

AIRASIA BERHAD (“AAB” or the “Company”)

PROPOSED ISSUANCE AND ALLOTMENT OF 559.00 MILLION NEW ORDINARY SHARES OF RM0.10 EACH IN AAB (“PROPOSED SHARES ISSUANCE”)

1. INTRODUCTION

On behalf of the Board of Directors of AAB (“**Board**”), CIMB Investment Bank Berhad (“**CIMB**”) and RHB Investment Bank Berhad (“**RHB**”), wish to announce that AAB had on 1 April 2016 entered into a conditional subscription agreement (“**Subscription Agreement**”) with Tune Live Sdn Bhd (“**Subscriber**”), an investment holding company owned by both Tan Sri Dr. Anthony Francis Fernandes (“**TSTF**”) and Datuk Kamarudin Bin Meranun (“**DKM**”) for the proposed issuance and allotment of 559.00 million new ordinary shares of RM0.10 each in AAB (“**Subscription Shares**”).

The Subscription Shares represent approximately 16.7% of AAB’s enlarged issued and paid-up share capital⁽¹⁾, and are to be issued at an issue price of RM1.84 per Subscription Share (“**Issue Price**”) to be satisfied in cash.

The Issue Price was arrived at by mutual agreement between the parties to the Subscription Agreement based on the 5-market day volume weighted average price (“**VWAP**”) of the ordinary shares of RM0.10 each in AAB (“**AAB Shares**”) up to 31 March 2016, being the date immediately preceding the date of the Subscription Agreement, and on the basis that no dividends will be declared or paid on or after the date of the Subscription Agreement. On 31 March 2016, the Company declared a first and final dividend of 4 sen per AAB Share, of which the entitlement date is on 30 May 2016, subject to the approval of AAB’s shareholders at a general meeting to be convened (“**Dividend Declaration**”).

Accordingly, pursuant to the terms of the Subscription Agreement, the Issue Price shall be adjusted downwards by the equivalent amount to the dividends declared or to be paid per AAB Share under the Dividend Declaration. Hence, the Issue Price will be adjusted from RM1.84 per Subscription Share to RM1.80 per Subscription Share on the basis that the Subscription Shares are not entitled to the Dividend Declaration (“**Adjusted Issue Price**”).

Based on the Adjusted Issue Price, AAB will raise a total gross cash proceeds of RM1,006.20 million.

Further details of the Proposed Shares Issuance are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED SHARES ISSUANCE

2.1 Salient terms of the Subscription Agreement

The salient terms of the Subscription Agreement are, amongst others, as set out below:

2.1.1 Subscription

Subject to the terms and conditions of the Subscription Agreement, the Subscriber agrees to subscribe the Subscription Shares at the Issue Price, subject to the adjustment pursuant to the terms of the Subscription Agreement, to be satisfied fully in cash.

(1) *Based on the issued and paid-up share capital of AAB of RM278,297,408 comprising 2,782,974,080 AAB Shares as at 28 March 2016, being the latest practicable date of this announcement (“**LPD**”) inclusive of the 100,000 treasury shares held by AAB as at the LPD (“**Treasury Shares**”) and after taking into account the issuance and allotment of the Subscription Shares.*

2.1.2 Conditions Precedent

The obligation of the Subscriber to subscribe for the Subscription Shares is conditional upon the following conditions being fulfilled within a period of 60 days from the date of the Subscription Agreement or such longer period as AAB and the Subscriber (herein known as the “Parties” or “Party” in respect of either one) may mutually agree in writing (“Cut-off Date”):

- (i) the approval of the shareholders of the Company by way of a resolution passed at a general meeting of the Company, subject to the terms and conditions of the Subscription Agreement, in respect of the issuance and allotment of the Subscription Shares to the Subscriber;
- (ii) any other regulatory approvals which may be required for the Proposed Shares Issuance, including, without limitation, the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the Subscription Shares and where applicable, Bank Negara Malaysia (“BNM”) for any off-shore funding that the Subscriber may obtain for the purpose of the Proposed Shares Issuance; and
- (iii) where applicable, such other third party approvals which may be required for the Proposed Shares Issuance, including, without limitation, the approval from the relevant financiers and creditors of the Company.

(collectively, the “Conditions Precedent”)

Upon the fulfillment of the Conditions Precedent (“Unconditional Date”) the completion for the Proposed Shares Issuance shall take place within a period of sixty (60) days from the Unconditional Date, or the date falling three (3) business days after the date of entitlement of the Company’s shareholders to the payment of dividends in respect of the financial year ended 31 December 2015 (whichever is later) (“Closing Date”).

2.1.3 Termination

(i) Events

Notwithstanding anything contained in the Subscription Agreement, the Subscriber and the Company shall be entitled to terminate the Subscription Agreement pursuant to the events in (a) to (c) below and (b) and (d) below, respectively, if such event occur at any time on or prior to the date of allotment of the Subscription Shares:

- (a) in the reasonable opinion of the Subscriber there shall have been since the date of the Subscription Agreement such a change in financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the subscription of the Subscription Shares; or
- (b) any breach of any of the terms and conditions of the Subscription Agreement; or
- (c) there is any adverse change in the financial position of the Company or its subsidiaries which in the reasonable opinion of the Subscriber is material in the context of the subscription of the Subscription Shares; or
- (d) there is any adverse change in the financial position of the Subscriber, TSTF and/or DKM which in the reasonable opinion of the Company is material in the context of the subscription of the Subscription Shares.

(ii) Effect of termination

In the event that the Subscription Agreement is terminated pursuant to (i) above, prior to its completion and prior to any monies being paid by the Subscriber to the Company, all obligations of each of the Parties shall cease and determine and no Party shall have any claim against any other Party in respect of any matter arising out of or in connection with the Subscription Agreement except for:

- (i) any antecedent breach of any obligation under the Subscription Agreement; and
- (ii) payment liability of costs and expenses under the Subscription Agreement.

For the avoidance of doubt, where completion of the Subscription Agreement has taken place and any breach of the Subscription Agreement is discovered at a subsequent time, the non-defaulting Party shall be entitled to all rights and remedies at law or in equity (including, the recovery of any monies paid by the Subscriber).

2.1.4 Assignment/Transfer of rights and obligations

The Subscriber shall be entitled, without the prior consent of the Company and at the cost of the Subscriber, to assign, propose to assign, novate or transfer all and any rights, privileges, liabilities or obligations in whole or in part granted or imposed under the Subscription Agreement (collectively, “**Assignment**”) to any corporation (whether incorporation in Malaysia or otherwise) having the same Beneficial Owner⁽²⁾ (“**Transferee**”) up to the date of allotment of the Subscription Shares and to effect the Assignment, the Subscriber shall only be required to provide the Company with a notice in writing of the Assignment and a written undertaking on the part of the Transferee to assume and comply with the rights and obligations of the Subscriber under the Subscription Agreement seven (7) business days prior to the Assignment taking effect.

The Company shall not be permitted to assign, propose to assign, novate or transfer any rights, privileges, liabilities or obligations in whole or in part granted or imposed under the Subscription Agreement without the prior consent of the Subscriber.

2.1.5 Undertakings by the Company

Under the terms of the Subscription Agreement, the Company shall not enter into any agreement, transaction or arrangement whatsoever (whether conditional or not) to issue, allot or increase or alter in any manner whatsoever any part of the share capital of the Company including issuing any convertible instrument or any part thereof in favour of any party whomsoever on and from the date of the Subscription Agreement until its completion.

2.2 Basis of determining and the justification of the Issue Price

The Issue Price of RM1.84 per Subscription Share was arrived at based on the 5-market day VWAP of the AAB Shares up to 31 March 2016, being the date immediately preceding the date of the Subscription Agreement.

(2) *Means, with respect to any corporation, the legal and beneficial interests or ownership of TSTF and DKM in that corporation with both of them holding in aggregate the entire equity interest of that corporation save for any encumbrance or interests which is permitted to be granted or created in favour of any financier.*

Nevertheless, due to the Dividend Declaration, the Issue Price of RM1.84 will be adjusted to the Adjusted Issue Price of RM1.80 in accordance with the terms and conditions of the Subscription Agreement.

The Adjusted Issue Price represents a premium to the following share price performance of AAB Shares (after taking into account the effects of the Dividend Declaration) on/up to 31 March 2016:

<u>Description</u>	<u>RM⁽¹⁾</u>	<u>RM (adjusted for the Dividend Declaration)</u>	<u>Premium (%)</u>
• Last closing price	1.83	1.79	0.6
• 1-month VWAP	1.74	1.70	5.9
• 3-months VWAP	1.61	1.57	14.6
• 6-months VWAP	1.52	1.48	21.6
• 12-months VWAP	1.41	1.37	31.4

Note:

(1) Source from Bloomberg as at 31 March 2016.

2.3 Issuance of Shares to major shareholders and/or persons connected to them

As at 28 March 2016, AAB's major shareholders, TSTF and DKM hold directly and indirectly a total of 18.9% shareholding in AAB and are also directors and substantial shareholders of the Subscriber. Therefore, AAB shall seek approval from its non-interested shareholders for the issuance of the Subscription Shares to the Subscriber who is a person connected to TSTF and DKM in respect of its specific allotment under the Proposed Shares Issuance, in accordance with Paragraph 6.06 of the Main Market Listing Requirements of Bursa Securities.

2.4 Ranking of the Subscription Shares

The Subscription Shares shall, upon issue and allotment, rank equally in all respects with the existing AAB Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date falls before the date of allotment of the Subscription Shares.

2.5 Listing of and quotation for the Subscription Shares

An application will be made to Bursa Securities for the listing of and quotation for the Subscription Shares on the Main Market of Bursa Securities.

2.6 Utilisation of proceeds

The gross proceeds raised from the Proposed Shares Issuance will be utilised for the pre-payment and repayment of the AAB group's indebtedness, financing of aircraft, engines and parts, pre-delivery payments of aircraft, general corporate and working capital, and the expenditures related to the Proposed Shares Issuance.

The details of the proposed utilisation of the gross proceeds raised from the Proposed Shares Issuance are as follows:

Purpose	Gross proceeds ⁽¹⁾	
	(RM'000)	%
Pre-payment of unsecured term loan facilities and repayment of unsecured revolving credit ⁽²⁾	342,000	34.0
Funding for aircraft, spare engines and other aircraft parts and associated pre-delivery payments	275,000	27.3
Construction and development of AAB's headquarters ⁽³⁾	103,817	10.3
General corporate and working capital ⁽⁴⁾	283,983	28.2
Estimated expenses for the Proposed Shares Issuance ⁽⁵⁾	1,400	0.2
Total	1,006,200	100.0

Notes:

- (1) The gross proceeds to be raised are arrived at based on the Subscription Shares at the Adjusted Issue Price.
- (2) As at 31 March 2016, the principal amount of unsecured facilities granted by financial institutions to AAB group is approximately RM573.00 million. The proposed pre-payment/repayment of bank borrowings is as set out below. The bank borrowings were selected for pre-payment/repayment after taking into consideration the interest rates, as well as maturity of the facilities. The annual interest savings over the remaining term of the unsecured term loan facilities are approximately RM10.69 million.

Facility	Amount outstanding as at 31 March 2016 (RM'000)	Proposed pre-payment/repayment (RM'000)	Interest rate (% per annum) / Maturity	Purpose
Unsecured Term Loan	315,000	84,000	4.90% / 2018	Working Capital
Unsecured Term Loan	210,000	210,000	6.46% / 2022	Working Capital
Unsecured Revolving Credit	48,000	48,000	4.32% / 2016	Working Capital
Total	573,000	342,000		

The pre-payment/repayment of the bank borrowings is expected to be completed within six (6) months from the completion of the Proposed Shares Issuance.

- (3) *The gross proceeds will be used to partially fund the construction of a new headquarters in Kuala Lumpur International Airport 2 ("KLIA2") which is scheduled to be completed by 2016.*

The proceeds from the Proposed Shares Issuance under this allocation are expected to be fully utilised within eighteen (18) months from its completion.

- (4) *The AAB group utilises overdraft, short term revolving credit and trade facilities to meet part of its working capital requirements. AAB proposes to utilise part of the gross proceeds from the Proposed Shares Issuance for its business operations. This includes financing the Company's daily operations and operating expenses, which include sales and marketing expenses, general administrative and other operating expenditure, as well as for general corporate purposes including but not limited to relocation cost and expenses to the new AAB headquarters at KLIA2.*

The proceeds from the Proposed Shares Issuance under this allocation is expected to be fully utilised within eighteen (18) months from its completion.

- (5) *The expenses to be borne by AAB in connection with the Proposed Shares Issuance are estimated to be approximately RM1.40 million. The nature of such expenses comprises of professional fees, fees to authorities, extraordinary general meeting ("EGM"), printing, postage, advertising and other miscellaneous expenses connected to the Proposed Shares Issuance.*

If the actual expenses are higher than estimated, the deficit will be funded out of the amount allocated for general corporate and working capital. However, if the actual expenses are lower than estimated, the excess will be utilised for general corporate and working capital as set out in (4) above. The estimated expenses are expected to be fully settled within six (6) months from the date of the Proposed Shares Issuance's completion.

Pending the deployment of the net proceeds from the Proposed Shares Issuance, such net proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or debt instruments, as the Board may deem appropriate in the interest of the AAB group.

AAB will disclose the status of the utilisation of the proceeds raised from the Proposed Shares Issuance in its quarterly results until the proceeds have been fully utilised.

3. INFORMATION ON THE SUBSCRIBER

Tune Live Sdn. Bhd. (948620-U) was incorporated in Malaysia under the Companies Act, 1965 on 15 June 2011. As at 31 March 2016, the authorised share capital of the Subscriber was RM5,000,000.00, comprising of 5,000,000 ordinary shares of par value RM1.00 each, for which a total of 1,000,002 ordinary shares have been fully issued and paid-up.

The Subscriber is currently dormant.

The directors of the Subscriber as at 31 March 2016 are TSTF and DKM who holds 50.0% and 50.0% shareholding, directly and indirectly, respectively, in the share capital of the Subscriber.

4. RATIONALE FOR THE PROPOSED SHARES ISSUANCE

The Proposed Shares Issuance will enable AAB to raise the necessary funds to finance the pre-payment/repayment of bank borrowings as described in Section 2.6 above, which will have the effect of reducing the AAB group's gearing (through the reduction in bank borrowings and the increase in shareholders' equity) thereby providing flexibility for future fund raising for committed capital expenditures as and when they arise. The effect of the Proposed Shares Issuance on AAB group's gearing is presented in Section 6.2 of this announcement.

In addition to the above, the Proposed Shares Issuance will enable AAB to raise funds for general corporate and working capital requirements thereby increasing the AAB group's working capital capabilities. The utilisation of proceeds for working capital is expected to contribute positively, directly and indirectly, to the Company's financial position that will enable AAB to strengthen its balance sheet and increase financing flexibility.

After due consideration of various methods of fund raising, the Board (other than the Interested Directors (as defined in Section 8 below)) is of the opinion that the Proposed Shares Issuance is currently the most appropriate means of raising funds for the AAB group as compared to other available options based on the following:

- (i) The terms for the USD1.0 billion Multicurrency Medium Term Note Programme which was announced on 6 January 2016 were not favourable due to weak market sentiments resulting in the Proposed Shares Issuance taking precedence as a more efficient and expeditious fund raising avenue;
- (ii) The Proposed Shares Issuance also enables the AAB group to raise additional funds without having to incur additional borrowings and related interest expenses. This allows the AAB group to preserve cash flow for operational purposes and to reduce gearing level; and
- (iii) The Proposed Shares Issuance is a comparatively efficient avenue to raise the required quantum of funds as opposed to other forms of equity fund raising approaches such as rights issue exercise, which although is a pro-rata issuance of securities to all shareholders, there is no certainty of successful completion and which may require underwriting. There is also no certainty in the successful completion of a proposed placement of new shares which is typically priced at a discount to market to encourage new investors to subscribe.

The Proposed Shares Issuance also indicates the continued commitment of TSTF and DKM as the substantial shareholders of the Company by making further substantial investments into the AAB group at AAB's market share price to support its growth and requirements.

Given that the Proposed Shares Issuance meets the Company's objectives of fund raising while strengthening the Company's balance sheet, increasing financing flexibility and reducing current gearing levels, the Board (other than the Interested Directors) is of the view that the Proposed Shares Issuance is in the best interest of AAB.

5. EFFECTS OF THE PROPOSED SHARES ISSUANCE

For illustrative purposes, the effects of the Proposed Shares Issuance are as follows:

5.1 Issued and paid-up share capital

	No. of AAB Shares ('000)	Amount (RM'000)
Issued and paid-up share capital of AAB as at the LPD ⁽¹⁾	2,782,974	278,297
To be issued pursuant to the Proposed Shares Issuance	559,000	55,900
Enlarged issued and paid-up share capital of AAB after the Proposed Shares Issuance	3,341,974	334,197

Note:

- (1) Inclusive of the Treasury Shares.

5.2 Net asset (“NA”), NA per AAB Share and gearing

The proforma effects of the Proposed Shares Issuance on the NA, NA per AAB Share and gearing of the AAB group as at its latest available audited consolidated financial statement are as set out below:

	Audited as at 31 December 2014 (RM'000)	After the Proposed Shares Issuance⁽¹⁾ (RM'000)
Share capital	278,297	334,197
Share premium	1,230,941	2,181,241
Foreign exchange reserve	8,818	8,818
Retained earnings ⁽²⁾	2,898,035	2,896,635
Other reserves	139,000	139,000
Equity attributable to equity holders of AAB/NA	4,555,091	5,559,891
Number of AAB Shares in issue ('000)	2,782,974	3,341,974
Total borrowings	12,728,018	12,386,018
NA per AAB Share ⁽³⁾ (RM)	1.64	1.66
Gearing ⁽⁴⁾ (times)	2.79	2.22

Notes:

(1) Based on the Adjusted Issue Price.

(2) After expensing the estimated expenses related to the Proposed Shares Issuance.

(3) Calculated as NA divided by the number of AAB Shares in issue.

(4) Calculated as total borrowings divided by NA.

5.3 Earnings and earnings per share (“EPS”)

The Proposed Shares Issuance is expected to generate annual interest savings of approximately RM10.69 million arising from the pre-payment of bank borrowings.

Moving forward, the Proposed Shares Issuance is expected to contribute positively to the consolidated earnings of AAB for the ensuing financial years, when the benefits of the proposed utilisation of proceeds as set out in Section 2.6 of this announcement are realised.

However, the consolidated EPS of AAB will be proportionately diluted upon completion of the Proposed Shares Issuance as a result of the Subscription Shares issued.

5.4 Convertible securities

As at the LPD, AAB does not have any convertible securities in issue.

5.5 Substantial shareholders' shareholdings

As at the LPD, based on the Register of Substantial Shareholders of AAB, the proforma effects of the Proposed Shares Issuance on the shareholdings of the substantial shareholders of AAB are as follows:

Substantial shareholders	As at the LPD				After the Proposed Shares Issuance			
	Direct		Indirect		Direct		Indirect	
	No. of AAB Shares ('000)	% ⁽¹⁾	No. of AAB Shares ('000)	% ⁽¹⁾	No. of AAB Shares ('000)	% ⁽²⁾	No. of AAB Shares ('000)	% ⁽²⁾
Tune Air Sdn Bhd ("TASB")	525,042	18.9	-	-	525,042	15.7	-	-
TSTF ⁽³⁾	1,600	0.1	525,042	18.9	1,600	0.1	1,084,042	32.4
DKM ⁽³⁾	2,000	0.1	525,042	18.9	2,000	0.1	1,084,042	32.4
Wellington Management International, Ltd	148,858	5.4	-	-	148,858	4.5	-	-
Wellington Management Group LLP ⁽⁴⁾	-	-	157,599	5.7	-	-	157,599	4.7
Wellington Group Holdings LLP ⁽⁴⁾	-	-	157,599	5.7	-	-	157,599	4.7
Wellington Investment Advisors Holdings LLP ⁽⁴⁾	-	-	157,599	5.7	-	-	157,599	4.7
Wellington Management Global Holdings, Ltd. ⁽⁴⁾	-	-	148,858	5.4	-	-	148,858	4.5
Subscriber	-	-	-	-	559,000	16.7	-	-

Notes:

- (1) Based on the issued and paid-up share capital of AAB of RM278,287,408 comprising 2,782,874,080 AAB Shares as at LPD less the Treasury Shares.
- (2) Based on the issued and paid-up share capital of AAB of RM334,187,408 comprising 3,341,874,080 AAB Shares after the Proposed Shares Issuance less the Treasury Shares.
- (3) Deemed interested by virtue of his substantial shareholding in TASB and after the Proposed Shares Issuance, TASB and the Subscriber pursuant to Section 6A of the Companies Act, 1965.
- (4) Wellington Management Group LLP is registered as an investment adviser with the United States Securities and Exchange Commission under Section 203 of the Investment Advisors Act of 1940, as amended and acts as discretionary investment manager on behalf of various separate accounts.

Wellington Management International, Ltd is a direct controlled undertaking of Wellington Management Global Holdings, Ltd., which, in turn, is a direct controlled undertaking of Wellington Investment Advisors Holdings LLP, which, in turn, is a direct controlled undertaking of Wellington Group Holdings LLP, which, in turn, is a direct controlled undertaking of Wellington Management Group LLP.

6. APPROVALS REQUIRED

The Proposed Shares Issuance is subject to and conditional upon approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Subscription Shares on the Main Market of Bursa Securities;
- (ii) the non-interested shareholders of AAB at an EGM to be convened; and
- (iii) the approval of BNM for any offshore funding that the Subscriber may obtain for the purpose of the Proposed Shares Issuance and any other relevant authorities and/or parties, if required.

Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Article 43(1) of AAB's Articles of Association, only those foreign interests who hold AAB Shares up to the current prescribed foreign ownership limit of 45.0% of AAB's total issued and paid-up share capital, on a first-in-time basis based on the Record of Depositors to be used for AAB's forthcoming EGM, shall be entitled to vote for the Proposed Shares Issuance. Consequently, the disenfranchised voting rights shall be automatically vested in the Chairman of AAB's forthcoming EGM.

The Proposed Shares Issuance is not conditional upon any other corporate proposals or schemes of AAB.

Barring any unforeseen circumstances, the applications to the relevant regulatory authorities in relation to the Proposed Shares Issuance are expected to be made within one (1) month from the date of this announcement.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors and major shareholders of AAB and/or persons connected to them has any interest, direct and/or indirect, in the Proposed Shares Issuance.

As at the LPD, TASB holds 18.9% equity interest in AAB. Accordingly, TASB is deemed interested in the Proposed Shares Issuance due to TSTF's and DKM's shareholding interests and directorships in the Subscriber. TASB will abstain from voting in respect of its direct and/or indirect shareholding in AAB on the resolution pertaining to the Proposed Shares Issuance to be tabled at AAB's forthcoming EGM.

TSTF is the Non-Independent Executive Director and Group Chief Executive Officer of AAB, and a substantial shareholder of AAB via TASB. DKM is the Non-Independent Executive Chairman of AAB, and a substantial shareholder of AAB via TASB. Dato' Abdul Aziz @ Abdul Aziz Bin Abu Bakar ("**DAA**") is the Non-Independent Non-Executive Director of AAB, and a director and shareholder of TASB.

TSTF, DKM and DAA have direct and indirect interests in AAB. As such, they are deemed interested in the Proposed Shares Issuance (collectively, the "**Interested Directors**"). The Interested Directors have abstained and will continue to abstain from deliberating and voting on any resolutions pertaining to the Proposed Shares Issuance at any Board meeting. The Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in AAB on the resolution pertaining to the Proposed Shares Issuance to be tabled at AAB's forthcoming EGM.

Further, TASB and the Interested Directors have also undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any) in AAB on the resolution pertaining to the Proposed Shares Issuance to be tabled at AAB's forthcoming EGM.

8. DIRECTOR'S STATEMENT

The Board (other than the Interested Directors), after having considered all aspects of the Proposed Shares Issuance, including but not limited to the rationale, the utilisation of proceeds and the effects of the Proposed Shares Issuance as well as after careful deliberation, is of the opinion that the Proposed Shares Issuance is in the best interest of AAB and its shareholders.

9. ADVISERS

CIMB and RHB have been appointed by AAB as the Joint Principal Advisers for the Proposed Shares Issuance.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Shares Issuance is expected to be completed by the third (3rd) quarter of 2016.

11. DOCUMENT AVAILABLE FOR INSPECTION

The Subscription Agreement will be made available for inspection at AAB's registered office at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 1 April 2016.