

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

ACQUISITION OF 100% EQUITY STAKE IN MERAH AVIATION ASSET HOLDING LIMITED BY ASIA AVIATION CAPITAL LIMITED, A WHOLLY-OWNED SUBSIDIARY OF AIRASIA

Pursuant to Paragraph 9.19(23) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of AirAsia wishes to announce that Asia Aviation Capital Limited, a wholly-owned subsidiary of the Company, had on 19 December 2018 acquired the entire issued and paid-up share capital of Merah Aviation Asset Holding Limited ("**Merah Aviation**") for a total consideration of USD1.00 (or equivalent to RM4.1860*) in cash (the "**Acquisition**").

Merah Aviation was incorporated as a company under the laws of Ireland on 18 December 2018 and has an issued and paid up share capital of USD1.00 comprising one (1) ordinary share.

The principal activities of Merah Aviation are owning, leasing and/or financing of aircraft.

The Acquisition will not have an effect on the issued and paid-up share capital or substantial shareholders' shareholding of the Company. The Acquisition is also not expected to have any material effect on the earnings per share, net assets per share as well as the gearing of the Company for the financial year ending 31 December 2018.

The Acquisition is not subject to the approval of the shareholders of the Company or any other regulatory authorities.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect in the Acquisition.

This announcement is dated 20 December 2018.

* Based on exchange rate of USD1.00:RM4.1860 published on the Bank Negara Malaysia website on 20 December 2018.