

AIRASIA GROUP BERHAD (“AAGB” OR “THE COMPANY”)

FIRST ANNOUNCEMENT PURSUANT TO PRACTICE NOTE 17 (“PN17”) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“MAIN LR”)

1. INTRODUCTION

We refer to the announcements made by the Company on 8 July 2020 (Reference Number: GA1-08072020-00011), 27 May 2021 (Reference Number: GA1-27052021-00064), 7 January 2022 (Reference Number: GA1-06012022-00009) and 13 January 2022 (Reference Number: GA1-13012022-00065).

Bursa had via its letters dated 16 April 2020 and 17 February 2021 granted affected listed issuers relief from complying with the obligations under Paragraph 8.04 and PN17 of the Main LR (“PN17 Relief Measures”) for a period of 18 months (“Relief Period”). Pursuant to the PN17 Relief Measures, the Company is required to re-assess its condition at the expiry of the Relief Period, i.e. 7 January 2022.

As announced by the Company on 7 January 2022, the Company continued to trigger the prescribed criteria pursuant to Paragraph 8.04 and Paragraphs 2.1(a) and 2.1(e) of PN17 of the Main LR and there was an appeal submitted for Bursa's consideration for the Relief Period to be extended beyond 7 January 2022. The said appeal was dismissed by Bursa Securities on 13 January 2022. As such, the requirements under PN17 of the Main LR apply to AAGB with effect from 7 January 2022.

2. OBLIGATIONS OF AAGB AS A PN17 ISSUER

Pursuant to PN17 of the Main LR, AAGB is required to comply with the following:

- (i) regularise its condition in the following manner:
 - (a) within 12 months from 7 January 2022:
 - (1) submit a regularisation plan to the Securities Commission Malaysia (“SC”) if the plan will result in a significant change in the business direction or policy of the Company; or
 - (2) submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of the Company, and obtain Bursa Securities’ approval to implement the plan; and
 - (ii) implement the plan within the timeframe stipulated by the SC or Bursa Securities as the case may be;
 - (iii) announce within 3 months from 7 January 2022, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;
 - (iv) announce the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in Paragraphs 5.1 and 5.2 of PN17 of the Main LR, as may be applicable, on a monthly basis until further notice from Bursa Securities;

- (v) announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17 of the Main LR, on an immediate basis;
- (vi) announce the details of the regularisation plan and sufficient information to demonstrate that the Company is able to comply with all the requirements set out under PN17 of the Main LR after implementation of the regularisation plan, which the announcement must include a timeline for the complete implementation of the regularisation plan and to be announced by the Company's Principal Adviser; and
- (vii) where the Company fails to regularise its condition, to announce the dates of the suspension and de-listing of its listed securities, immediately upon notification of suspension and delisting by Bursa Securities.

3. CONSEQUENCES OF NON-COMPLIANCE

In the event the Company fails to comply with any part of its obligations to regularise its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall:

- (i) suspend the trading of the Company's listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and
- (ii) de-list the Company subject to the Company's right to appeal against the de-listing which appeal by the Company must be submitted to Bursa Securities within 5 market days from the date of notification of de-listing by Bursa Securities.

4. STATUS OF THE COMPANY'S REGULARISATION PLAN

The Company has already started taking steps to address its PN17 status during the Relief Period. The Company has successfully undertaken a number of fund-raising exercises including the private placement of 369,846,852 ordinary shares on 19 February 2021, raising RM249,646,625 and again on 17 March 2021 when it issued another 100,367,362 ordinary shares and raised RM86,817,768. The renounceable rights issue of 7-year Redeemable Convertible Unsecured Islamic Debt Securities ("RCUIDS") was completed on 31 December 2021, raising another RM974,513,219.25 for the Company. Between 11 January 2022 and 13 January 2022, the number of RCUIDS that have been converted into new AAGB ordinary shares was 256,660,468 hence improving the shareholders equity of the Company by a corresponding amount.

The Company is in the midst of formulating a plan to regularise its financial condition and the relevant announcement(s) on the same will be made in due course in accordance with the requirements of the Main LR.

This announcement is dated 14 January 2022.