

AIRASIA GROUP BERHAD ("AAGB" OR THE "COMPANY")

UPDATE ON STATUS OF PROPOSED JOINT VENTURE IN THAILAND BY TELEPORT EVERYWHERE PTE. LTD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF AIRASIA GROUP BERHAD, TO PROVIDE LOGISTICS SERVICES TO THAI AIRASIA CO., LTD. AND THAI AIRASIA X CO., LTD. ("PROPOSED JOINT VENTURE")

Further to our announcements dated 25 July 2019 and 28 August 2019, the Board of Directors of the Company wishes to update on the status of the Memorandum of Understanding as follows:

1. Establishment of a Joint Venture in Thailand

Teleport Everywhere Pte. Ltd. ("Teleport") and Triple I Logistics Public Company Limited ("Triple i") had on 4 December 2019 signed a shareholders' agreement to establish Teleport (Thailand) Co., Ltd. ("Teleport Thailand") to provide logistics services to Thai AirAsia Co., Ltd. ("TAA") and Thai AirAsia X Co., Ltd. ("TAAX").

The issued and paid-up share capital of Teleport Thailand is THB10 million, divided into 1 million ordinary shares of THB10 each.

The directors and shareholders of Teleport Thailand are as follows:

a. Directors

No.	Directors	Board representatives of:
1.	Anajuk Chareonwongsak	Teleport
2.	Pattra Boosarawongse	Teleport
3.	Tipp Dalal	Triple i
4.	Teeranit Isarangkul Na Ayudhaya	Triple i

b. Shareholders

No.	Shareholders	No. of Ordinary Shares Held	%
i.	Teleport	490,000	49.00
ii.	Triple i	500,000	50.00
iii.	Anajuk Chareonwongsak	2,500	0.25
iv.	Pattra Boosarawongse	2,500	0.25
v.	Phairat Pornpathananangoon	2,500	0.25
vi.	Nadda Buranasiri	2,500	0.25
	Total	1,000,000	100.00

2. Salient Terms of the Shareholders' Agreement

a. The Shareholders' Agreement is effective on 1 January 2020.

- b. Further increase to the issued and paid-up capital of Teleport Thailand, issuance of new shares, or any event which may alter the existing distribution of shareholdings will need to be agreed by the shareholders. Each shareholder will be entitled to subscribe to such new shares on a pro-rata basis based on its current shareholding in Teleport Thailand.
- c. Transfer of shares will require approval from all shareholders. The shareholders will be entitled to purchase such shares before they are being offered to third parties.
- d. A resolution must be approved by shareholders representing at least 75% (seventy-five percent) of all ordinary shares issued i.e. Teleport and Triple i.
- e. The country head (CEO equivalent) of Teleport Thailand will be appointed based on a joint decision from Teleport and Triple i.
- f. The Shareholders' Agreement may be terminated:
 - i. by virtue of a mutual consent from Teleport and Triple I;
 - ii. in the event of termination of Master General Cargo Sales Agent Agreement ("Master GSA") with TAA and TAAX;
 - iii. in the event of termination of Cargo Capacity and Services Agreement ("CASA") between Teleport and Teleport Thailand;
 - iv. upon unresolved deadlock between Teleport and Triple I;
 - v. if any party fails to fulfill or conduct any of its obligation in the Shareholders' Agreement or breach or failure to comply with the provisions of the Shareholders' Agreement; or
 - vi. if any party becomes reasonably unable to perform in whole or a substantial part of its obligations under the Shareholders' Agreement.

3. **Master GSA**

Teleport had, on 30 December 2019, signed a Master GSA cum Management Service Agreement with TAA regarding the cargo capacity of TAA.

To ensure consistency with the approved mandate as stated in the Company's Recurrent Related Party Transactions Circular dated 30 April 2019, Teleport had, on 30 December 2019, signed a Master GSA cum Management Service Agreement with TAAX and Teleport Commerce Malaysia Sdn. Bhd. regarding the cargo capacity of TAAX.

Both agreements are effective on 1 January 2020.

This announcement is dated 28 February 2020.