

## Bursa Announcement

### Subject: AirAsia Berhad - Big Data for Humans APAC Ltd Joint Venture

---

#### 1. INTRODUCTION

AirAsia Berhad (“**AAB**” or the “**Company**”) is pleased to announce that MadCience Consulting Sdn Bhd (Company No.: 1134849-V) (“**MC**”), a wholly-owned subsidiary of AAB, has on 21 June 2016 entered into a joint venture with Big Data for Humans Ltd (Company No.: SC468952) (“**Bd4h**”) via the following agreements:

- Loan Note Subscription Agreement (“**LNSA**”) with Bd4h for the subscription of 1,000,000 unsecured convertible loan note for a total subscription monies of GBP 1,000,000 (“**Loan Notes**”), of which up to GBP 500,000 shall be used to finance a joint venture operation between MC and Bd4h (the “**Bd4h JV**”); and
- Joint Venture Agreement (“**JVA**”) with Bd4h for the formation of Big Data for Humans APAC Ltd (Company No.: SC536535) (“**Bd4h APAC**”), a joint venture company to establish and build a software for service data analytics business in the Asia Pacific region.

(the “**Transactions**”)

#### 2. INFORMATION ON THE ENTITIES

##### 2.1 Bd4h

Bd4h was incorporated in Scotland in February 2014 with a registered office at 5th Floor, 125 Princes Street, Edinburgh, United Kingdom EH2 4AD. Bd4h is a next generation data analytics software platform which has developed a proprietary Software-as-a-Service solution. Bd4h specialises in big data insights, particularly in travel, leisure and consumer businesses.

Founded by Peter Ellen, Bd4h received a total of GBP 1,000,000 early stage funding in 2014 and closed another USD 1.2 million seed funding a year later.

Currently, Bd4h has a team of twelve (12) with experience in customer centric marketing, development of data warehouses as well as customer relationship management system.

##### 2.2 Bd4h APAC

Bd4h APAC was incorporated in Scotland in June 2016 with a registered office at 5th Floor, 125 Princes Street, Edinburgh, United Kingdom EH2 4AD. Bd4h APAC was established to build a software as a service data analytics business in the Asia Pacific region.

##### 2.3 MC

MC was incorporated in Malaysia on 11<sup>th</sup> March 2015 with registered office at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor. MC is a wholly-owned subsidiary of AAB that was set up to help the AirAsia Group grow by providing insights to understand our customer better, designing personalised or targeted marketing campaigns to increase revenue, managing internal data and developing reporting tools to assist business decisions and developing new third parties businesses.

### 3. TRANSACTIONS RATIONALE

AAB is a believer of data analytics and is seeking to maximise its data assets. The Bd4h JV seeks to confer AAB the following benefits:

- **Core value driver for future success of AAB.** AAB strives to be a data-driven business who knows its passengers, understands their preferences as well as their traveling patterns. Bd4h data science platform is able to automate insights and generate action plans that work across channels, such that it provides fast response to come up with the best offer every time customer behaviour changes. Using this platform, AAB would be able to generate potential revenue upside by targeted marketing campaigns, cross-selling and new business opportunities.
- **Development of world class data team and ecosystem.** The Bd4h JV seeks to bring an experienced team to the table that can help to deliver AAB's overall data strategy. Bd4h is led by Peter Ellen and Steven Rose who previously founded Maximyser, which was sold to Oracle in June 2015 for USD 160 million. Maximyser is a provider of cloud-based software that enables marketers to test, target and personalise what a customer sees on a Web page or app, substantially increasing engagement and revenue. Not only that, through Maximyser, both Peter Ellen and Steven Rose have served other airline clients which would make them familiar with the airline requirement. The rest of the team complements the founders well with background in software development, product development as well as sales.
- **Potential capital return.** The Bd4h JV provides AAB the opportunity to participate in a start-up business that has potential to provide lucrative financial returns along with the other investors.

### 4. THE AGREEMENTS

#### 4.1 Salient terms of the LNSA:

- **The Parties**

The LNSA is between the following parties:

- a. MC and EC1 Capital Ltd ("**EC1**") (collectively referred to as "**Investors**" and any reference to "**Investor**" is a reference to either of them);
- b. Peter Ellen and Steven Rose (collectively referred as the "**Founders**"); and
- c. Bd4h.

- **Subscription of the Notes**

On 21 June 2016, MC and EC1 subscribed a total of 1,200,000 convertible loan notes ("**Notes**"), of which MC holds 1,000,000 Notes for GBP 1,000,000 and EC1 holds 200,000 Notes for GBP 200,000

- **Terms of the Notes**

- a. **Maturity Date** : 30 November 2017
- b. **Interest Rate** : 8% per annum
- c. **Conversion/Redemption** :
  - The principal and accrued interests of the Notes shall automatically be converted to the shares of capital of Bd4h ("**Bd4h Shares**") in the event of Bd4h performing any fund raising ("**Relevant Fund Raising**") over GBP 1,000,000, whereby a price per Bd4h Shares being the lower of:
    - a. a 25% discount to the price per Share paid by the investors during the Relevant Fund Raising; or
    - b. a price per share calculated by dividing GBP 6,000,000 by the aggregate number of Bd4H Shares,
  - In the event of an acquisition of a controlling interest or a sale, lease, exclusive license or other disposition of all or substantially all of Bd4h's assets prior to a Relevant Fund Raising, the Investors shall be given the option to either convert the Notes into Bd4h Shares or redeem the principal and accrued interest for cash multiplied by two. The conversion shall be based on the total of and accrued interest based on a price per Bd4h Shares calculated by dividing GBP 6,000,000 by the aggregate number of Bd4h Shares.
  - Otherwise, at maturity date, the Investors shall be given the option to either convert the Notes into Bd4h Shares or redeem the principal and accrued interest for cash. The conversion shall be based on the total of and accrued interest based on a price per Bd4h Shares calculated by dividing GBP 4,000,000 by the aggregate number of Bd4h Shares.

- **Completion**

The completion of the LNSA was subject to the satisfaction of the following conditions:

- a. Bd4h entering into the JVA with MC; and
- b. a Bd4h Board Meeting at which Bd4h shall approve the appointment of AAB's Group Chief Executive Officer, Tan Sri (Dr.) Anthony Francis Fernandes as Bd4h Director and approve one (1) observer nominated by MC to the Bd4h Board.

#### 4.2 Salient terms of the JVA:

- **The Parties**

The JVA is between MC and Bd4h.

- **Share Capital**

The issued share capital of Bd4h APAC is constituted by one (1) share for Bd4h for GBP 1.00 and one (1) share for MC for GBP 1.00, whereby the Bd4h APAC shall be held by MC and Bd4h on a 50/50 basis.

- **Board Composition**

The Board shall consist four (4) directors comprising of two (2) directors nominated by MC ("**MC Director**") and two (2) directors nominated by Bd4h ("**Bd4h Director**"). The Chairman shall be held in alternate years by a MC Director or by a Bd4h Director. The Chairman shall not have a casting vote.

- **Financing**

Bd4h APAC shall be funded initially by a loan provided by Bd4h for a total sum of GBP 500,000, which is half of the MC's Loan Notes subscription in Bd4h:

- a. **Maturity Date** : Principal and accrued interest to be fully paid on 31 May 2021
- b. **Interest Rate** : 4% per annum
- c. **Drawdown** : To be arranged in two tranches with GBP 250,000 each. The first tranche to be drawn down within 5 days from the signing of the loan agreement. The second tranche to be drawn down any time before the Maturity Date

- **Dividend payout**

Bd4h APAC shall not declare, pay or make any dividend or other distribution to shareholders without the prior written consent of MC and Bd4h and no such distribution shall be payable until all loans made to Bd4h APAC by MC or Bd4h have been repaid in full.

- **Completion**

The completion of the JVA was subject to the satisfaction of the following conditions:

- a. appointment of one (1) director nominated by MC to the Bd4h APAC Board;
- b. approval from the Board of Bd4h APAC to enter into the software licence agreement with Bd4h; and
- c. approval from the Board of Bd4h APAC to enter into the loan agreement with Bd4h.

- **Commencement of Operations**

Bd4h APAC is expected to commence operations in the fourth quarter, 2016.

## 5. FINANCIAL RISKS

The financial risks associated with entering into the Transactions are expected to be limited to the Company's subscription into the Loan Notes of Bd4h.

## 6. STATEMENT BY THE BOARD

The Board of AAB, having considered all the relevant factors in respect of the Transactions is of the opinion that entering into the Transactions is in the best interest of the Company. The directors, major shareholders or persons connected with them have no interest, direct or indirect in the Transactions.

## **7. FINANCIAL EFFECT OF THE TRANSACTIONS**

The Transactions will not have any material financial impact in the current financial year nor will it have any effect on the share capital and substantial shareholders' shareholdings of AAB. It is also not expected to have material effect on the net assets per share, earnings per share and gearing of AAB for the financial year ending 31 December 2016.

## **8. APPROVAL REQUIRED**

AAB does not require approval of its shareholders or any authorities to undertake the Transactions.

## **9. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Transactions pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.13%.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

The LNSA and JVA are available for inspection at the registered office of the Company at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

**This announcement is dated 29 July 2016.**