

BURSA ANNOUNCEMENT

AIRASIA BERHAD (“AIRASIA” OR “THE COMPANY”) NEWLY INCORPORATED WHOLLY-OWNED SUBSIDIARIES

AirAsia wishes to announce that the Board of Directors of AirAsia (“**Board**”) has approved the subscription by Asia Aviation Capital Ltd (“**AACL**”), a wholly owned subsidiary of AirAsia, of the initial shares of the following companies which were newly incorporated on 22 February 2018:

- (a) Red Aircraft Holdings 1 Co., Ltd;
- (b) Red Aircraft Holdings 2 Co., Ltd;
- (c) Red Aircraft Holdings 3 Co., Ltd; and
- (d) Red Aircraft Holdings 4 Co., Ltd

(collectively, the “**New Subsidiaries 1**”) (“**Proposed Subscriptions**”).

Each of the New Subsidiaries 1 has 1 issued share of USD0.01. AACL shall subscribe to these shares for USD0.01 each. The principal activities of the New Subsidiaries 1 are the owning, leasing and/or financing of aircraft.

The Board has further approved for the New Subsidiaries 1 to acquire the following companies which were newly incorporated on 23 February 2018 (“**New Subsidiaries 2**”), from a corporate service company (“**Proposed Acquisitions**”):

Acquiring Company	New Subsidiaries 2	Issued Share Capital	Purchase Consideration
Red Aircraft Holdings 1 Co., Ltd	(a) Merah Aircraft 1 Ltd (b) Merah Aircraft 2 Ltd	(a) 1 share of €1.00 (b) 1 share of €1.00	(a) €1.00 (b) €1.00
Red Aircraft Holdings 2 Co., Ltd	(a) Merah Aircraft 3 Ltd (b) Merah Aircraft 4 Ltd	(a) 1 share of €1.00 (b) 1 share of €1.00	(a) €1.00 (b) €1.00
Red Aircraft Holdings 3 Co., Ltd	Merah Aircraft 5 Ltd	1 share of €1.00	€1.00
Red Aircraft Holdings 4 Co., Ltd	Merah Aircraft 6 Ltd	1 share of €1.00	€1.00

The principal activities of the New Subsidiaries 2 are the owning, leasing and/or financing of aircraft.

The Proposed Subscriptions and Proposed Acquisitions are not expected to have any effect on the issued and paid-up share capital or substantial shareholders’ shareholding in AirAsia.

The Proposed Subscriptions and Proposed Acquisitions are also not subject to the approval of the shareholders of the Company or any other regulatory authorities in Malaysia.

This announcement is dated 26 February 2018.