

MINUTES of the Twenty Fourth Annual General Meeting ("24th AGM") of AirAsia Berhad held at Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Thursday, 25 May 2017 at 10.00 a.m.

Present & In Attendance : As per Attendance List

1.0 CHAIRMAN OF THE MEETING

The Chairman of the Board of Directors ("Board"), Y. Bhg. Datuk Kamarudin Bin Meranun ("the Chairman" or "Datuk Kamarudin") welcomed the shareholders to the Company's 24th AGM. With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

2.0 NOTICE OF MEETING

The notice convening the Meeting, having been circulated and with the consent of the shareholders present, was taken as read.

Before proceeding with the meeting agenda, the Chairman highlighted that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Meeting dated 28 April 2017 would be put to vote by way of poll and that the voting for such resolutions would take place after the conclusion of the deliberations on all the businesses which were to be transacted. The Chairman informed that the Poll Administrator would brief the Meeting on the polling procedures before and during the commencement of the voting process.

3.0 VIDEO PRESENTATION

Before proceeding with the agenda of the Meeting, a video presentation on the Company's performance for 2016 and its strategies for 2017 was aired for the shareholders' viewing.

4.0 TO RECEIVE AND CONSIDER THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 ("AFS 16")

The Chairman informed that AirAsia Berhad received a letter from the Minority Shareholder Watchdog Group ("MSWG") for the 24th AGM. A copy of the said MSWG's questions and answers together was attached as Annexure A.

For the benefit of the shareholders, Cik Aireen Omar gave a summary of the reply in response to the questions raised in the said MSWG's letter. Thereafter, it was opened to the floor for questions on the Audited Financial Statements for the AFS 16, as well as on the management of the Company.

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The shareholder, Mr. Wan Heng Wah ("Mr. Wan") inquired on the following matters:-

1. While he cautioned the Management not to hedge 100% of fuel due to the risk from the fluctuation of the Foreign Currency Exchange rates, he asked for the Board's prospect on the hedging of fuel for the remaining period of 2017 and the current total hedge fund position of the Company; and
2. He highlighted that interest rates were some fixed and some variable and inquired if the same was only for loans in US Dollar.

Tan Sri (Dr.) Tony Fernandes explained that the cost per available seat ("CASK") would increase as the price of oil has also increased; hence it was the Management's priority to focus on containing cost.

With respect to hedging, Tan Sri (Dr.) Tony Fernandes commented that 2016 was a unique year where the Company took a large hedge of 80% because of the increase in oil price. He affirmed that the Company would take short-term hedges only when the risk thereof was markedly low. The Company also has a very good policy of interest hedging its aircraft for 12 years upon the purchase thereof.

Tan Sri (Dr.) Tony Fernandes, in response to Mr. Wan's query about fares and load factors, answered that the Company was not yield driven.

In response to another shareholder's inquiry on the prospect of the Initial Public Offering ("IPO") for Indonesia AirAsia ("IAA") and Philippines AirAsia ("PAA") as well as the changes in timeline for the said listing, if any, Tan Sri (Dr.) Tony Fernandes informed that it was still a work in progress stage and the relevant announcements would be made in a timely manner.

Tan Sri (Dr.) Tony Fernandes also highlighted the following achievements of the Company to the shareholders:-

- a) The Company was mindful to pay dividends to its shareholders since 2013 and would consider a special dividend once in every two or three years when possible subject to the Directors' approval;
- b) The Company had strong passenger services, ancillary income and private equity businesses; and
- c) The Company is developing a Mobile Application based on its huge data pool and the same would be launched in the next six to nine months.

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Mr. Khong Seng Kee ("Mr. Khong") commended the Management for the good video presentation around the Company's past performance and strategies moving forward. Mr. Khong commented that the potential merger between AirAsia and AirAsia X Berhad ("AAX") would not be encouraged by shareholders of the Company as they would stand to lose their investments. He inquired on the Company's plans to collaborate with Pos Malaysia for a new cargo business.

With regards to the popularly speculated merger between the Company and AAX, Tan Sri (Dr.) Tony Fernandes affirmed that there would be no such merger taking place as they were separate entities with separate main objectives. He reckoned that the shareholders should have called the Management to obtain confirmation on the news of the said merger instead of merely speculating based on falsely reported news.

Tan Sri (Dr.) Tony Fernandes informed that the Company was gaining value from its adjacency businesses and had phenomenal prospects for a logistics business especially with two hundred and twelve aircraft and so many unique routes to which other courier service providers did not have access. The Management was in discussion with a few parties in this connection.

In relation to the shareholder's expectations for the first quarter of 2017 ("Q1"), Tan Sri (Dr.) Tony Fernandes responded to a shareholder that investments should be made for a long-term gain. The Board and Management were dedicated toward achieving higher margins of revenue and were confident of good financial results for 2017.

The shareholder, Mr. Poh Chung Wee, David ("Mr. David Poh") pointed out that IAA and PAA had financially performed well and asked about factors that transpired within the said associate companies to achieve such good results and the Board's anticipation on the sustainability thereof.

Tan Sri (Dr.) Tony Fernandes explained that IAA and PAA had received higher demand for international flights compared to domestic flights; therefore their Management would focus on the same as the strength of the companies. AirAsia was beginning to receive more demand for domestic flights and the 'One AirAsia' strategy was now being instilled.

Tan Sri (Dr.) Tony Fernandes informed that AirAsia China was in the midst of being set up. He also pointed out that AirAsia was fully an Asean Company and had the most number of female Pilots.

With regards to digitalisation and dynamic pricing, Tan Sri (Dr.) Tony Fernandes informed that the Board was aiming for the Company to be apparent as a digital and technology driven Company; hence there have been big investments, for instance, in the increase of personalisation on the Company's website. Another asset for AirAsia in terms of

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digitalisation was its large data pool which the Company would use to price differently to generate more sales from ancillary income. Tan Sri (Dr.) Tony Fernandes mentioned that dynamic pricing is currently good to generate more income from seats.

In response to Mr. David's Poh's question about the Board's biggest fears for the Company, Tan Sri (Dr.) Tony Fernandes reiterated that the Board and Management were consistently focused on the Company's goals and they do not panic at the news of unplanned incidents. The Company always fights for its rights and would not tolerate any unsubstantiated allegations against it. The Board endeavours to manage the business.

A shareholder, Mr. George opined that it was most important for the Board to manage the company's share price and hedging of fuel. He reckoned that the variance in earnings of the Company should not fluctuate so much from each financial year to the next.

Tan Sri (Dr.) Tony Fernandes highlighted the following initiatives by the Board and Management:-

1. Road shows were frequently conducted;
2. The Company regularly announced its financial results; and
3. The Company maintained good communication within the market.

With regards to fuel, he commented that the price thereof was unpredictable and unstable; therefore the Board does not speculate price and hedging of fuel. It was best to hedge the booking curves and sensibly manage the risks thereof.

Mr. William Woon, a shareholder of the Company was interested in the Board's opinion to be more aligned with British Airways and Tan Sri (Dr.) Tony Fernandes said that the Company was neither a full service airline nor did the Board aspire to make AirAsia a full-fledged airline.

One of the shareholders asked the Board if they had any plans on promoting AirAsia as an airline by using the many available third party databases through its operations and if they had a solution to maximise the value of extra seats on flights for which bookings were cancelled at the last minute. He also suggested for the Company not to undertake too many borrowings in the US Dollar currency.

Tan Sri (Dr.) Tony Fernandes apprised that the Management was in discussion with various search engines and online platforms such as Google, WeChat and QQ to obtain access to their databases and subsequently increase the personalisation of searches made on the Company's website. Essentially, he opined that AirAsia.com was the most important online channel.

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In relation to borrowings, Tan Sri (Dr.) Tony Fernandes noted the said shareholder's concern and said that the Company would undertake borrowings in the local currency, when it could.

Another shareholder inquired with the Board on the status of AirAsia Japan and Tan Sri (Dr.) Tony Fernandes commented that it should be launched by August 2017. He also inquired on how the Company was going to cope with losses and the Board's strategy moving forward. Tan Sri (Dr.) Tony Fernandes explained that the management was targeting improved performances for AirAsia Philippines and AirAsia India. The brand of AirAsia is also internationally well known now.

Mr. Chiew Sing Cheong inquired from the Board on how much the Company earned through Brand License payments during the 2016 financial year and Tan Sri (Dr.) Tony Fernandes confirmed the said revenue recognition was at RM87 million which was generated through the use of AirAsia's brand name, systems, etc.

The Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2016 ("FY2016") together with the Reports of the Directors and Auditors as received and duly tabled at the 24th AGM in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016. The Chairman explained that the Audited Financial Statements for the FY2016 were for discussion only under Agenda 1, as it did not require shareholders' approval. Hence, it would not be put for voting.

With that, the Chairman concluded the questions and answers session for Agenda 1, and proceeded to the next agenda item.

5.0 ORDINARY RESOLUTION 1
DECLARATION OF A FIRST AND FINAL SINGLE TIER DIVIDEND OF 12 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 1 was proposed by Ms. Rajalekshmi A/P Rama Chandram and seconded by Mr. Moothu Kumaran Bass.

6.0 ORDINARY RESOLUTION 2
PAYMENT OF DIRECTORS' FEES OF AN ADDITIONAL RM300,000.00 PER ANNUM PER NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Chairman invited questions and noted that there were none thus continued with the said

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resolution for consideration.

Ordinary Resolution 2 was proposed by Mr. Ramasamy Pillai and seconded by Ms. Rajalekshmi A/P Rama Chandram.

7.0 ORDINARY RESOLUTION 3
NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM THE
FINANCIAL YEAR ENDING 31 DECEMBER 2017

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 3 was proposed by Mr. Nelson Yong and seconded by Ms. Betty Chow.

8.0 ORDINARY RESOLUTION 4
RE-ELECTION OF TAN SRI (DR.) ANTHONY FRANCIS FERNANDES

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 4 was proposed by Ms. Rajalekshmi A/P Rama Chandram and seconded by Mr. Chiew Sing Cheong.

9.0 ORDINARY RESOLUTION 5
RE-ELECTION OF DATUK KAMARUDIN BIN MERANUN

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 5 was proposed by Mr. William Woon and seconded by Ms. Rajalekshmi A/P Rama Chandram.

10.0 ORDINARY RESOLUTION 6
RE-ELECTION OF MR. THARUMALINGAM A/L KANAGALINGAM

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 6 was proposed by Mr. Steven Patrick and seconded by Mr. William Woon.

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11.0 ORDINARY RESOLUTION 7
APPOINTMENT OF AUDITORS

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 7 was proposed by Mr. Jaswant Singh A/L Pritam Singh and seconded by Ms. Rajalekshmi A/P Rama Chandram.

The Board extended its thanks to the representatives of Messrs PricewaterhouseCoopers who were present at the Meeting, for their services.

12.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 8
RETENTION OF SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 8 was proposed by Ms. Rajalekshmi A/P Rama Chandram and seconded by Ms. Betty Chow.

13.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 9
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The Chairman invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 9 was proposed by Ms. Rajalekshmi A/P Rama Chandram and seconded by Mr. Joseph Rocky Gomez.

14.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 10
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman notified the shareholders that the details of the proposed ordinary resolution were set out in the notice of the meeting. The interested Directors and Major Shareholders had abstained and will continue to abstain from deliberations and voting on these resolutions.

The Chairman informed the Meeting that as he is a related party to the motion under consideration and with the consent from the shareholders, he passed the Chair to Dato' Fam

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Lee Ee (Dato' Fam") to table the motion.

Dato' Fam invited questions and noted that there were none thus continued with the said resolution for consideration.

Ordinary Resolution 10 was proposed by Ms. Rajalekshmi A/P Rama Chandram and seconded by Mr. Joseph Rocky Gomez.

The Chair was passed back to Datuk Kamarudin thereafter.

15.0 POLLING PROCESS

For polling purposes, the Chairman declared the closure of the registration for attendance at the 11th AGM and called upon the representative of Tricor Investor and Issuing House Services Sdn. Bhd. who were appointed as the Poll Administrator to brief the Meeting on the polling procedures.

The Chairman adjourned the 24th AGM for approximately 10 minutes for the polling. The Chairman informed that the Poll Administrator would assist the shareholders/proxies who were facing any difficulties during the electronic polling process.

16.0 ANNOUNCEMENT OF POLL RESULTS

The 24th AGM re-convened and the Chairman called the meeting to order for the declaration of the results. The Chairman informed that the Scrutineers, Messrs Coopers Professional Scrutineers Sdn. Bhd. had verified the poll voting results and that the poll voting results were as projected on the screen in the meeting room. The poll voting results is attached herewith as Annexure B.

Based on the poll results verified by the Scrutineers, the Chairman declared all resolutions tabled at the 24th AGM carried.

Therefore, **IT WAS RESOLVED:-**

ORDINARY RESOLUTION 1
DECLARATION OF A FIRST AND FINAL SINGLE TIER DIVIDEND OF 12 SEN
PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31
DECEMBER 2016

THAT a First and Final Single Tier Dividend of 12 sen per ordinary share in respect of the financial year ended 31 December 2016 be and is hereby approved.

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ORDINARY RESOLUTION 2

PAYMENT OF DIRECTORS' FEES OF AN ADDITIONAL RM300,000.00 PER ANNUM PER NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

THAT the payment of Directors' Fees of an additional RM300,000.00 per annum per Non-Executive Director for the financial year ended 31 December 2016, the details of which are disclosed in Note C (i) of the Notice of the 24th AGM, be and is hereby approved.

ORDINARY RESOLUTION 3

NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM THE FINANCIAL YEAR ENDING 31 DECEMBER 2017

THAT the payment of Non-Executive Directors' Remuneration with effect from the financial year ending 31 December 2017 until the next Annual General Meeting of the Company to be held in the year 2018, the details of which are disclosed in Note C (ii) of the Notice of the 24th AGM, be and is hereby approved.

ORDINARY RESOLUTION 4

RE-ELECTION OF TAN SRI (DR.) ANTHONY FRANCIS FERNANDES

THAT Tan Sri (Dr.) Anthony Francis Fernandes, the Director who retired pursuant to Article 124 of the Company's Articles of Association, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 5

RE-ELECTION OF DATUK KAMARUDIN BIN MERANUN

THAT Datuk Kamarudin Bin Meranun, the Director who retired pursuant to Article 124 of the Company's Articles of Association, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 6

RE-ELECTION OF MR. THARUMALINGAM A/L KANAGALINGAM

THAT Mr. Tharumalingam A/L Kanagalingam, the Director who retired pursuant to Article 129 of the Company's Articles of Association, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

ORDINARY RESOLUTION 7
APPOINTMENT OF AUDITORS

THAT Messrs Ernst & Young be hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS – ORDINARY RESOLUTION 8
RETENTION OF SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

THAT approval be and is hereby given to Dato' Fam Lee Ee that has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as a Senior Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

SPECIAL BUSINESS – ORDINARY RESOLUTION 9
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 ("ACT")

THAT pursuant to Sections 75 and 76 of the Act and subject to the approval of relevant authorities, the Directors of 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 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 10% of the issued share capital of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

SPECIAL BUSINESS – ORDINARY RESOLUTION 10
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 the existing shareholders' mandate and new shareholders' mandate for the Company to enter into recurrent 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 28 April 2017 ("**Circular**"), subject further to the following:

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- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregated value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, among others, based on the following information:
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company;
- (iii) 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 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.

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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.

17.0 OTHER ORDINARY BUSINESS

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

18.0 CLOSE OF MEETING

There being no other matters, the Meeting closed at 1.50 p.m. with a vote of thanks from Ms. Rajalekshmi A/P Rama Chandram to the Chair.

Annexure A: Questions from Minority Shareholder Watchdog Group (MSWG) and Corresponding Answers

Strategy & Financial Matters

1. On page 88 of the Annual Report, it was stated that the AirAsia Group's fleet fly a total of 225 routes connecting to 109 destinations in 18 countries, of which 66 routes are unique to the Group.

Why are these specific routes unique to the Group?

These specific routes are unique to AirAsia Group because no other airline operates these 66 routes in question other than AirAsia Group.

2. We noted that the percentage of revenue via internet was at 72%, higher than FY2015 but still lower than previous years.

What would be the trend in FY2017 and moving forward?

We foresee that the percentage of revenue generated via the internet will remain at around 72% in 2017. Furthermore, we foresee a significant growth in sales via mobile as we drive our mobile user experience initiatives.

3. We noted that the net gearing improved substantially from 2.29 times as at end 2015 to 1.33 times as at end 2016 following repayment of borrowings.

What would be the Group's optimum gearing level?

We take the view that the optimum net gearing levels for AirAsia Berhad is 2x and below. As long as the cash generated from the borrowings is greater than the borrowings plus cost of borrowings, we deem the above to be of a healthy financial position.

4. In FY 2016, the Group's ancillary revenue was 10% higher than in FY 2015 while revenue per guest increased by 1% to RM47.68.

What would be the targeted ancillary revenue per guest and how would the Group improve the ancillary income for FY2017?

Target ancillary revenue per guest is RM60 per passenger by the end of 2017.

In order to drive overall ancillary revenue growth we will be focusing on the following:

Firstly, we will leverage on technology and data.

This involves data mining for product personalisation i.e selling the right product at the right time and with the right pricing to increase the take up rate. There will also be increased automation of stock and meals planning via Electronic Point of Sale (EPOS) to minimise wastage.

Secondly, we will enhance product innovation to increase demand.

This involves insurance bundling and using ROKKI as a platform to sell all ancillary products. Our new bigdutyfree.com market place will be the “Amazon of the skies” using data to target cross-sell opportunities for duty free products to our passengers. It will also serve as a market place for airport duty free retailers and brands. There will also be an inflight coffee brewing cart to cultivate a coffee drinking culture when you fly with AirAsia. Furthermore we are setting up a centralised kitchen in Indonesia to produce “ambient food”. The result will be a reduction in wastage and an increase in the shelf life of the food.

Thirdly, we will be digitalizing to create a more seamless user experience.

This will mean tickets will be easier to buy via “Manage My Booking” with simplified bookings and one-click payment solutions via BIG Pay. We will increase the number of self-service kiosks at airports to facilitate ease of check-in for passengers whilst reducing queuing times.

Fourthly, we will enhance our ancillary revenue management.

This will involve the implementation of a demand based pricing mechanism for baggage, seats and insurance.

And finally, we will maximise touch points and up-selling channels.

This will be during flight booking; after flight booking at “Manage My Booking”; before flight at airport check-in counters and during flight via ROKKI's platform and Cabin Crew as sales ambassadors.

5. As stated in the Business Review, going forward, competition within the aviation industry in India looks set to keep increasing with between 60-65 aircrafts being added to the market from 2017 to 2018.

How would AirAsia India be able to stay competitive in the market?

There are 4 key elements of AirAsia India’s (AAI) strategy that allow them not only to stay competitive but even outstrip the competition:

1. **Outpacing the market:** Some of the aircraft being added will be deployed on international sectors where AAI does not operate currently. Further, during the same period when 60-65 aircraft are being added in the Indian aviation industry, AAI is adding 6-8 aircraft which would translate to more than 10% of the capacity addition in the domestic market. At current market share level of 3.3%, the company is growing at a faster pace than the domestic market and that is one key enabler of staying competitive.
2. **Filling up the planes:** Second factor is the ability to get the customers at the right price. Year-to-date (January - April), Load Factor stood at 90%. Thus, just with 9 A320 aircraft, AAI has a market share of 3.3% compared to the 3.2% of Vistara which operates 13 A320 aircraft.
3. **Network:** Thirdly, the differentiated network strategy of operating on oligopolistic/limited-competition routes with high Relative Capacity Share (RCS) allows AAI to limit the competition’s ability to have an impact on them.
4. **Cost competitiveness:** Lastly, maintaining a low cost base allows us to be more competitive in India given the demographic and economic landscape of the country. Demand for flying is highly price elastic, so therefore keeping our cost base low without compromising on safety allows us to offer affordable air fares to consumers. AAI’s Cost per Available Seat Kilometer (CASK) for the fourth quarter of 2016 stood at 3.26 US cents

compared with Indigo for the same period at 4.48 US cents and all whilst not having the economies of scale advantage that Indigo possesses on their home turf.

Corporate Governance Matters

1. Under Note 2 on page 214 of the Annual Report, the range of remuneration has been disclosed by band. According to the requirement under Chapter 9, Appendix 9C, Part A, 11(b) of the Main Market Listing Requirements, the remuneration must be disclosed by band of RM50,000. Please explain.

The Company continuously tries to improve its' transparency and compliance with corporate governance. Moving forward, the Company will ensure that its' corporate governance practices and disclosures are line with the new Malaysian Corporate Governance Guidelines 2017.

2. We noted that the Nomination and Remuneration Committee (NRC) had proposed and the Board affirmed, a one-off additional payment of RM300,000 per annum per Non-Executive Director for the financial year ended 31 December 2016 in view of the good performance of the Company.

Could the Board justify the one-off additional payment of RM300,000 for each of the Non-Executive Director, bearing in mind that the Board has also proposed for increase in the Committee fees for financial year ending 2017?

With regards to the one-off additional payment of RM300,000 for 2016 per Non-Executive Director; this is in relation to the performance of the company for the FYE 31st December 2016 only and is in view of the record performance of the company.

Furthermore, from 2011 to 2015 (5 consecutive years), there was no increase in board fees. It was only increased by RM30,000 last year.

From 2007 to 2016 (10 consecutive years), there was no change in the fees for the Audit Committee and Nomination and Remuneration Committee. We are only proposing an increase now as per Resolution 3 of the Notice of Annual General Meeting 2017.

From 2010 to 2016 (7 consecutive years), there was no change in the fees for the Safety Review Board. Do note that prior to 2010, the Safety Review Board was not paid any fees.

Kindly refer to Note C of the Notice of Annual General Meeting 2017 for more details.

Twenty Fourth Annual General Meeting
Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5,
Southern SupportZone, Kuala Lumpur International Airport, 64000 Sepang, Selangor
On 25-May-2017 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	%
Resolution 1	2,337,989,334	99.994	128,600	0.006	2,338,117,934	100.000
Resolution 2	2,253,787,259	96.563	80,229,875	3.437	2,334,017,134	100.000
Resolution 3	2,154,098,985	92.279	180,235,449	7.721	2,334,334,434	100.000
Resolution 4	2,167,963,405	92.734	169,870,929	7.266	2,337,834,334	100.000
Resolution 5	2,238,037,242	95.790	98,362,192	4.210	2,336,399,434	100.000
Resolution 6	2,164,417,005	92.731	169,656,829	7.269	2,334,073,834	100.000
Resolution 7	2,334,092,234	99.893	2,495,800	0.107	2,336,588,034	100.000
Resolution 8	2,007,336,278	87.238	293,644,056	12.762	2,300,980,334	100.000
Resolution 9	2,309,224,734	98.767	28,823,100	1.233	2,338,047,834	100.000
Resolution 10	1,258,783,452	99.985	191,800	0.015	1,258,975,252	100.000