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AIRASIA BERHAD
(Company No.: 284669-W)
(Incorporated in Malaysia)

NOTICE TO SHAREHOLDERS

IN RELATION TO THE

ENTITLEMENT DATE FOR THE EXCHANGE OF ALL ORDINARY SHARES IN AIRASIA BERHAD ("AAB") ("AAB SHARES") WITH NEW ORDINARY SHARES IN AIRASIA GROUP BERHAD ("AAGB") ("AAGB SHARES"), VIA A SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE COMPANIES ACT, 2016 ON THE BASIS OF 1 NEW AAGB SHARE FOR EVERY 1 EXISTING AAB SHARE HELD ("SHARE EXCHANGE") AND SUSPENSION OF TRADING OF AAB SHARES TO FACILITATE THE SHARE EXCHANGE

Principal Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT DATES

Entitlement date for the Share Exchange	:	5.00 p.m., Friday, 6 April 2018
Last date and time for trading of AAB Shares	:	5.00 p.m., Friday, 30 March 2018
Suspension of trading of AAB Shares	:	With effect from 9.00 a.m., Monday, 2 April 2018

This Notice is dated 23 March 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Notice:

“Act”	: Companies Act, 2016
“AAB” or our “Company”	: AirAsia Berhad (Company No. 284669-W)
“AAB Share(s)”	: Ordinary share(s) in our Company
“AAGB”	: AirAsia Group Berhad (Company No. 1244493-V)
“AAGB Share(s)”	: Ordinary share(s) in AAGB
“Board”	: The Board of Directors of AAB
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“CDS”	: Central Depository System
“CDS Account”	: Securities account maintained through the central depository system operated by Bursa Depository
“Director(s)”	: Our director(s) and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and Section 2(1) of the Act
“Entitled Shareholder(s)”	: Holder(s) of AAB Shares as at the Entitlement Date
“Entitlement Date”	: 5.00 p.m. on Friday, 6 April 2018, being the specific time and date set by our Board on which the Entitled Shareholders must be registered in AAB’s Record of Depositors in order to be entitled to AAGB Shares pursuant to the Share Exchange
“Explanatory Statement” or the “Circular”	: The Explanatory Statement to our shareholders pursuant to Section 369 of the Act and the circular to our shareholders dated 14 December 2017 in relation to the Internal Reorganisation
“High Court”	: High Court of Malaya
“Internal Reorganisation”	: Internal reorganisation by way of Scheme of Arrangement comprising the following proposals: (a) Share Exchange; and (b) Transfer of Listing
“Market Day”	: A day on which Bursa Securities is open for trading in securities
“Notice”	: This notice of entitlement to shareholders dated 23 March 2018 in relation to the Share Exchange
“Official List”	: Official List of the Main Market of Bursa Securities
“Prescribed Limit”	: The provision in the current Constitution of our Company, which has restrictions on the rights, benefits, power and privileges attached to AAB Shares owned by our foreign shareholders in the event that the foreign shareholders holds in aggregate more than 45% of our Company’s total issued shares

DEFINITIONS (CONT'D)

“Record of Depositors”	: A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
“RHB Investment Bank” or “Principal Adviser”	: RHB Investment Bank Berhad (Company No. 19663-P)
“RM and “sen”	: Ringgit Malaysia and sen respectively
“Rules of Bursa Depository”	: The rules of Bursa Depository
“Rules of Bursa Securities”	: The rules of Bursa Securities
“Scheme Agreement”	: The scheme agreement dated 29 August 2017, entered into between our Company and AAGB for the implementation of the Scheme of Arrangement
“Scheme of Arrangement”	: A scheme of arrangement between our Company and our shareholders under Section 366 and 370 of the Act to effect the Internal Reorganisation
“Share Exchange”	: Exchange of 3,341,974,080 AAB Shares (including 100,000 treasury shares), representing the entire issued share capital of AAB, with 3,341,974,080 new AAGB Shares, on the basis of 1 new AAGB Share for every 1 existing AAB Share held on the Entitlement Date
“SICDA”	: Securities Industry (Central Depositories) Act, 1991
“Transfer of Listing”	: Assumption of the listing status of AAB by AAGB and the admission of AAGB to and withdrawal of AAB from, the Official List, with the listing of and quotation of all 3,341,974,082 AAGB Shares on the Main Market of Bursa Securities

References to “we”, “us”, “our” and “ourselves” are to our Company save where the context otherwise required, and to “you” or “your” are to the shareholders of AAB.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall include corporations, unless otherwise specified.

Any discrepancies in the table included in this Notice between the amounts listed, actual figures and totals thereof are due to rounding.

Any reference to time of day in this Notice is a reference to Malaysian time, unless otherwise specified.

Any reference in this Notice to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted.

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AIRASIA BERHAD
(Company No.: 284669-W)
(Incorporated in Malaysia)

Registered Office

B-13-15, Level 13
Menara Prima Tower B
Jalan PJU 1/39, Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

23 March 2018

Board of Directors

Datuk Kamarudin bin Meranun	<i>(Non-Independent Executive Chairman)</i>
Tan Sri (Dr.) Anthony Francis Fernandes	<i>(Non-Independent Executive Director and Group Chief Executive Officer)</i>
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	<i>(Non-Independent Non-Executive Director)</i>
Dato' Fam Lee Ee	<i>(Senior Independent Non-Executive Director)</i>
Dato' Mohamed Khadar bin Merican	<i>(Independent Non-Executive Director)</i>
Stuart L Dean	<i>(Independent Non-Executive Director)</i>
Noor Neelofa binti Mohd Noor	<i>(Independent Non-Executive Director)</i>

To: The shareholders of AirAsia Berhad

Dear Sir/Madam,

ENTITLEMENT DATE FOR THE EXCHANGE OF ALL AAB SHARES WITH NEW AAGB SHARES, VIA A SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE ACT ON THE BASIS OF 1 NEW AAGB SHARES FOR EVERY 1 EXISTING AAB SHARE HELD AND SUSPENSION OF TRADING OF AAB SHARES TO FACILITATE THE SHARE EXCHANGE

1. INTRODUCTION

On 29 August 2017, on behalf of our Board, RHB Investment Bank had announced that our Company intends to implement the Internal Reorganisation through the Scheme of Arrangement. For the purpose of the Internal Reorganisation, our Company and AAGB had on the even date entered into the Scheme Agreement.

On 13 October 2017, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 13 October 2017, granted its approval for the following:

- i) admission of AAGB to the Official List;
- ii) the listing and quotation of the entire issued share capital of AAGB comprising 3,341,974,082 AAGB Shares on "Trading/Services" sector of the Main Market of Bursa Securities, in place of AAB; and

- iii) AAGB will assume AAB's Stock Code, Stock Short Name and ISIN Code upon completion of the Internal Reorganisation.

On 29 November 2017, RHB Investment Bank had on behalf of our Board, announced that the High Court had granted an order for the convening of the Court Convened Meeting for the purpose of considering and, if thought fit, approving the Scheme of Arrangement.

On 8 January 2018, RHB Investment had, on behalf our Board, announced that the shareholders of AAB had approved the Internal Reorganisation at the Court Convened Meeting and Extraordinary General Meeting held on even date.

On 15 March 2018, RHB Investment Bank had, on behalf of our Board, announced that the approval of the High Court for the Internal Reorganisation was obtained on 15 March 2018. An office copy of the sealed order of the High Court approving the Internal Reorganisation was subsequently lodged on 20 March 2018.

On 22 March 2018, RHB Investment Bank had, on behalf our Board, announced that the Entitlement Date is at 5.00 p.m. on Friday, 6 April 2018.

This Notice is intended to provide you with information relating to the suspension of trading of AAB Shares and the Entitlement Date to facilitate the Share Exchange. No action is required on your part. This Notice should be read together with the Explanatory Statement/Circular.

2. NOTICE OF ENTITLEMENT DATE FOR THE SHARE EXCHANGE

Under the Share Exchange, you will receive new AAGB Shares in exchange for your AAB Shares held on the Entitlement Date, on the following basis:

1 AAGB Share	For every 1 AAB Share held
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If your name appears in the Record of Depositors of AAB at the close of business on Friday, 6 April 2018, you shall be entitled to participate in the Share Exchange and you shall qualify for entitlement only in respect of:

- (i) those AAB Shares transferred to your CDS Account on or before 4.00 p.m. on Friday, 6 April 2018; and
- (ii) those AAB Shares bought on Bursa Securities on a cum-entitlement basis according to the Rules of Bursa Securities.

As Bursa Securities has prescribed AAB Shares to be under the CDS under Section 14(1) of the SICDA, all dealings in AAB Shares are and will be subject to the provisions of the SICDA and the Rules of Bursa Depository.

AAB will undertake the Transfer of Listing, whereby AAB and AAB Shares will be withdrawn from the Official List and AAGB will be admitted to the Official List in place of AAB, with the listing of and quotation for the entire issued share capital of AAGB, comprising 3,341,974,082 AAGB Shares, on the Main Market of Bursa Securities. When Bursa Securities prescribes AAGB Shares as prescribed securities pursuant to Section 14(1) of the SICDA, any dealings in AAGB Shares will be subject to the provisions of the SICDA and the Rules of Bursa Depository.

The new AAGB Shares to be issued pursuant to the Share Exchange shall, upon allotment and issue, rank *pari passu* in all respects with each other and the existing 2 issued AAGB Shares.

For avoidance of doubt, the Share Exchange will not cause or result in any change or variation to the current voting rights of our shareholders as AAGB will adopt all the relevant provisions contained in our current Constitution into AAGB's Constitution. It is pertinent for our foreign shareholders to take note that the current restrictions relating to the Prescribed Limit (which involves their rights, benefits, power and privileges attached to AAB Shares) will continue to be valid and applicable to them as a shareholder of AAGB after the completion of the Share Exchange.

3. SUSPENSION OF TRADING OF AAB SHARES AND LISTING OF AND QUOTATION FOR AAGB SHARES

In order to facilitate the Share Exchange, the trading of AAB Shares on the Main Market of Bursa Securities will be suspended from 9.00 a.m. on Monday, 2 April 2018, being 3 clear Market Days prior to the Entitlement Date. Accordingly, the last day of trading of AAB Shares on the Main Market of Bursa Securities shall be at 5.00 p.m. on Friday, 30 March 2018.

The suspension of trading of AAB Shares will continue until the admission of AAGB to the Official List and AAGB Shares to be issued under the Share Exchange are listed and quoted on the Main Market of Bursa Securities.

AAGB Shares will be listed and quoted on the Main Market of Bursa Securities upon completion of the Share Exchange and Transfer of Listing. The listing of and quotation for AAGB Shares will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders in respect of the Share Exchange have been duly credited and notices of allotment have been despatched to them. For information purposes, upon listing on the Main Market of Bursa Securities, AAGB Shares will assume the stock name and stock code of "AIRASIA" and "5099" respectively.

4. PROCEDURES FOR THE SHARE EXCHANGE

YOU ARE NOT REQUIRED TO TAKE ANY ACTION. Your AAB Shares will be exchanged with new AAGB Shares. All AAB Shares deposited in your CDS Account on the Entitlement Date will be debited and the new AAGB Shares will be credited directly into the same CDS Account in which your existing AAB Shares are currently deposited. No physical share certificate will be issued to you in respect of AAGB Shares. However, a notice of allotment will be despatched to you at the address shown on the Record of Depositors as at the Entitlement Date.

The allotment of AAGB Shares will be made within 8 Market Days from the Entitlement Date.

5. DIRECTORS' RESPONSIBILITY STATEMENT

This Notice has been seen and approved by our Board who collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

6. FURTHER INFORMATION

All enquiries concerning this Notice should be addressed to the Share Registrar of AAB, whose contact details are as follows:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel. no.: +603 7849 0777
Fax no.: +603 7841 8151/8152

Yours faithfully,
For and on behalf of the Board
AIRASIA BERHAD

DATUK KAMARUDIN BIN MERANUN
NON-INDEPENDENT EXECUTIVE CHAIRMAN