

AIRASIA GROUP BERHAD
 (Registration No.: 201701030323 (1244493-V))
 (“AAGB” or “the Company”)
 (Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company (“**EGM**” or the “**Meeting**”) held as a fully virtual meeting entirely through live streaming from the online meeting platform using the Remote Participation and Voting (“**RPV**”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) via the TIIH Online website, on Thursday, 11 November 2021 at 9.30 a.m.

Present & In Attendance: As per attendance list

1.0 WELCOME & INTRODUCTION

- 1.1 On behalf of the Board of Directors (“**Board**” or “**Directors**”) and the Company, En. Amzar Anizam, the emcee (the “**Emcee**”) for the Meeting, welcomed the shareholders to the EGM and thanked them for participating remotely.
- 1.2 The Emcee informed that the Company was holding its EGM virtually due to the impact of the COVID-19 pandemic, in adherence to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia (“**SC**”) on 16 July 2021 (including any amendment that may be made from time to time) and on the advice of health authorities to take preventive measures to curb the spread of COVID-19. The Board had taken this step, considering the paramount safety and well-being of the Company’s shareholders, staff members and other stakeholders.
- 1.3 The Emcee informed that participation in the Meeting was restricted to shareholders, proxies, authorised representatives of corporate shareholders and attorneys who had registered to participate in the Meeting remotely.
- 1.4 The Emcee proceeded to introduce the members of the Board, Senior Management of the Company and others who joined the EGM via video conference. The Senior Management team who joined the meeting remotely comprised Mr. Tharumalingam a/l Kanagalingam, the Group Chief Executive Officer of AirAsia Aviation Limited (formerly known as AirAsia Investment Ltd.), Ms. Pattria Boosarawongse, the Group Chief Financial Officer, Ms. Sim Siew Shan, the Head of Finance (Airline Group) and Mr. Adrian Chew Eu Sern, Group Corporate Finance. The representatives of RHB Investment Bank Berhad, the appointed Principal Adviser (“**RHBIB**”) and Messrs Adnan Sundra & Low, the appointed Solicitors, were also remotely present at the EGM.

The Emcee also conveyed Tan Sri Anthony Francis Fernandes’s apologies for not being able to join the Meeting as he had an official duty to be attended to.

2.0 CHAIRMAN OF THE MEETING

- 2.1 The Chairman, Y. Bhg. Datuk Kamarudin bin Meranun (the “**Chairman**” or “**Datuk Kamarudin**”), informed that Y. Bhg. Dato’ Fam Lee Ee was appointed as the Alternate Chairman of the Meeting in the event of an unforeseen circumstance or an unexpected interruption in the Chairman’s internet connection during the live streaming of the EGM.
- 2.2 With the requisite quorum being present, the Chairman called the Meeting to order at 9.30 a.m.

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3.0 NOTICE OF THE EGM

- 3.1 The notice convening the Meeting, having been advertised in the newspaper, circulated within the prescribed period and announced to Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), with the consent of the shareholders present, was taken as read.
- 3.2 Before proceeding with the Meeting agenda, the Chairman highlighted that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, the ordinary resolution set out in the Notice of the Meeting dated 27 October 2021 would be put to vote by way of poll, and polling would be conducted electronically via the RPV facilities. The online voting was accessible for shareholders to vote any time from the commencement of the Meeting until such time that would be announced later in the Meeting. The Chairman informed that TIIH was acting as poll administrator and the poll results would be verified by BDO Consulting Sdn. Bhd., the appointed Independent Scrutineers (“**Scrutineers**”). The Ordinary Resolution tabled for voting was displayed on the screen.
- 3.3 The Chairman informed that the proceedings of the EGM would be conducted according to the sequence in the agenda, followed by a questions and answers (“**Q&A**”) session. Shareholders were given the opportunity to ask questions and seek clarifications on the agenda item, which would be responded to during the Q&A session, but that repeated or similar questions would be answered only once and if questions were particularly lengthy, the questions would be summarised for reasons of brevity. The responses to questions not addressed during the Q&A session due to time constraint would be e-mailed at the earliest possible, after the Meeting.
- 3.4 For the benefit of shareholders participating remotely, TIIH presented a 3 minutes explanatory video on the RPV facilities and procedure(s) for remote voting.

4.0 SUMMARY OF THE COMPANY’S PROPOSAL

- 4.1 The Chairman invited Ms. Choong Lee Sim (“**Ms. Lee Sim**”), the representative of RHBIB, to present a summary on the details of the proposed Ordinary Resolution tabled at the EGM. Ms. Lee Sim took the shareholders through a presentation on the salient details of the proposal.
- 4.2 Ms. Lee Sim highlighted that the proposal tabled for the shareholders’ consideration at the EGM is the Proposed Renounceable Rights Issue of up to RM1,024,058,370 in nominal value of 7-Year Redeemable Convertible Unsecured Islamic Debt Securities with a nominal value of RM0.75 each (“**RCUIDS**”) based on the Shariah Principle of Murabahah (via Tawarruq Arrangement) on the basis of 2 RCUIDS with 1 free Detachable Warrant for every 6 Ordinary Shares in AAGB held at an entitlement date to be determined later (“**Proposed Rights Issue**”).
- 4.3 Ms. Lee Sim explained the salient details of the Proposed Rights Issue as per the presentation, for the benefit of the shareholders. Concisely, the Board was of the opinion that the Proposed Rights Issue is in the best interest of the Company and its shareholders; therefore, recommended that the shareholders vote in favour of the proposed Ordinary Resolution of the Meeting.
- 4.4 Following the presentation by Ms. Lee Sim, the Chairman informed that the first and only item on the agenda was to seek the shareholders’ approval for the Proposed Rights Issue, the details of which were set out in the Notice of EGM and the Circular to Shareholders dated 27 October 2021. The Ordinary Resolution was put forward to the Meeting for consideration.

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5.0 Q & A SESSION

- 5.1 At this juncture, the Chairman informed that the Board, Senior Management and Principal Adviser would address the questions received from shareholders and proxies, which were submitted using Tricor’s TIIH platform prior to the Meeting, and those received via the online query box during the EGM. He mentioned that the Board, Senior Management and Principal Adviser would endeavour to address as many questions as possible during the Meeting. The questions received were displayed on the screen.
- 5.2 For the benefit of the shareholders and proxy holders participating remotely, the Emcee read out the questions submitted by shareholders *via* the TIIH online platform prior to the Meeting, followed by selected question(s) submitted by remote participants at the EGM. A total of nine (9) questions raised by shareholders and/or proxy holders were addressed by the Board, Senior Management and Principal Adviser, as detailed in **Appendix 1** annexed herewith. Due to time constraint, it was noted that the remaining questions, clarifications and comments would be addressed accordingly, after the Meeting.

6.0 VOTING SESSION

- 6.1 On conclusion of the Q&A session, the Chairman advised the shareholders and proxy holders to proceed to submit their vote via the RPV facilities as the polling process would conclude after 10 minutes; followed by a 30 minutes recess for the verification of the poll results by the Scrutineers and thereafter the declaration of the poll results. He then declared the EGM adjourned.

7.0 ANNOUNCEMENT OF POLL RESULTS

- 7.1 The Meeting was re-convened at the conclusion of the polling process and the Chairman called the Meeting to order for the declaration of the poll results. The Chairman informed that the Scrutineers appointed by the Company had verified the poll voting results and the said results were projected on the screen.
- 7.2 Based on the poll results verified by the Scrutineers, annexed herewith as **Appendix 2**, the Chairman declared that the Ordinary Resolution tabled at the EGM was passed.
- 7.3 Therefore, **IT WAS RESOLVED: -**

ORDINARY RESOLUTION
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM1,024,058,370 IN NOMINAL VALUE OF 7-YEAR REDEEMABLE CONVERTIBLE UNSECURED ISLAMIC DEBT SECURITIES WITH A NOMINAL VALUE OF RM0.75 EACH (“RCUIDS”) BASED ON THE SHARIAH PRINCIPLE OF MURABAHAH (VIA TAWARRUQ ARRANGEMENT) ON THE BASIS OF 2 RCUIDS WITH 1 FREE DETACHABLE WARRANT (“WARRANT”) FOR EVERY 6 ORDINARY SHARES IN AAGB (“AAGB SHARES” OR “SHARES”) HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE”)

“**THAT** subject to all the relevant approvals being obtained from the relevant regulatory authorities, approval be and is hereby given to the Board of Directors of AAGB (“**Board**”) to provisionally allot, by way of a renounceable rights issue, up to RM1,024,058,370 in nominal value of RCUIDS at 100% of its nominal value on the basis of 2 RCUIDS with 1 Warrant for every 6 AAGB Shares held at an entitlement date to be determined later;

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THAT approval be and is hereby given to the Board to create and issue the RCUIDS and Warrants based on the salient terms of the RCUIDS and Warrants as set out in Appendix I and Appendix II of the circular to shareholders of the Company dated 27 October 2021 ("**Circular**") respectively and the terms and conditions of a trust deed constituting the RCUIDS to be executed between the Company and Malaysian Trustees Berhad, who acts for the benefit of the holders of the RCUIDS ("**Trust Deed**") and a deed poll constituting the Warrants to be executed by the Company ("**Deed Poll**");

THAT approval be and is hereby given to the Board to determine and vary if deemed fit, necessary and/or expedient, the conversion price of the RCUIDS and/or the exercise price of the Warrants in accordance with the provisions of the Trust Deed and/or the Deed Poll;

THAT approval be and is hereby given to the Board to allot and issue such number of new AAGB Shares upon conversion of the RCUIDS during the conversion period and at the conversion price of the RCUIDS and/or upon exercise of the Warrants during the exercise period of the Warrants and that such new AAGB Shares shall, upon allotment and issuance, rank equally in all respects with the then existing AAGB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the allotment date of the AAGB Shares to be issued upon conversion of the RCUIDS and/or exercise of the Warrants; **THAT** approval be and is hereby given to the Board to allot and issue such further number of new AAGB Shares as may be required or permitted to be allotted and issued as a consequence to the adjustments under provisions of the Trust Deed and/or the Deed Poll;

THAT the fractional entitlements of the RCUIDS and Warrants arising from the Proposed Rights Issue, if any, will be disregarded and shall be dealt with in such manner as the Board shall in its sole and absolute discretion deem fit or expedient and in the best interests of the Company;

THAT any RCUIDS together with Warrants which are not subscribed or validly subscribed for shall be made available for excess applications in such manner as the Board shall determine in a fair and equitable on a basis to be determined by the Board;

THAT the Board be and is hereby authorised to enter into and execute the Trust Deed, Deed Poll and any other transaction documents relating to the Proposed Rights Issue, the RCUIDS and/or the Warrants (including any amendments or supplemental document(s) thereof) ("**Transaction Documents**") and to do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give effect to the Transaction Documents;

THAT approval be and is hereby given for the proceeds of the Proposed Rights Issue be utilised by the Company for the purposes as set out in Section 3 of the Circular, and the Board be and is hereby authorised with full powers to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit and in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby authorised to enter into and execute the underwriting agreement(s) ("**Underwriting Agreement(s)**") for the number of the RCUIDS with Warrants for which no unconditional and irrevocable written undertakings have been obtained and to do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give effect to the aforesaid Underwriting Agreement(s);

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THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, the Transaction Documents and all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect and complete the Proposed Rights Issue, with full powers to assent to any condition, modification, variation and/or amendment thereto as required by the relevant authorities (including, without limitation, any changes to the conditions relating to the RCUIDS and Warrants and/or the terms and conditions of the Transaction Documents and/or the Underwriting Agreement(s)) or as the Board may deem fit in connection with the Proposed Rights Issue and in the best interests of the Company;

THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all RCUIDS and Warrants to be issued pursuant to or in connection with the Proposed Rights Issue have been duly issued and allotted in accordance with the terms of the Proposed Rights Issue;

AND THAT no other documents pertaining to the Proposed Rights Issue shall be issued or sent to the shareholders of the Company having registered addresses outside Malaysia or who have not provided an address in Malaysia at which such documents may be delivered to prior to the entitlement date."

8.0 **CLOSE OF MEETING**

- 8.1 There being no other matters, the Chairman thanked all present for their active remote participation in the Meeting, and declared the Meeting closed at 10.55 a.m.

Appendix 1 to the Minutes of the EGM

**AirAsia Group Berhad EGM held on 11 November 2021
Pre-Meeting and Live Questions**

1. Page 10 of the Circular states that AAGB does not have a plan B should the minimum subscription level is not achieved. Are the Board and Management worried about this and are there discussions with institutional investors locally or regionally to take up the subscription of the rights issue should this happen?

At this juncture, the Board and Management are in the midst of finalising the underwriting arrangements. Barring unforeseen circumstances, we do not foresee that the Minimum Subscription Level would not be achieved.

2. How will AAGB manage cash flow in order to be able to repay holders 8% interest per year for the RCUIDS? Noting that the company cash flow is having issues already.

The source of funds for the Issuer's obligation on the profit payments will be from funds generated internally from the Group's revenue from ticket sales, ancillary income, deals and hotel, charter operations, cargo operations, delivery operations and other lines of business within AirAsia Group, in tandem with the re-opening of interstate and international borders as the world's economy recovers from the Covid-19 pandemic.

3. Section 3 - Utilisation of proceeds: It is stated that the proceeds from the Proposed Rights Issue and the exercise of the Warrants will be used for Shariah-compliant purposes only. How is the Company able to monitor and substantiate its compliance towards this requirement?

The details of utilisation of proceeds are stated in the Circular, the Abridged Prospectus to be issued, and the Transaction Documents (which have been reviewed and cleared by the Shariah Adviser) and it is therefore the obligation of the Issuer to ensure that the proceeds are used strictly in accordance to what it was earmarked for. In addition, this obligation is included as a negative covenant hence a breach of this will be tantamount to an event of default.

4. Referring to the redemption schedule, from year 4 to 7, 25% of issue size each year will be redeemed by the company. Do the shareholders have an option to convert RCUIDS to AAGB shares in years 4 to 7 or the only option is the partial redemption, i.e. 25% by the company?

The RCUIDS can be converted any time from date of issue, and up to 5.00 p.m. on the 8th market day prior to the end of the 7th year. The Redemption Schedule for the redemption by the Company is for 25% of the outstanding RCUIDS, from each year commencing the 4th anniversary to the 7th anniversary from the issue date of the RCUIDS. If the RCUIDS holders intend to convert the RCUIDS, he/she/it should convert prior to the scheduled redemption on the 4th to 7th anniversary, respectively.

5. Would the RCUIDS distribution be based on EBITDA? Please clarify.

The RCUIDS distribution will be based on the nominal value of the outstanding RCUIDS.

6. Refer to the profit payment on RCUIDS, please advise if my understanding is correct based on below:

- Assume RCUIDS principal is 615m (min subscription level) and quarterly distribution amount is 12.3m
- Q1 2022 airasia profit 10m so max distribution payable is 10m so 2.3m will be carried forward in Q2 2022
- Q2 2022 airasia profit 50m so max distribution payable is 14.6m

What if in a particular quarter it's a loss, is the RCUIDS distribution still payable or carried forward to future quarter?

The profit payment is fixed at 8% per annum and is not tied nor subject to the actual profit generated by AAGB. This profit payment works like "interest" payment for conventional bonds. Hence, even if AAGB fails to generate any profit for any quarters, AAGB is still obliged to pay the profit payment to the holder of the RCUIDS. So assuming the principal amount of RCUIDS is RM615.9 million, the profit payable quarterly is RM12.3 million. This amount will be reduced accordingly in the event of conversion and/or redemptions. The profit payment cannot be deferred.

7. With regards to the RCUIDS subscription, I would like a clarification - To subscribe 1 unit of RCUIDS is RM 0.75 and convert to 1 unit AA share is RM 0.75 at conversion price. Does this mean I have to spend RM 0.75 only to buy 1 unit Air Asia RCUIDS and convert it to 1 unit AA share? Or does this mean I have to spend RM 1.50 instead?

A RCUIDS holder would only be required to subscribe for his/her entitlement at the nominal value of RM0.75 for each RCUIDS. To convert 1 unit of RCUIDS, you would be required to surrender for cancellation of one (1) RCUIDS for every one (1) new AAGB Share at any time during the Conversion Period. You do not need to pay any cash to convert the RCUIDS into new AAGB Share, which means your outlay is RM0.75 for each RCUIDS subscribed only, with the conversion being "free".

8. Could the Principal Adviser please explain about the Shariah principle of Murabahah (via Tawarruq arrangement) and how is it different from the other conventional way of issuance of securities?

Conventional debt securities are debt obligations whereas Islamic debt securities involve asset ownership. The RCUIDS are structured as an Islamic instrument in view that AAGB is a listed Shariah-compliant company and a certain percentage of its liability are required to be Shariah-compliant to maintain its status as a Shariah compliant company.

There are many Shariah principles and concepts for Islamic debt securities which are approved by the SC and the selected principles for the RCUIDS are Murabahah and Tawarruq. This method of issuance involves commodity Murabahah transaction through Tawarruq contract to create indebtedness between the Purchaser (i.e. the Issuer) and the RCUIDS holders.

Murabahah is the contract of sale in which the Issuer requests a party to buy goods/commodities from a supplier and resell them to the Issuer at the original purchase price plus profit, on agreed terms whereas Tawarruq involves the Issuer purchasing goods/commodities on a deferred price and then selling it to a third party for cash.

Details on the transaction mechanism are stated on page 46, Appendix I of the Circular to shareholders dated 27 October 2021.

- 9. On utilisation purposes, about RM226.7 million will be used for fuel hedging settlement. Could please guide us on the impact of the upcoming fuel hedging to the company?**

As indicated by RHBIB, the proceeds of the Proposed Rights Issue will be used to settle the past fuel hedging that had been closed out. As at the Meeting's date, there is no outstanding fuel hedging arrangement within AAGB Group.

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Extraordinary General Meeting
Online Platform via TIIH Online

On 11-November-2021 at 09:30AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	2,226,885,985	99.9540	461	86.9811	1,025,047	0.0460	69	13.0189	2,227,911,032	100.0000	530	100.0000


11 / November / 2021
BDO Consulting Sdn Bhd (269105-W)
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : (603) 2616 2888
Fax : (603) 2616 2829



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	5,500	3	67,700	18

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

 11/ November / 2021
 BDO Consulting Sdn Bhd (269105-W)
 Level 8, BDO @ Menara CentARA
 360 Jalan Tuanku Abdul Rahman
 50100 Kuala Lumpur
 Tel : (603) 2616 2888
 Fax : (603) 2616 2829

