FA Cup (GBP1,550,000)	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin	GBP150,000- sponsorship fee for the 2016/17 season	GBP100,000
20.	Think BIG	Purchase of loyalty points from Think BIG, which operates and manages a loyalty program branded as the BIG Loyalty Program	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	RM13,000,000	RM9,432,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 April 2016	Actual value from 30 May 2016 to LPD
21.	CaterhamJet	Provision of Bombardier Global Express aircraft operated by CaterhamJet and maintenance support for the aircraft to our Company	Interested Directors Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin	USD6,095,000	USD4,231,000
22.	Tune Group	Secondment of personnel from Tune Group to our Company for the purposes of operating Bombardier Global Express aircraft operated by CaterhamJet	Interested Directors Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin	RM4,800,000	RM2,389,000
23.	AAX	Provision of charter and/or wet lease of A330 aircraft by AAX to our Company.	Interested Directors and Major Shareholders Tan Sri (Dr.) Tony Fernandes Datuk Kamarudin Interested Major Shareholder Tune Air	USD15,000,000	USD2,617,000

There is no amount due and owing to our Group by its Related Parties pursuant to the RRPTs which has exceeded the credit term. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.5 Basis of estimates

The estimated transaction values for the RRPTs referred to in Section 2.3 of this Circular 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, from the date of our forthcoming AGM to our next AGM.

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 Legal and Compliance 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 Legal and Compliance Department as well as the 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 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 must inform your Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed RRPT that he is aware 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 or Person Connected to them must not vote at the general meeting on the resolution approving the RRPT. It is the duty of the interested Director and interested Major Shareholder to ensure that Persons 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 and is of the view that the procedures are:

- (i) sufficient to ensure that the RRPTs are 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 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 the Listing Requirements which requires, in addition to what is set out in Section 2.1(b) of this Circular, a breakdown of the aggregated 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 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 RRPTs that have been entered into and will be entered into by our Group are necessary for our business and are intended to meet business needs at the best possible terms. 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 benefits of transacting with the Related Parties are as follows:

- (a) Our Group has the capacity to provide the range of services to AAX as detailed in Section 2.3 of this Circular. The provision of these services is merely extending our Group's existing services to AAX. This would also provide an additional source of income, which will contribute to our Group's revenue and profitability.
- (b) The brand license agreement entered into with AAX will expand AirAsia's reach as well as complement AirAsia's international network – providing service to guests beyond the four (4)-hour flight radius (i.e. long-haul routes). This would also provide an additional source of income, which will contribute to our Group's revenue and profitability. This agreement will allow AAX to operate and be visually recognisable within the AirAsia Group of airlines thus enlarging AirAsia's market share across the region.
- (c) While our Group values the contribution of travel insurance revenue as an important source of ancillary income, the insurance business is not our core business and as such it would be more efficient and cost effective if TPB undertakes the sourcing of insurance for us. This will enable our Group to monetise and leverage on our Group's large customer base for additional revenue without any additional investment outlay whilst improving performance of our travel insurance business and reduce cost of dealing with multiple parties through the central management by TPB. TPB has proven to be reliable in its delivery of services as well as fulfilling the quality expectations of our Group, hence, any risk of interruption to our Group's day-to-day operations would be minimised. TPB is also familiar with our Group's operations and therefore, is able to meet the business needs and requirements of our Group. Further, this would enable our Group to concentrate on our core business while maximising business opportunities.
- (d) The provision of travel insurance to our customers to be provided by TIMB for journey originated from Malaysia will result in sales commission received by our Company. This would provide an additional source of income, which will contribute to our Group's revenue and profitability.
- (e) The provision of charter services to Beirut, Lebanon to be provided by AAX for the Malbatt contingent promotes continuous brand elevation as our Company will continue to be a major service provider to the Ministry of Defence. Additionally, our Company will gain exposure and will further attract the Army personnel to use our services for their personal travel. The exposure gained from this contract will attract others among young enthusiasts in the country to join the Malaysian Armed Forces and fly AirAsia.
- (f) The brand license agreement with TAAX will expand AirAsia's reach out of Thailand as well as complement Thailand AirAsia's domestic network – providing further reach and service to guests beyond the four (4)-hour flight radius (i.e. long-haul routes). This would also provide an additional source of income, which will contribute to our Group's revenue and profitability. This agreement will allow TAAX to operate and be visually recognisable in the same manner as AAX within the AirAsia Group of airlines thus enlarging AirAsia's market share across the region.

- (g) The brand license agreement entered into with IAAX will expand AirAsia's reach out of Indonesia as well as complement Indonesia AirAsia's domestic network – providing further reach and service to guests beyond the four (4)-hour flight radius (i.e. long-haul routes). This would also provide an additional source of income, which will contribute to our Group's revenue and profitability. This agreement will allow IAAX to operate and be visually recognisable in the same manner as AAX within the AirAsia Group of airlines thus enlarging AirAsia's market share across the region.
- (h) The fuel hedging master agreements to be entered into with IAAX and TAAX respectively will enable our Company to leverage with bigger volumes of hedge and to obtain better pricing from commodity hedging counterparties. This will also synchronise the hedging activity direction and objective within the Group.
- (i) The service level agreement with AAX will allow AGSS to provide support services to AAX in terms of finance and accounting support operation services, people department support operation services, information and technology operation support services and sourcing and procurement operation support services. This will also rationalize and standardize the services provided across the associate companies.
- (j) Through the sponsorship agreement with QPR, our Group is able to gain wider access and attract different segments of customers, with football being the top global spectator sport. Our Group believes that the association with these brands in the sporting arenas of football will further elevate the AirAsia brand. The AirAsia association would also give added public relations exposure to our Group, generating significant interest, creating brand loyalty and enabling customers to communicate and engage with our Group through various media platforms.
- (k) The provision of leasing of aircraft by AACL to IAAX will strengthen our Group commercial and operational economies of scale and extend leverage on AirAsia's brand and distribution presence in Indonesia. The fleet expansion of IAAX will help to maximise route opportunities with the AirAsia network.
- (l) The service level agreement with TAAX and IAAX will allow AGSS to provide support services to TAAX and IAAX in terms of finance and accounting support operation services, people department support operation services, information and technology operation support services, sourcing and procurement operation support services and innovation, commercial and technology services. This will also rationalize and standardize the services provided across the associate companies.
- (m) The usage of the Premium Lounge by the Company is to add a value service to the Premium Flex fare. As the Premium Flex product is targeted to the business consumer and to compete with other carriers, adding the use of Premium Lounge will enhance the Premium Flex package. Moreover, by including the Premium Lounge benefit to the Premium Flex package, it is expected to increase the sales of Premium Flex seats.

Our Group has had long-standing business relationships with the Related Parties and the close co-operation has reaped mutual benefits which are expected to continue to be beneficial to the business of our Group.

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 (Dr.) Tony Fernandes, by virtue of his directorship in our Company and 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; and
- (ii) Datuk Kamarudin, by virtue of his directorship in our Company and 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.

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

	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Tan Sri (Dr.) Tony Fernandes	1,600,000	0.048	*1,075,485,082 <small>Note 1</small>	32.182
Datuk Kamarudin	2,000,000	0.060	*1,075,485,082 <small>Note 1</small>	32.182

Note 1 – 1,075,485,082 comprising of 516,485,082 shares held in Tune Air Sdn. Bhd. and 559,000,000 shares held in Tune Live Sdn. Bhd. respectively, both of which are the major shareholders of our Company.

* Deemed interest by virtue of Section 8 of the Companies Act, 2016 through the total shareholding of more than 20% in Tune Air Sdn. Bhd. and Tune Live 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 above-mentioned interested Directors and 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 above-mentioned interested Directors and Major Shareholders have undertaken to ensure that 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.

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 Twenty Fourth AGM, the extract of the notice of which is set out in this Circular, will be held at Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia, on Thursday, 25 May 2017 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 at our forthcoming AGM or appoint a proxy to vote for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than forty-eight (48) hours before the time fixed for our forthcoming AGM or any adjournment thereof. The last date and time for you to lodge the Form of Proxy is on Tuesday, 23 May 2017 at 10.00 a.m. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our forthcoming AGM should you subsequently wish to do so.

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
AIRASIA BERHAD

Aireen Omar
Non-Independent Executive Director and Chief Executive Officer

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

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

2. MATERIAL CONTRACT

The Company entered into a Subscription Agreement with Tune Live Sdn. Bhd. on 1 April 2016 for the issuance and allotment of 559,000,000 new ordinary shares of RM0.10 each in the Company ("Subscription Shares") to Tune Live Sdn. Bhd ("Shares Issuance"). The Shares Issuance has been completed following the listing of and quotation for the Subscription Shares on the Main Market of Bursa Securities on 26 January 2017.

3. MATERIAL LITIGATION

As at the date of this Circular, 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.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming AGM:

- (i) our Memorandum and Articles of Association; and
- (ii) our audited consolidated financial statements for the past two (2) FYE 31 December 2015 and 2016.



AIRASIA BERHAD
(Company No.: 284669-W)
(Incorporated in Malaysia under the Companies Act, 1965)

EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING TWENTY FOURTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 10

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 the existing shareholders' mandate and new shareholders' mandate for 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 28 April 2017 ("**Circular**"), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregated value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, among others, based on the following information:
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company;
- (iii) 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) 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 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.”

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 any 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 indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.