

AIRASIA GROUP BERHAD
 (Company No.: 201701030323 (1244493-V))
 (“AAGB” or “the Company”)
 (Incorporated in Malaysia)

Minutes of the Third Annual General Meeting of AirAsia Group Berhad held at the Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia, on Monday, 28 September 2020 at 10.00 a.m.

Present & In Attendance: As per Attendance List

1.0 WELCOME & INTRODUCTION

- 1.1 On behalf of the Board of Directors (“**Board**” or “**Directors**”) and the Company, Mr. Fairuz Majid, the emcee (the “**Emcee**”) the Third Annual General Meeting (“**3rd AGM**” or the “**Meeting**”) of the Company welcomed and thanked those remotely participated in the Meeting.
- 1.2 The Emcee informed that due to the impact of the COVID-19 pandemic and to adhere with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia and on the advice of health authorities to take preventive measures to curb the spread of COVID-19, AAGB’s 3rd AGM was for the first time conducted fully virtual from the Broadcast Venue. The Board had taken steps into consideration of the paramount safety and well-being of the Company’s shareholders, staff members and other stakeholders.
- 1.3 The Emcee informed that participation in the Meeting was restricted to shareholders, proxies, authorised representatives of corporate shareholders and attorneys who had registered to participate in the Meeting remotely.
- 1.4 The Emcee informed that persons in attendance at the Broadcast Venue and via video conference with the Chairman of the Board, Y. Bhg. Datuk Kamarudin bin Meranun (“**Datuk Kamarudin**” or the “**Chairman**”), were the Directors, the Chief Executive Officer of the Company (“**CEO**”), Tan Sri Anthony Francis Fernandes (“**Tan Sri Tony**”), the President (AirAsia Digital), Cik Aireen Omar, the Chief Financial Officer of the Company (“**CFO**”), Ms. Pattria Boosarawongse, the Company Secretary of the Company, Ms. Rebecca Kong, Senior Management and representatives of Messrs Ernst & Young PLT (“**EY**”), the Company’s External Auditors.

2.0 CHAIRMAN OF THE MEETING

- 2.1 With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

3.0 NOTICE OF THE 3RD AGM

- 3.1 The notice convening the Meeting, having been advertised in the newspaper, circulated within the prescribed period, also having been announced to Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and as referred to on pages 20 to 31 of the Annual Report of the Company, with the consent of the shareholders present, was taken as read.
- 3.2 Before proceeding with the Meeting’s agenda, the Chairman highlighted that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in the Notice of the Meeting dated 29 July 2020 would be put to vote by way of poll, and

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polling would be conducted electronically via the Remote Participation and Voting Facilities (“**RPV Facility**”). The online voting was accessible for shareholders to vote any time from this point of the Meeting until such time that would be announced later in the Meeting. The RPV Facility was provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) who would act as poll administrator and the poll results would then be verified by BDO Consulting Sdn. Bhd., the appointed Independent Scrutineers (“**Scrutineers**”). The resolutions tabled for voting were displayed on the screen and read out to the shareholders by the Chairman.

- 3.3 The Chairman informed the Meeting that the 3rd AGM would proceed according to the sequence in the agenda, which was to be followed by a question and answer (“**Q&A**”) session. Shareholders were given the opportunity to ask questions or seek clarifications on each agenda item, which would be responded to during the Q&A session. The responses to questions not addressed during the Q&A session due to time constraint would be e-mailed at the earliest possible, after the Meeting.
- 3.4 For the benefit of shareholders participating remotely, Tricor presented a 2 minute explanatory video on the RPV Facility and procedure for remote voting.

4.0 SUMMARY OF COMPANY’S OVERALL PERFORMANCE IN 2019

- 4.1 The Chairman invited the CEO of the Company, Tan Sri Tony to brief the shareholders on AAGB’s overall performance in 2019. Tan Sri Tony took the shareholders through the power-point presentation on an overview of the Company’s performance throughout 2019.
- 4.2 Tan Sri Tony briefed the shareholders on the key highlights for 2019 and informed that AirAsia had won World’s Best Low-Cost Airline award at Skytrax for the 11th consecutive year and this was relevant for AirAsia to hold a strong brand to help the airline post COVID-19.
- 4.3 It was a positive year in 2019 for the airlines seeing outstanding improvement for Philippines AirAsia Inc. (“**PAA**”) and PT Indonesia AirAsia (“**IAA**”). IAA had strengthened its domestic presence with the opening of its new hub in Lombok. Tan Sri Tony opined that PAA and IAA would play a big part in helping the airline post COVID-19.
- 4.4 Non-airline ancillary had grown by 182% as AirAsia’s digital platforms continue to gain traction. Among the key milestones was the expansion of airasia.com’s flight offerings to include non-AirAsia flights, and the development of Teleport from a logistics player to disrupting the cargo industry and empowering social commerce.
- 4.5 AirAsia welcomed its first A321neo, which would offer a 27% to 31% increase in seat capacity as well as 10% fuel savings. AirAsia also saw an increase in passengers carried of more than 14% at 83.5 million passengers in FY2019 compared to 73.1 million passengers in financial year 2018 (“**FY2018**”).
- 4.6 The organisational restructure of the two business pillars, while integrating all shared services under One AirAsia to increase cost efficiency had also been completed.
- 4.7 Tan Sri Tony informed shareholders that available seats per kilometre (ASK) had grown by 10% from 102,885 million in FY2018 vs 113,479 million in FY2019. Revenue had increased by 11% from RM10.6 billion (FY2018) to RM11.9 billion (FY2019) and Group EBITDA also increased by

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21% from RM1.8 billion (FY2018) to RM2.1 billion (FY2019). The operating cashflow increased from RM353 million (FY2018) to RM2.1 billion (FY2019) and AirAsia ended FY2019 with 246 aircraft vs 226 aircraft in FY2018.

4.8 Tan Sri Tony informed the shareholders that while 2019 was a good year for business but 2020 had been a tough year for the Company due to COVID-19. Nevertheless, Management had been working hard to restructure the business and then the CEO presented the Company’s strategies in 2020 and beyond:

4.9 (i) **Leaner airline operations and setting the foundation moving into 2021**

- Prepare to rely on domestic operations if borders remain closed potentially until the end of the year as well as into the first quarter 2021;
- Better fare environment had been seen in first quarter 2020 and second quarter 2020. There had been a lot of rationale pricing and capacity take up by competitors since the fourth quarter of 2019;
- An extensive cost reduction exercise was carried out, which targeted a 50% reduction in cash outflows in 2020:
 - Lower staff costs due to headcount rationalisation, pay cuts across the board including Directors;
 - Maintenance costs under control due to asset optimisation through use of newer aircraft; and
 - Lower ground-handling costs due to increase in contactless procedures.
- AirAsia had benefitted from the sale and leaseback of aircraft, where leasing provided more flexibility to scale back growth and renegotiate terms; and the plan was to return at least 25 aircraft over the next few years;
- Terminated loss-making routes, closed weak hubs and consolidated operations where possible; and
- Deferred all new aircraft deliveries for the near term future.

(ii) **Ensuring sufficient liquidity**

- Secured commitments from the banks for the Danajamin PRIHATIN Guarantee Scheme in Malaysia and other bank financing in other markets;
- Management had been in active discussion on other debts and rights issue;
- Tremendous support had been received from lessors for deferrals and 70% of fuel hedging contracts were restructured;
- Had worked with creditors on repayment plan, which was put out the day before;
- Renegotiation of contracts across the Group including ICT and maintenance contracts; and
- 80% of customers opted for credit account for those that could not fly.

(iii) **Stronger post-Covid-19**

- Believed that the hard work done during 2019 with the Group reorganisation would place the Company in a stronger position post-Covid-19;
- Aggressive marketing push to stimulate local demand;
- Leverage extensive reach on AirAsia.com and its low customer acquisition cost; and

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- Settled cases with Malaysian Aviation Commission and improved relationship with airports particularly Malaysian Airports Holding Berhad.

- 4.10 Tan Sri Tony informed the shareholders that the airline was pivoted into a digital lifestyle company, anchored on travel and divided into two groups, the airline and AirAsia Digital. Under the airline, the group holds six (6) airline operating companies, AirAsia Engineering, a fully owned subsidiary of the Company and the ground handling joint venture with SATS GTR. The food and beverage division was moved under AirAsia Digital. The platform and ASEAN super app for AirAsia Digital was planned for launch on 8 October 2020 and a media briefing was held a week earlier. The logistics arm and e-commerce group falls under Teleport, which has two e-commerce sites revolving around food and travel, and with retail under AirAsia Shop. Financial Services houses BigPay, which received a fantastic start of 1.2 million downloads and 800,000 carded customers, and finally Management was hoping to rename Big Loyalty under rewards to Big Rewards.
- 4.11 Tan Sri Tony updated the shareholders on the airline’s recovery in domestic routes as follows: -
- (i) AirAsia Malaysia (“**MAA**”) had resumed most domestic routes and including the new routes. There were new routes from Kuching – Langkawi as well as the Kuala Lumpur – Singapore route under the RGL scheme. In August, MAA operated around 40% of pre-Covid domestic capacity and Management expected MAA to recover by 70% to 75% of pre-Covid levels by the fourth quarter in 2020 (“**4Q 2020**”).
 - (ii) IAA resumed operations in mid-June and had been operating about 10% of pre-Covid domestic capacity in August 2020. The targeted domestic recovery for IAA was up to 35% of pre-Covid capacity in 4Q 2020. Tan Sri Tony said he hoped that by the first quarter of 2021, operations will pick up to where it was in the same quarter of last year.
 - (iii) PAA had reinstated flights in early June 2020 and had been operating about 5% of pre-Covid domestic capacity by August 2020. Management expects PAA to recover by 30% of pre-Covid domestic capacity by 4Q 2020.
 - (iv) Thai AirAsia Co Ltd. (“**TAA**”) had reinstated domestic flights in phases since May 2020. TAA had been operating close to 75% of pre-Covid domestic capacity in August 2020. Management expects TAA to return to pre-Covid domestic levels by 4Q 2020.
 - (v) AirAsia (India) Limited (“**AAI**”) had resumed its flights at the end of May 2020 and had been operating close to 35% of pre-Covid domestic capacity in August 2020. Management expected AAI to recover up to 95% of pre-Covid levels in 4Q 2020.
 - (vi) AirAsia Japan Co., Ltd. (“**AAJ**”) had restarted its operations in early August 2020 but unfortunately, AAJ was due to suspend all flights from 1 October 2020 until 24 October 2020 owing to less than expected demand caused by COVID-19.
- 4.12 Tan Sri Tony reassured shareholders that most domestic operations were slowly recovering with MAA and TAA performing better followed by AAI and slowly building up IAA and PAA.

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4.13 Tan Sri Tony went on to brief shareholders on the all-in-one digital travel and lifestyle ecosystem that the All Stars had been working on over the last couple years to implement the strategy that had come together well. This included the following: -

(a) *AirAsia.com*

AirAsia.com, the travel and lifestyle Super App with strong anchors on travel, had not only been selling flights by AirAsia but by other airlines as well with Turkish airlines being the biggest selling flights on the site. The intention was for AirAsia.com to be the centre platform for all airline brands. In addition, the Company had launched SNAP in August 2020, which provides directly sourced hotel deals and can be booked as a bundle together with flights. This takes over AirAsiaGo and the inventory previously held with Expedia. SNAP intends to change the habit and culture on how people book their flights and very soon the booking system will be able to recognise the type of bookings made and would bundle hotels according to passengers’ preferences. There is plan in the pipeline to develop a homepage personalisation for each customer.

(b) *Teleport*

Teleport has transformed from delivering cross-border e-commerce products to last mile deliveries with its focus remaining on providing efficiency, accuracy and fast deliveries. Last mile riders would also be branded and dressed professionally. The e-commerce marketplace was launched to adapt to the post-Covid reality and recognising customers’ preference for home delivery orders via AirAsia Shop (covering travel retail), Food by AirAsia (delivers for restaurants) and Fresh by AirAsia (delivers fresh food to customers). Tan Sri Tony believes that Teleport would be ASEAN’s premier logistics provider as it has the strength of cloud warehouse, available capacity and network reach.

(c) *BigPay*

BigPay had implemented a bank-grade eKYC and was aiming to secure the digital bank licence. There was now remittance service to 10 countries from both Malaysia and Singapore. The lending licence was presently in the works. BigPay had also targeted to obtain key licences in the Philippines and Thailand. Although BigPay in Singapore was due to be launched in the next few days, it has a waiting list for 20,000 cards. BigPay was also exploring insurance and wealth management products.

(d) *Big Loyalty*

Big Loyalty being ASEAN rewards and points platform had evolved from just loyalty points into a quasi-digital currency. The focus on continuous consumer engagement with new burn partners and the recently launched BIG Xchange would have a universal point’s exchange hub allowing two-way points conversion and be able to swap points with big brands including JD.com through to Petronas into BigPoints. All products on AirAsia.com had increased velocity with the Super App. Tan Sri Tony reassured that Management was working hard during these difficult and challenging times and that the investment in digital as well as the work in terms of rationalising costs had been paying well.

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5.0 AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (“AUDITED FINANCIAL STATEMENTS AND REPORTS FY2019”)

5.1 The Chairman informed that the Company had received a letter from the Minority Shareholder Watch Group (“**MSWG**”) for the 3rd AGM. For the benefit of the shareholders, the answers to the questions raised in the MSWG’s letter were presented on screen (**Appendix 1**), which were read out by the Emcee while the CEO read out the answers to the questions.

5.2 Thereafter the Chairman informed the Meeting that the first item of ordinary business was to receive the Audited Financial Statements and Reports FY2019. This agenda item was meant for discussion only as the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Therefore, this agenda item was not put forward for voting.

5.3 The Chairman invited shareholders to submit their questions, if any, to the Board via the query box, which were addressed during the Q&A session. Hereafter, the Chairman declared that the Audited Financial Statements and Reports FY2019 were received.

6.0 ORDINARY RESOLUTION 1 TO APPROVE THE NON-EXECUTIVE DIRECTORS’ REMUNERATION AS DESCRIBED IN NOTE B FOR THE PERIOD FROM 29 SEPTEMBER 2020 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN THE YEAR 2021

6.1 The Chairman informed the Meeting that Ordinary Resolution 1 was to approve the payment of the Non-Executive Directors’ Remuneration as described in Note B for the period from 29 September 2020 until the next Annual General Meeting (“**AGM**”) of the Company to be held in the year 2021. He further informed that there was no change in the Non-Executive Directors’ Remuneration as per the financial year ended 31 December 2019.

6.2 In view of the current difficult economic circumstances facing the airline industry, the Non-Executive Directors of the Company had voluntarily offered to receive a 50% reduction in their fees for the period from 1 May 2020 up to the date of the forthcoming AGM and would continue with such reduction, subject to the shareholders’ approval on the above-mentioned remuneration structure until such time that the Company’s financial performance improves significantly, or up to the next AGM of the Company, whichever is earlier.

6.3 Dato’ Mohamed Khadar bin Merican (“**Dato’ Khadar**”), Dato’ Abdel Aziz @ Abdul Aziz bin Abu Bakar and Mr. Stuart L Dean who are also shareholders of the Company abstained from voting on Ordinary Resolution 1.

6.4 The Chairman put Ordinary Resolution 1 to the Meeting for consideration.

7.0 ORDINARY RESOLUTION 2 RE-ELECTION OF DATO’ FAM LEE EE IN ACCORDANCE WITH RULE 119 OF THE COMPANY’S CONSTITUTION

7.1 Dato’ Fam Lee Ee (“**Dato’ Fam**”) was obliged to retire from office pursuant to rule 119 of the Company’s Constitution where one-third of the Directors should retire from office by rotation at

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each AGM (“**1/3-rotation rule**”), and Dato’ Fam had consented to offer himself for re-election under Ordinary Resolution 2.

7.2 The Chairman put Ordinary Resolution 2 to the Meeting for consideration.

8.0 ORDINARY RESOLUTION 3
RE-ELECTION OF DATO’ MOHAMED KHADAR BIN MERICAN IN ACCORDANCE WITH
RULE 119 OF THE COMPANY’S CONSTITUTION

8.1 Dato’ Khadar was obliged to retire from office pursuant to the 1/3-rotation rule, and Dato’ Khadar had consented to offer himself for re-election under Ordinary Resolution 3.

8.2 Dato’ Khadar who is also a shareholder of the Company abstained from voting on Ordinary Resolution 3.

8.3 The Chairman put Ordinary Resolution 3 to the Meeting for consideration.

9.0 ORDINARY RESOLUTION 4
RE-APPOINTMENT OF EY AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE
DIRECTORS TO DETERMINE THEIR REMUNERATION

9.1 The Chairman put forward Ordinary Resolution 4 to the Meeting for consideration on the re-appointment of EY as auditors of the Company and to authorise the Directors to determine their remuneration.

10.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 5
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE
COMPANIES ACT, 2016

10.1 The Chairman informed the Meeting that Ordinary Resolution 5 under item 5 of the agenda as special business, was to renew the mandate under Sections 75 and 76 of the Companies Act 2016, and if passed, would provide flexibility and empower the Board to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting, provided that such allotment does not exceed 20% of the total number of issued shares of the Company at any point of time.

10.2 The Chairman put Ordinary Resolution 5, the full text of which was set out in the Notice of Meeting, to the Meeting for consideration.

11.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW
SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE

11.1 Since the Chairman was a related party to this proposal he abstained from the Meeting and passed the Chair to Dato’ Fam for the said resolution to be put to the Meeting.

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11.2 Dato’ Fam informed the Meeting that Ordinary Resolution 6 under item 6 of the agenda as special business, was to seek shareholders’ approval proposed renewal of existing and new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature (“**Proposed Mandate**”). Details of the Proposed Mandate were set out in the Notice of Meeting and in Section 2.3 of the Circular to Shareholders dated 29 July 2020.

11.3 Dato’ Fam further informed the Meeting that the Interested Related Parties referred in Section 7 of Part A of the Circular to Shareholders would abstain from voting on Ordinary Resolution 6 and had undertaken to ensure persons connected with them would also abstain from voting on the resolution.

11.4 Dato’ Fam put Ordinary Resolution 6, the full text of which was set out in the Notice of Meeting, to the Meeting for consideration, and thereafter passed the Chair back to Datuk Kamarudin.

12.0 SPECIAL BUSINESS - ORDINARY RESOLUTION 7
PROPOSED AUTHORITY FOR SHARE BUY-BACK BY AIRASIA GROUP BERHAD

12.1 The Chairman informed the Meeting that Ordinary Resolution 7 under item 7 of the agenda as special business, was to seek shareholders’ approval of Share Buy-Back authority by the Company (“**Proposed Share Buy-Back**”). Details of the Proposed Share Buy-Back were set out in Part B of the Statement to Shareholders dated 29 July 2020.

12.2 The Chairman put Ordinary Resolution 7, the full text of which was set out in the Notice of Meeting, to the Meeting for consideration.

13.0 SPECIAL RESOLUTION 1
PROPOSED ALTERATION OR AMENDMENTS TO THE CONSTITUTION OF AIRASIA GROUP BERHAD

13.1 The Chairman informed the Meeting that the last item on the agenda under special business was in relation to the proposed alteration or amendments to the Constitution of the Company.

13.2 The Chairman explained that the proposed amendments to the existing Rules 70, 94, 96 and 184 of the Constitution of the Company (“**Proposed Amendments**”) were mainly to have express constitutional provisions to allow remote participation at general meetings and the appointment of proxy(ies) and/or representative(s) to attend, speak and vote at any general meeting/meeting of members of the Company and/or any adjournment thereof to be lodged via electronic means, to enhance administrative efficiency. The details of the Proposed Amendments to the existing Constitution of the Company were set out in the Appendix A, which was circulated together with the Notice of Meeting. The same can be referred to on pages 27 to 31 of the Annual Report of the Company.

13.3 The Chairman put Special Resolution 1, the full text of which was set out in the Notice of Meeting, to the Meeting for consideration.

14.0 OTHER ORDINARY BUSINESS

14.1 The Company Secretary informed the Meeting that she had not received any due notice to transact any other business.

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15.0 QUESTIONS & ANSWERS SESSION

- 15.1 Following the presentation of all resolutions in the agenda, and before moving to vote by poll, the Chairman declared the commencement of the Q&A session and informed that the questions received would not be answered in any particular sequence in relation to the business of the 3rd AGM. The questions received in the query box were moderated to avoid repetition and would only be answered once, and questions that were particularly lengthy were summarised for reason of brevity. Responses to the questions not addressed during this Q&A session would be e-mailed to the shareholder at earliest possible after the Meeting.
- 15.2 For the benefit of the shareholders and proxyholders participating remotely, the Emcee read out the questions submitted by shareholders via Tricor's online TIIH platform prior to the Meeting (**Appendix 2**), followed by questions submitted by remote participants at the 3rd AGM. A total of twenty questions raised by shareholders were addressed by the CEO and CFO. Due to time constraint, the balance questions, clarifications, and comments would be addressed by the Investor Relations team post the 3rd AGM meeting.

16.0 VOTING SESSION

- 16.1 On conclusion of the Q&A session, the Chairman advised the shareholders and proxyholders to proceed to submit their vote via the RPV Facility as the polling process would conclude after 10 minutes; followed by a 20 minute recess for the verification process and thereafter the declaration of the poll results by the Scrutineers. He then declared the 3rd AGM adjourned.

17.0 ANNOUNCEMENT OF POLL RESULTS

- 17.1 The 3rd AGM re-convened at the conclusion of the polling process and the Chairman called the Meeting to order for the declaration of the poll voting results. The Chairman informed that the Scrutineers appointed by the Company, had verified the poll voting results and that the said results were as projected on the screen.
- 17.2 Based on the poll voting results (**Appendix 3**) as verified by the Scrutineers, the Chairman declared all the resolutions tabled at the 3rd AGM as carried.
- 17.3 Therefore, **IT WAS RESOLVED: -**

ORDINARY RESOLUTION 1
TO APPROVE THE NON-EXECUTIVE DIRECTORS' REMUNERATION AS DESCRIBED IN
NOTE B FOR THE PERIOD FROM 29 SEPTEMBER 2020 UNTIL THE NEXT ANNUAL
GENERAL MEETING OF THE COMPANY TO BE HELD IN THE YEAR 2021

THAT the Non-Executive Directors' Remuneration for the period from 29 September 2020 until the next Annual General Meeting of the Company to be held in the year 2021, the details of which are disclosed in Note B of the Notice of the Third Annual General Meeting, be and is hereby approved.

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ORDINARY RESOLUTION 2
RE-ELECTION OF DATO' FAM LEE EE IN ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION

THAT Dato' Fam Lee Ee, the Director who retired pursuant to Rule 119 of the Company's Constitution, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 3
RE-ELECTION OF DATO' MOHAMED KHADAR BIN MERICAN IN ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION

THAT Dato' Mohamed Khadar bin Merican, the Director who retired pursuant to Rule 119 of the Company's Constitution, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 4
RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

THAT Messrs Ernst & Young be and are hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS – ORDINARY RESOLUTION 5
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Additional Temporary Relief Measures to Listed Issuers for COVID-19, issued by Bursa Securities on 16 April 2020 and the approval of the relevant authorities, where required, the Directors of AirAsia Group Berhad ("**the Company**") be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities **AND THAT** such authority shall continue to be in force until 31 December 2021, unless revoked or varied by an ordinary resolution of the Company at a general meeting.

SPECIAL BUSINESS – ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

THAT approval be and is hereby given for the renewal of existing shareholders' mandate and new shareholders' mandate for AirAsia Group Berhad ("**the Company**") to enter into recurrent

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related party transactions of a revenue or trading nature with the related parties (“**Recurrent Related Party Transactions**”) as set out in Section 2.3 of the Circular to Shareholders dated 29 July 2020 (“**Circular**”), subject further to the following:-

- i. the Recurrent Related Party Transactions are entered into in the ordinary course of business which are:
 - (a) necessary for the day-to-day operations;
 - (b) on normal commercial terms and transaction price which are not more favourable to the related parties than those generally available to the public;
 - (c) undertaken on arm’s length basis; and
 - (d) not to the detriment of the minority shareholders of the Company;

- ii. the shareholders’ mandate is subject to annual renewal and this shareholders’ mandate shall only continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following the AGM at which this shareholders’ mandate is approved, at which time it will lapse, unless by an ordinary resolution passed at that AGM, such authority is renewed;

 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“**Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is the earliest.

THAT the Directors of the Company and/or any one of them be and are hereby authorised to complete and do all such acts and things and take all such steps and to execute all such transactions, deeds, agreements, arrangements and/or undertakings as the Directors in their discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Recurrent Related Party Transactions with full powers to assent to any modifications, variations and/or amendments thereto.

AND THAT as the estimates given for the Recurrent Related Party Transactions specified in Section 2.3 of the Circular being provisional in nature, the Directors of the Company and/or any one of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.6 of the Circular.

SPECIAL BUSINESS - ORDINARY RESOLUTION 7
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF AIRASIA GROUP BERHAD

THAT subject always to the Companies Act, 2016 (“**Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)

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(“**Listing Requirements**”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- i. and the aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) or held by the Company pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company at any point in time; and
- ii. the maximum amount of funds to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the amount of the retained profits of the Company at the time of the purchase,

(“**Proposed Share Buy-Back**”).

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, following at which time the authority shall lapse, unless the authority is renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, Constitution of the Company, Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares;
- ii. To distribute all or part of the Purchased Shares as dividends to shareholders;
- iv. To resell all or part of the Purchased Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;

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- v. To transfer all or part of the Purchased Shares for the purposes of or under an employees' share scheme;
- vi. To transfer all or part of the Purchased Shares as purchase consideration; and/or
- vii. In any other manner as may be prescribed by applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities, and/or any other relevant authority for the time being in force,

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and to enter into or execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares.

SPECIAL RESOLUTION 1
PROPOSED ALTERATION OR AMENDMENTS TO THE CONSTITUTION OF AIRASIA GROUP BERHAD

THAT the proposed alteration or amendments to the existing Rules 70, 94, 96 and 184 of the Constitution of the Company, as annexed herewith as Appendix A, be and are hereby approved and adopted, with immediate effect.

AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modification, variation and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

18.0 **CLOSE OF MEETING**

- 18.1 There being no other matters, the Chairman thanked all present for their active remote participation in the meeting, and then declared the meeting closed at 11.55 a.m.

Signed as correct record

.....
CHAIRMAN

Dated: 12 October 2020

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Appendix 1 to the Minutes of the 3rd AGM

ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 18 SEPTEMBER 2020 FOR ANNUAL GENERAL MEETING 2020

Issues raised	Reply
<u>Strategy & Financial Matters</u>	
<p>1. By organic serendipity, digitalisation of AirAsia has not just allowed it to meet its initial objectives; it has led to the Group becoming more than just an airline. Other than the Airlines business, the Group now has a strong and growing digital pillar which brings together all its online travel and lifestyle business ventures under RedBeat Ventures (RBV). (Page 83 of Annual Report – AR)</p> <p>a. For FY2019, what was RBV’s percentage contribution to the Group revenue? b. What is the Board’s expectation of RBV’s growth rate and percentage share of the Group revenue, going forward?</p>	<p>a. RedBeat Ventures, recently renamed to AirAsia Digital, contributes 6% to the Group’s revenue in FY2019. b. As written in page 142 of the FY2019 Annual Report, we target RedBeat Ventures to contribute circa 50% of the Group’s Revenue in the next five years.</p>
<p>2. A highlight was to welcome AirAsia’s first Airbus A321neo aircraft, which offers a 27% to 31% increase in seat capacity while providing more than 10% in fuel savings. AirAsia India also strengthened its position as it awaits being licensed to fly international. (Page 84 of AR)</p> <p>a. Amidst the uncertainties, how many more Airbus A321neo aircraft are expected to be delivered and when? b. When is AirAsia India expected to obtain its licence to fly international?</p>	<p>a. Due to the current pandemic, AirAsia Group would not be taking any new aircraft this year. We will revisit the fleet growth plan once the aviation industry recovers. b. AirAsia India has filed all required formalities with the Ministry of Civil Aviation India. AirAsia India is awaiting the formal No Objection Certificate (NOC) from the Government.</p>

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Issues raised	Reply
<p>3. Although in last year's annual report AirAsia had mentioned expanding to Vietnam, plans towards this end have been put on hold until a suitable partner is found. Meanwhile, AirAsia is still very interested in establishing a presence in Indochina, and are looking at possible partnerships in Cambodia as well as Myanmar. If the conditions are right, it would also gladly set up a new base in China. (Page 85 of AR)</p> <p>In view of Covid-19 pandemic, are there any changes to the plans? What is the latest development?</p>	<p>We continue to explore opportunities for expansion. At this juncture, there has not been any material development on this matter.</p>
<p>4. In the earlier days, AirAsia launched AirAsia Expedia (AAE), Asian Aviation Centre of Excellence (AACE) and BIG Loyalty, followed by BigPay, Ground Team Red (GTR) and T&Co, among others. Some of the earlier businesses, such as AAE and AACE, have been monetised while others are still being developed to reach their full potential. (Page 86 of AR)</p> <p>Apart from AAE and AACE, which other businesses have been or expected to be monetized, and by when?</p>	<p>Apart from AAE and AACE, we have monetised our ground handling service in 2018 with the formation of Ground Team Red, a joint venture with SATS, where AirAsia Group received cash proceeds of SGD119million, and also our aircraft portfolio via the sales and leaseback transaction with BBAM and Castlake in 2018 and 2019.</p> <p>The monetisation and divestment of these mature non-core businesses and support assets of AirAsia Group will allow us to focus on the core airline operations, grow our wholly-owned airasia.com platform (vs the 50%-owned JV with Expedia) and grow our other digital businesses such as BigPay, Teleport and BIG Loyalty.</p>

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Issues raised	Reply
<p>5. Teleport, the end-to-end logistics player (previously RedCargo Logistics) is disrupting the cargo industry and empowering social commerce through Teleport Social. While the global cargo industry receded 4.4% in 2019, Teleport's tonnage increased by 109% year-on-year as operations ramped up. (Page 86 of AR)</p> <p>a. Please explain what is meant by empowering social commerce and how this could help Teleport grow rapidly?</p> <p>b. Is Teleport likely to continue growing rapidly in FY2020?</p>	<p>a. We are supporting local businesses by opening up our e-commerce platforms under Teleport; enabling fresh produce, and food delivery. We are currently not charging any commission. We are focused on empowering communities and have enabled over 2,000 drivers to earn over RM 500,000 over the last 3 months that we launched our city delivery services.</p> <p>b. Teleport is also affected as international borders remain closed and therefore unable to fully leverage AirAsia's network and belly space for cargo. We have mitigated this somewhat by the launch of more than 1,000 cargo-only flights. We are offering our door-to-door parcel and instant deliveries in under 1 hour within Klang Valley, 8 cities in East Malaysia, Bangkok and Singapore. We also offer our super-fast delivery service to East Malaysia. Check out more of our services on teleport.asia</p>
<p>6. For on-ground services, AirAsia is collaborating with Google on ODIN and RedEye. ODIN, or Operational Decision Intelligence, is a tool to help the flight operations team realise savings and revenue generation opportunities. With the new platform, the Group will be able to enhance its fuel efficiency thus further reducing its carbon footprint and driving cost savings while optimising cargo revenue generation. (Page 88 of AR)</p> <p>a. What is RedEye? What value-add will it provide?</p> <p>b. What concrete results (provide figures) have been achieved so far with the collaboration?</p>	<p>a. RedEye is our own homegrown safety mobile app, functioning as a supplementary reporting tool for Allstars, for a more intuitive and hassle-free interface for quick submission of reports. RedEye serves alongside Coruson, which is our existing reporting platform.</p> <p>b. The collaboration with Google on RedEye will result in the complete replacement of our current Coruson solution which comes to RM387k annual savings, starting from the end of this year. Moreover, the tool also serves as a context-specific communication and digital collaboration tool among Allstars to bring added value to other applications it would interface with.</p>

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Issues raised		Reply
7.	<p>As for fuel price volatility, AirAsia had hedged 65% of its Brent requirement for the year at an average price of USD62.77 per barrel, which was lower than the market average of USD64.16 per barrel in 2019. (Page 89 of AR)</p> <p>How much has been hedged for the Brent requirement for FY2020 and at what average price? What is the market average price year to date?</p>	<p>We have hedged 68% of our budgeted fuel requirement for FY2020 at an average Brent price of US61/bbl. Average market price for Brent year to date is US43/bbl.</p>
8.	<p>Further strengthening its capital, AirAsia has received deferrals from its lessors and is hopeful of further extensions of its aircraft operating lease payments. While a major portion of its fuel hedge contracts have been restructured, it continues to negotiate on the remaining exposure to reduce losses. (Page 91 of AR).</p> <p>Are there further successes in negotiation on the aircraft operating lease payments and fuel hedge contracts?</p>	<p>Some of our lessors have agreed further deferral up to year end which includes step up payments of lease rental.</p> <p>Up to 70% of fuel hedging contracts have been restructured and/or deferred in settlement.</p>
9.	<p>Segmental information reporting was presented by geographical regions and not by business segments. (Page 313 of AR) Why was the segmental reporting not presented by business segments as the Group has been rapidly growing its non-airline businesses?</p>	<p>As per our response for Question 1(a), the non-airline group contribution in 2019's revenue is less than 10%. However, as we segregate our business into airline and digital further in 2020, the segmental presentation will be changed accordingly in future to reflect this.</p>

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Issues raised	Reply
<p>10. The following measures had been taken, with further additional efforts to be taken:</p> <p>i) The Group and the Company plan to raise capital of up to RM1.4 billion as and when required to strengthen its equity base and liquidity and expect successful implementation on these capital raising plans.</p> <p>ii) Further, the Group and the Company have implemented group-wide temporary salary reduction ranging from 15% to 75%, depending on salary levels with effect from April 2020 and voluntary salary cuts of 2 executive directors of 100% since March 2020. (Page 336 of AR)</p> <p>a. Apart from borrowings, is the Group considering rights issue or private placements?</p> <p>b. Apart from staff salary reductions, and voluntary salary cuts of 2 executive directors, why has the Board not considered reducing the remuneration of non-executive directors especially since there has been staff salary cuts?</p>	<p>a. We are exploring all funding options.</p> <p>b. The Non-Executive Directors of the Company had voluntarily offered to receive a 50% reduction in their fees for the period from 1 May 2020 up to the date of the forthcoming Annual General Meeting and will continue with such reduction, subject to the shareholders' approval on the above-mentioned remuneration structure until such time that the Company's financial performance improves significantly, or up to the next Annual General Meeting of the Company, whichever is earlier.</p>
<p>11. AirAsia has ongoing deliberations with a number of parties for joint-ventures and collaborations that may result in additional third-party investments in specific segments of the group's business.</p> <p>Barring any reversal of flight resumption plans and any major shock to demand, AirAsia foresees that it has sufficient working capital to sustain the business operations. (Page 28 of 2nd quarter report for FY2020)</p> <p>a. Are the ongoing deliberations expected to be finalised in FY2020 and are the investments substantial?</p> <p>b. In view of the worsening financial condition (Q2 FY2020: Net loss of RM992.9 million attributable to owners; Q2 FY2019: Net profit of RM17.3 million), approximately, for how long does the</p>	<p>(i) We are unable to divulge any information at this stage so as not to jeopardise any of the deliberations due to the confidential nature of the discussions with the various parties. Any decision made will take into account the Group's business needs and the interests of the Group, its shareholders and other stakeholders.</p> <p>Nonetheless, the Group will ensure to make the necessary announcements as and when appropriate as well as seek the various approvals, if required.</p> <p>(ii) We expect to have sufficient liquidity in 2H2020 and 2021 as revenue should improve in tandem with rising domestic demand. Our cash flow is managed tightly and we are well prepared to rely on operating domestic sectors in the short</p>

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Issues raised	Reply
<p>Board expect the working capital to sustain the business operations?</p> <p>c. What is the estimated timeline to solve the liquidity constraints in order to revert to a 'going concern'?</p> <p>d. Was there any reassessment of right-of-use ("ROU") assets and any other affected areas for impairment? What is the amount impaired? If there was no reassessment done, why?</p>	<p>term if international travel restrictions continue. Aside from the major cost-cutting exercise we have embarked on across the Group, we are also securing commitments from the banks for the Danajamin PRIHATIN Guarantee Scheme in Malaysia and other bank financing in other markets. We are also actively exploring capital raising opportunities in each of our key operating markets which should aid in sustaining our cash flow levels.</p> <p>(iii) The financial statements of the Group and the Company have been prepared on a going concern basis, the validity of which is dependent on successful recovery from the COVID-19 pandemic in conjunction with the actions undertaken by the government of the respective countries, favorable outcome of the ongoing discussions with the financial institutions and investors to obtain required funding and successful implementation of the management's plans for future actions in responding to the conditions above as disclosed in Note 2.1 and Note 48 to the financial statements in the Annual Report.</p> <p>(iv) As per note 48 to the audited financial statements the financial statements were prepared based upon conditions existing at 31 December 2019. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impact of COVID-19. The Company will reassess the carrying value of its Right-of-Use and other assets during the current financial year.</p>
<p><u>Corporate Governance Matters</u></p>	

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Issues raised	Reply
<p>1. Under the Malaysian Code on Corporate Governance (MCCG), Practice 4.5 stipulates that the board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.</p> <p>MSWG’s Comments: For FY2019, the Company had only one woman director out of seven directors. However, the woman director has resigned in August 2020 and currently there is no woman director on the Board. There is also no timeframe set to have at least 30% women directors.</p>	<p>The Board has established a Board Diversity Policy which ensures a broad dimension of diversity is present to guarantee diverse viewpoints. In particular, the Board places emphasis on recruiting women directors to achieve an optimum and balanced composition.</p> <p>This is reflected in paragraph 5.7 of the said Policy as follows: “In identifying suitable candidates for appointment to the Board, the Nomination and Remuneration Committee (“NRC”) will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Some of the criteria to be taken into consideration in the selection process can include the following: (i) Millennial appeal; (ii) Gender diversity (female); (iii) Entrepreneurial skills; (iv) Global mindset; (v) Digital savvy; (vi) Influencer; and (vii) Leadership role in middle to large size organisation.”</p> <p>The Board Diversity Policy is available online at our Investor Relations website The NRC and the Board are actively seeking new women directors to join the Company. Selection of candidates will be made based on recommendations of existing Board members, Senior Management or major shareholders. It was mentioned in the Corporate Governance report for Financial Year 2018 that the NRC and Board aim to achieve a composition of 30% women directors by 2021.</p>

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Issues raised	Reply
<p>2. Noor Neelofa binti Mohd Noor, the Independent Non-Executive Director, attended 5 out of 6 Board meetings during FY2019.</p> <p>However, as a member of the Safety Review Board Committee she did not attend a single Committee meeting out of 4 meetings held during FY2019. (Page 185 of AR). She had on 17 August resigned as a director due to her other personal commitments. (Bursa announcement on 17 August 2020).</p> <p>MSWG’s Comments: A director must have the time commitment to carry out his/her fiduciary duties. Safety is essential and of paramount importance to an airline. It is untenable for a member of the Safety Review Board Committee not to attend even a single meeting.</p> <p>a. Why was no action taken after a member failed to attend 2 or even 3 consecutive meetings? b. Why was no action taken between the end of the financial year and August 2020, when the member tendered her resignation – a lapse of 8 months?</p> <p>The Board must revisit the Board procedures and processes to enhance them further, if necessary.</p>	<p>The Company recognises the importance of Board members’ attendance as an essential element in maintaining its effective execution of corporate governance and strategic oversight.</p> <p>However, Cik Neelofa was unable to attend the meetings as she had last minute assignments that were unforeseen during the financial year. In Q1 2020, the Chairman spoke to Cik Neelofa on this matter to which she endeavoured to attend all meetings.</p> <p>Ultimately, Cik Neelofa resigned on 17 Aug 2020 due to her personal commitments.</p>

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Appendix 2 to the Minutes of the 3rd AGM

**AirAsia Group Berhad 3rd Annual General Meeting
Pre-Meeting Submitted Questions**

1. Will door gifts/ vouchers/ e-vouchers be given out to shareholders participating in AAGB 3rd AGM?

The Company will not be giving out any door gifts for this AGM.

2. What are the load factors for all operating units since the resumption of flights? Could you please share the forward booking numbers?

Load factors have seen an upward trend to circa 60-70% since the resumption of flights. During long weekends and public holidays, we are seeing load factors reaching the high 70s.

Forward bookings for the remainder of the year is 5-25% of capacity.

3. Are all AirAsia aircraft leased? How many aircraft are still owned by AirAsia?

One aircraft in AirAsia Indonesia and 11 aircraft in AirAsia Thailand are owned. All remaining aircraft are leased.

4. Due to Covid-19 pandemic, does AirAsia get the necessary support from the lessor i.e. discount on lease/lease payment suspension?

Our lessors and counterparties have been very supportive of our situation. We have received support from lessors for deferrals as seen in the 99% reduction in net cash used for financing activities in 2Q20.

5. Can we expect lease expenses due to IFRS16 adoption to reduce in the coming years as I understand that lease expenses will be higher upfront and subsequently taper off as leases expire?

It is worth noting that lease expenses are fixed throughout the lease term. Under IFRS16, lease expenses are replaced with depreciation and interest expense. Under IFRS16, during the earlier portion of the lease terms, the impact of the combined depreciation and interest will be more than the operating lease amounts had it been recognized prior to adoption of IFRS 16. Thus, a portfolio of newer leased aircraft would see a negative impact to its income statement due to the adoption of IFRS 16 and vice versa, ignoring any currency impact.

6. Can we also expect the same for maintenance and overhaul expenses such as provision for engine overhaul?

Provision for engine overhaul varies with flight hours. As we expect less flight hours in FY2020, provision for engine overhaul is expected to be less than 2019.

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7. Can the auditors or the CFO explain about provision for engine overhaul? Is it the same concept as provision for reinstatement?

A provision for engine overhaul needs to be set aside over the period as there is a firm obligation to do the engine overhaul at a particular point in time that is in this case, when it reaches a certain flying hours.

Provision for reinstatement is the amount that is estimated to be incurred to make good the condition of the aircraft before delivery to the lessors. Based on careful monitoring, where possible, we will time the return of the aircraft together with the engine overhaul so that no additional costs for making the engine good are required.

8. What is the Company's plan to diversify resources should the pandemic worsen? Is there any strategic investment plan? Is there any consideration for merger with other airlines or logistic companies? Perhaps the Company should think about "managed services" and reduce the opex cost.

With the group reorganisation completed in 2019 into two pillars, the group continues to push further to enhance the AirAsia way of life ecosystem. Other than the airline group of companies, AirAsia Group has a strong and growing digital pillar which brings together all under AirAsia Digital. AirAsia Digital is positioned to be an Asean triple play business covering e-commerce, logistics and finance, leveraging our extensive reach on airasia.com and its low customer acquisition cost.

There are no merger considerations with any airline.

As for the "managed services" question, there are many One AirAsia initiatives including the formation of AirAsia SEA, a shared services centre that provides corporate and support services to AirAsia Group.

9. What is the future 3-5 years plan for BigPay? How far away is BigPay from establishing as a fintech? Why is BigPay losing so much?

We have virtually built a bank through BigPay, where Gross Transaction Value improved by 15% in 2Q2020 despite the travel restrictions. BigPay's remittance service has gathered momentum as volume increased by 469% in 1H2020. While BigPay has secured key licenses for payment and remittance for Malaysia and Singapore, it is actively looking at expanding into other markets soon.

International money transfer is now available in Malaysia and Singapore enabling customers to remit to 10 other countries. BigPay continues to expand its user base and user engagement levels as its user signup rate increased by over 10% MoM. BigPay is actively developing new key products, including a bill payments service, wealth management and insurance marketplace.

10. Do you agree that you should not have borrowed so much and play in the oil futures market? You should just buy airplanes and slowly pay for them and slowly reduce your debts? And you should buy oil forward according to your planned flights and not more than necessary? If oil goes up, your customers benefit and if oil goes down, your customers have to pay for it? That way you wouldn't have been in today's dire situation?

Fuel hedging is a means to reduce the fuel price volatility and our policy is to hedge based on forward sales.

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Unfortunately no one could have expected the COVID-19 pandemic, which resulted in thousands of airplanes being grounded globally.

11. AirAsia is making huge losses - will AirAsia close shop, be taken private or be delisted?

At this juncture, there are no such plans to close shop, go private or delist.

12. AirAsia share price has tumbled badly - at what price do you intend to place your rights issue? What is Tony's target price for AAGB?

We will make the necessary announcements as and when appropriate.

13. How will AirAsia utilise the loan?

For working capital purposes.

14. Is there any bonus?

We will evaluate the company's cash position and the business outlook at that point in time.

15. Why did your recently laid-off airline pilot (A. Sanjiv Daevin) commit suicide? Did you not prepare your staff for layoffs?

We do not know why Captain Sanjiv took his own life and, to show consideration for him and his family, it would not be appropriate for us to comment.

Laying off good people is always a difficult decision for us to make. And being made redundant is one of the toughest challenges in anyone's working life.

Therefore, we put in a lot of work to make the experience as positive as possible for our Allstars. Steps we take to help them manage the situation include:

- (i) Holding workshops in each country in local languages to guide Allstars through the separation process and beyond. Topics include CV writing, interviewing techniques, local social security and counselling resources etc.
- (ii) Providing peer-to-peer support counselling from the time they are notified of retrenchment for as long as they want.
- (iii) Continuing to engage with them through a regular alumni newsletter to provide notices of job opportunities, useful resources on wellbeing as well as to give general support and encouragement.
- (iv) A 12-hour hotline for assistance on any matter, including official documentation, references etc.
- (v) Organising private job fairs held at AirAsia headquarters to inform and recruit Allstar alumni for opportunities in other AirAsia lines of business as well as by third-party partners.

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(vi) **Connect Allstar alumni with opportunities to upskill and reskill themselves with our own RedBeat Academy (a Google certification centre) as well as by third-party providers (eg, social security agency, insurance agents, financial planners etc).**

AirAsia has also launched an in-house talent marketplace where our employees' records and strengths are permanently held (even if they have left) and an AI platform flag ups suitable opportunities if these crop up.

In other words, we have systematised and automated the concept of giving priority to laid-off Allstars.

16. Tan Sri Tony, if you can turn back time and look at the current Covid situation, would you say the sale and leaseback of planes is a bad decision?

The sale and leaseback transaction that we did is benefitting us today, as leasing in the current Covid situation gives us the flexibility to scale back growth and renegotiate terms with our lessors.

One of the reasons for the sale and leaseback transactions was to extract the maximum value from the A320s at that point in time. If we were to still own most of our aircrafts today, the value of the A320s would have plummeted and put us in a tougher situation including potential impairment risks.

17. Is it company policy to force customers to opt for a credit account when there is a flight cancellation?

We provide flexible options for all affected guests to either convert the amount paid for your current flight booking into a credit account which can be redeemed for a new flight booking in the next 730 days; OR change the flight date without additional charges.

AIRASIA GROUP BERHAD

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Third Annual General Meeting

RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2)

64000 KLIA, Selangor Darul Ehsan

On 28-September-2020 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	1,577,216,836	99.0397	15,293,320	0.9603	1,592,510,156	100.0000
Ordinary Resolution 2	1,563,003,402	98.0662	30,821,054	1.9338	1,593,824,456	100.0000
Ordinary Resolution 3	1,592,418,847	99.9272	1,159,609	0.0728	1,593,578,456	100.0000
Ordinary Resolution 4	1,593,817,747	99.9973	43,809	0.0027	1,593,861,556	100.0000
Ordinary Resolution 5	1,319,648,487	82.7973	274,181,769	17.2027	1,593,830,256	100.0000
Ordinary Resolution 6	514,658,465	99.9849	77,709	0.0151	514,736,174	100.0000
Ordinary Resolution 7	1,333,197,147	83.6458	260,663,309	16.3542	1,593,860,456	100.0000
Special Resolution 1	1,593,376,947	99.9914	137,109	0.0086	1,593,514,056	100.0000

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