

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only perused through this Circular in respect of the new shareholder’ mandate for additional Recurrent Related Party Transactions on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED MANDATE”)

The Proposed Mandate will be tabled as Special Business at AirAsia X Berhad’s Thirteenth Annual General Meeting (“**AGM**”) which will be held at c/o CAE Kuala Lumpur Sdn. Bhd., Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 26 June 2019 at 10.00 a.m. The Notice of the Thirteenth AGM together with the Form of Proxy are set out in the Annual Report of AirAsia X Berhad for the year ended 31 December 2018.

You are entitled to attend and vote at our AGM or appoint proxy(ies) to vote for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not later than forty-eight (48) hours before the date and time fixed for our AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 24 June 2019 at 10.00 a.m.

Date and time of AGM : Wednesday, 26 June 2019 at 10.00 a.m.

This Circular is dated 30 April 2019

Except where the context otherwise requires, the following definitions shall apply throughout and for the purposes of this Circular only:

AAGB	: AirAsia Group Berhad (Company No. 1244493-V), incorporated in Malaysia
AAGB Group	: AAGB and its subsidiaries
AAJ	: AirAsia Japan Co. Ltd (Company No.: 1800-01-113372), incorporated in Japan
AAX or our Company or Company	: AirAsia X Berhad (Company No.: 734161-K), incorporated in Malaysia
AAX Group or our Group	: AAX and its subsidiaries
Act	: Companies Act, 2016 and any statutory modifications or amendments thereto from time to time
AGM	: Annual General Meeting
AirAsia	: AirAsia Berhad (Company No.: 284669-W), incorporated in Malaysia
AirAsia (Guangzhou)	: AirAsia (Guangzhou) Aviation Service Limited (Company Registration No. 91440101MA5ALG3R31), incorporated in the People's Republic of China
AirAsia, Inc.	: AirAsia Inc. (Registration No.: CS201104662), incorporated in the Philippines
AirAsia Investment	: AirAsia Investment Ltd (Company No.: LL03901), incorporated in Labuan, Malaysia
AirAsia SEA	: AirAsia SEA Sdn. Bhd. (formerly known as AirAsia Global Shared Services Sdn. Bhd.) (Company. No.: 1045172-A), incorporated in Malaysia
BIGLIFE	: BIGLIFE Sdn. Bhd. (formerly known as BIG Loyalty Sdn. Bhd. and Think BIG Digital Sdn. Bhd.) (Company No.: 924656-U), incorporated in Malaysia
Board	: Board of Directors of the Company
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. (Company No.: 165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No.: 635998-W)
Circular	: This Circular dated 30 April 2019
Dato' Fam	: Dato' Fam Lee Ee
Datuk Kamarudin	: Datuk Kamarudin bin Meranun
Director(s)	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purpose of the Proposed Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of our Company, our subsidiary or holding company
ECM	: ECM Libra Financial Group Berhad (Company No.: 713570-K), incorporated in Malaysia
EPS	: Earnings per Share

FYE	: Financial year(s) ended/ending 31 December, as the case may be
GTR	Ground Team Red Sdn. Bhd. (Company No.: 800730-V), incorporated in Malaysia
GTRH	: Ground Team Red Holdings Sdn. Bhd. (Company No.: 1247875-K), incorporated in Malaysia
IAA	: PT Indonesia AirAsia (Company No.: 30.06.1.51.07399), incorporated in Indonesia
Listing Requirements	: The Main Market Listing Requirements of Bursa Securities, including any amendments thereto from time to time
LPD	: 1 April 2019, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	: A person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is: <ul style="list-style-type: none"> (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. <p>For the purpose of this definition, “interests in shares” has the meaning given in Section 8 of the Act.</p> <p>For the purpose of the Proposed Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company or any other corporation which is our Company’s subsidiary or holding company</p>
NA	: Net assets attributable to ordinary equity holders of our Company
PAA	: Philippines AirAsia Inc. (Registration No.: A199707490), incorporated in Philippines
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Plato	: Plato Capital Limited (Company No.: 199907443M), incorporated in Singapore
Proposed Mandate	: Proposed renewal of existing shareholders’ mandate and new shareholders’ mandate for RRPTs as set out in Section 2.3 of this Circular
Record of Depositors	: A record consisting of names of depositors provided by Bursa Depository pursuant to Chapter 24.0 of the rules of Bursa Depository
RedBeat	: RedBeat Ventures Sdn. Bhd. (Company No. 1273076-M), incorporated in Malaysia
RedCargo	RedCargo Logistics Sdn. Bhd. (Company No.: 1271940-D), incorporated in Malaysia
Related Party(ies)	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)

Rokki	: Rokki Sdn. Bhd. (Company No.: 935105-W), incorporated in Malaysia
RRPT(s)	: Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of our Group, entered or to be entered into by our Company which involve the interest, direct or indirect, of a Related Party(ies)
Share(s)	: Ordinary share(s) in the capital of our Company
TAA	: Thai AirAsia Company Limited (Company No.: 0105546113684), incorporated in Thailand
Tan Sri Tony Fernandes	: Tan Sri Anthony Francis Fernandes
Transacting Party(ies)	: A party with which our Company has entered or may enter into a RRPT under the Proposed Mandate
Tune Air	: Tune Air Sdn. Bhd. (Company No.: 548526-V), incorporated in Malaysia
Tune Group	: Tune Group Sdn. Bhd. (Company No.: 798868-P), incorporated in Malaysia
Tune Hotels.com	: Tune Hotels.com Limited (Company No.: LL05129), incorporated in Labuan, Malaysia
Tune Insurance	: Tune Insurance Malaysia Berhad (Company No.: 30686-K), incorporated in Malaysia
Tune Live	: Tune Live Sdn. Bhd. (Company No.: 948620-U), incorporated in Malaysia
Tune Protect	: Tune Protect Group Berhad (Company No.: 948454-K), incorporated in Malaysia
Yummy Kitchen	: Yummy Kitchen Sdn. Bhd. (Company No.: 1174912-W), incorporated in Malaysia

Currencies

RM and sen	: Ringgit Malaysia and sen respectively
USD	: United States Dollar
CNY	: Chinese Yuan

All references to “**our Company**” in this Circular are to AirAsia X Berhad and references to “**our Group**” are to our Company and subsidiaries collectively and references to “**we**”, “**us**”, “**our**”, and “**ourselves**” are to our Company, and save where the context otherwise requires, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice-versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to “**you**” in this Circular are to the shareholders of our Company who are entitled to attend and vote at our forthcoming AGM and whose names are in our Record of Depositors at 5.00 p.m. on 19 June 2019.

For illustration purposes only, the exchange rate of USD1=RM4.10 and CNY1=RM0.615 have been used throughout this Circular, unless otherwise stated.

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LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED MANDATE CONTAINING:

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EXTRACT OF RESOLUTION

ENCLOSED



AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Unit 30-01, Level 30
Tower A, Vertical Business
Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

30 April 2019

Board of Directors:

Tan Sri Rafidah Aziz (*Senior Independent Non-Executive Chairman*)
Datuk Kamarudin bin Meranun (*Non-Independent Non-Executive Director*)
Tan Sri Anthony Francis Fernandes (*Non-Independent Non-Executive Director*)
Dato' Yusli bin Mohamed Yusoff (*Independent Non-Executive Director*)
Lim Kian Onn (*Non-Independent Non-Executive Director*)
Tan Sri Asmat bin Kamaludin (*Independent Non-Executive Director*)
Dato' Fam Lee Ee (*Non-Independent Non-Executive Director*)

To: Our shareholders

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the AGM of our Company held on 4 June 2018, you had inter-alia, granted the mandate for our Group to enter into RRPTs as stipulated in the Circular to Shareholders dated 30 April 2018.

The authority conferred by the shareholders' mandate, in accordance with the Listing Requirements, shall lapse at the conclusion of our Thirteenth AGM unless authority for its renewal is obtained from you at our forthcoming AGM.

Your Board had on 28 March 2019 announced our intention to seek your approval for the Proposed Mandate at our forthcoming AGM which will be held at c/o CAE Kuala Lumpur Sdn. Bhd., Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 26 June 2019 at 10.00 a.m.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT OUR FORTHCOMING AGM.

THE NOTICE OF AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE FYE 31 DECEMBER 2018.

YOU ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED MANDATE.

2. PROPOSED MANDATE

2.1 Details of the Proposed Mandate

As provided in Paragraph 10.09(2) of the Listing Requirements, our Company proposes to seek a general mandate from you for the RRPTs subject to, *inter-alia*, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (b) your mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to your mandate during the financial year where the aggregate value is equal to or more than the following threshold:
 - (i) the consideration, value of the assets, capital outlay or costs of the transactions is RM1 million or more; or
 - (ii) the percentage ratio of such transaction is 1% or more,whichever is the higher;
- (c) this Circular includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain your mandate, the relevant interested Related Party(ies) with any interest, direct or indirect must not vote on the resolution in respect of the transaction(s). An interested Director or interested Major Shareholder must ensure that Person(s) Connected to them abstain from voting on the resolution(s) in respect of the transaction(s); and
- (e) our Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by our Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in our announcement.

Where your mandate has been procured pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements in relation to related party transactions will not apply save for Paragraph 10.08(7).

2.2 Principal activities of our Group

Our Company is principally providing long haul air transportation services and is an investment holding company while the principal activities of our subsidiaries include the provision of management, logistical, and marketing services in Australia, investment holding, leasing business and the provision of aircraft leasing facilities.

2.3 Details of RRPTs and the Related Parties

The details of the RRPTs entered or to be entered into by our Company with the Transacting Parties under the Proposed Mandate are as follows:

EXISTING RRPTs

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
1.	AirAsia	Rights granted by AirAsia to our Company to operate air services under the "AIRASIA" trade name and livery in respect of our low-cost, long-haul air services.	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p>	RM8,600,000	RM5,389,900	RM8,600,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
2.	AirAsia	Provision of the following range of services by AirAsia to our Company: (a) Commercial <ul style="list-style-type: none"> - Sales and distribution - Sales support - Direct channel - Branding and Creative <ul style="list-style-type: none"> • Protection of brand to ensure proper public perception is built • Manage communication imagery, sponsorships (e.g. sports and youth marketing) and commercial branding • Creative includes graphic designs supporting branding activities - Web team: Manage, plan, build and develop airasia.com website - Digital Marketing - Ancillary (b) Treasury <ul style="list-style-type: none"> - Fuel procurement 	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM19,500,000	RM14,376,165	RM21,450,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
		<ul style="list-style-type: none"> - Fuel hedging (c) Revenue Assurance - Credit card fraud unit Internal Audits (d) Group Inflight Ancillary (e) Engineering (f) Customer Support 				
3.	Rokki	Supply of in-flight entertainment system, hardware, software, content and updates by Rokki.	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p>	USD900,000 (RM3,700,000)	RM3,214,560	RM4,600,000
4.	BIGLIFE	Purchase of loyalty points from BIGLIFE, which operates and manages a loyalty program branded as the BIG Loyalty Program.	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Major Shareholders AirAsia ⁽⁴⁾</p>	RM6,000,000	RM9,813,273	RM15,200,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
			Tune Group ⁽⁵⁾ Tan Sri Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Tony			
5.	Tune Insurance	Payment to Tune Insurance of insurance premiums collected on its behalf pursuant to our Company's role as a corporate agent of Tune Insurance for the provision of AirAsia Insure, a travel protection plan which provides coverage for losses arising from, amongst others, personal accident, medical and evacuation, emergency medical evacuation and mortal remains repatriation, travel inconvenience such as flight cancellation or loss or damage to baggage and personal effects, flight delay and on-time guarantee.	Interested Directors Tan Sri Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM15,600,000	RM10,923,050	RM15,600,000
6.	AirAsia SEA	Provision of the following shared services by AirAsia SEA to our Company: (a) Finance and accounting support operation services; (b) People department support	Interested Directors Tan Sri Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major	RM3,602,000	RM2,954,860	RM3,400,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
		operation services; (c) Information and technology operation support services; and (d) Sourcing and procurement operation support services.	Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾			
7.	Yummy Kitchen	Provision of food catering services at the AAX airport lounge located at Kuala Lumpur International Airport 2 (klia2)	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Lim Kian Onn ⁽⁶⁾ Interested Major Shareholders Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM1,760,000	RM1,310,537	RM2,250,000
8.	GTR	Provision of ground handling services at Kuala Lumpur International Airport 2 (klia2) and diversion airports at Penang and Langkawi (if required)	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾	RM43,500,000	RM32,138,016	RM43,500,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Expense						
			Datuk Kamarudin ⁽²⁾			

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No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Revenue/ Income						
1.	Tune Insurance	Receipt of commission income of 25% on all insurance premiums received by Tune Insurance pursuant to our Company's role as a corporate agent of Tune Insurance for the provision of AirAsia Insure, a travel protection plan which provides coverage for losses arising from, amongst others, personal accident, medical and evacuation, emergency medical evacuation and mortal remains repatriation, travel inconvenience such as flight cancellation or loss or damage to baggage and personal effects, flight delay and on-time guarantee.	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p> <p>Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p>	RM3,900,000	RM2,730,263	RM3,900,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Revenue/ Income						
2.	AirAsia	Services provided by AAX to AirAsia for AAX airport lounge usage by AirAsia's passengers.	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p>	RM1,720,000	RM1,487,570	RM2,200,000
3.	AAJ	Provision of the following commercial services by AAX to AAJ, including but not limited to: 1. Line Operations Department; and 2. People Department	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p>	RM395,000	RM292,303	RM395,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Revenue/ Income						
4.	PAA	Provision of the following commercial services by AAX to PAA, including but not limited to: 1. Airport management and group handling; and 2. Government and regulatory liaison	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM7,600,000	RM1,906,796	RM1,000,000
5.	TAA	Provision of the following commercial services by AAX to TAA, including but not limited to: 1. Airport management and group handling; and 2. Government and regulatory liaison	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM585,000	RM437,368	RM585,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Revenue/ Income						
6.	IAA	Provision of the following commercial services by AAX and AAX Service Pty. Ltd. (Company No. 141 326 463) to IAA, including but not limited to: 1. Airport management and group handling; and 2. Government and regulatory liaison	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM2,500,000	RM2,427,697	RM2,500,000
7.	BIGLIFE	Revenue from ticket sales and/or other ancillary sales arising from redemption of loyalty points from BIGLIFE which operates and manages a loyalty program branded as the BIG Loyalty Program.	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	RM50,000,000	RM17,611,677	RM68,400,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value of transactions as disclosed in the Circular to Shareholders dated 30 April 2018	Actual value of transactions from 4 June 2018 to LPD	Estimated value from 26 June 2019 to the next AGM
Revenue/ Income						
8.	RedCargo	Purchase of AAX's cargo transportation capacity by RedCargo on routes operated by AAX	<p>Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾</p> <p>Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾</p> <p>Major Shareholders</p>	RM170,000,000	RM131,107,366	RM200,000,000

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ADDITIONAL RRPTS**EXPENSE**

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 26 June 2019 to the next AGM
1.	AirAsia (Guangzhou)	Provision of operational services by AirAsia (Guangzhou) to AAX in China	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾ Interested Major Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	CNY54,500,000 (RM33,500,000)

REVENUE / INCOME

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 26 June 2019 to the next AGM
1.	AAJ	Provision of ground handling services to AAJ	Interested Directors Tan Sri Tony Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾ Dato' Fam ⁽³⁾	RM1,300,000

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Estimated value from 26 June 2019 to the next AGM
			Interested Shareholders AirAsia ⁽⁴⁾ Tune Group ⁽⁵⁾ Tan Sri Fernandes ⁽¹⁾ Datuk Kamarudin ⁽²⁾	

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Notes:

- (1) *Tan Sri Tony Fernandes is an interested Director and interested Major Shareholder by virtue of his directorships, direct and indirect shareholdings in our Company, and the Transacting Parties. Please refer to Section 7 of this Circular for details of his shareholdings in our Company.*

As at the LPD, the directorship and direct and indirect shareholdings of Tan Sri Tony Fernandes in the Transacting Parties are as follows:

	<----- Direct ----->		<----- Indirect ----->		Directorship
	No. of Shares	%	No. of Shares	%	
AirAsia	-	-	3,341,974,080	100.00*	-
Rokki	-	-	1,200,000	100.00@	-
Tune Insurance	-	-	83,273,097	83.26@@	-
BIGLIFE	-	-	6,660,002	80.00^^	√
AirAsia SEA	-	-	100,000	100.00>>	-
Yummy Kitchen	-	-	5	50.00#	-
RedCargo	-	-	250,002	100.00**	√
GTR	-	-	55,161,050	100.00***	-
AAJ	-	-	159,929,764	33.00^^^	√
TAA	-	-	19,600,000	45.00###	-
PAA	-	-	592,999,993	98.83####	-
IAA	-	-	329,266	78.20>>>	-
AirAsia (Guangzhou)	-	-	~	100.00@@@	-

* *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, pursuant to Section 8 of the Act.*

@ *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns Rokki, pursuant to Section 8 of the Act.*

@@ *Deemed interested via his interest in Tune Group and AirAsia, being the Major Shareholders of Tune Protect, which is the Major Shareholder of Tune Insurance, pursuant to Section 8 of the Act.*

^^ *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns RedBeat, the holding company of BIGLIFE, pursuant to Section 8 of the Act.*

>> *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia SEA, pursuant to Section 8 of the Act.*

Deemed interested via his interest in Tune Group, being a Major Shareholder of ECM, which 50% owns Yummy Kitchen pursuant to Section 8 of the Act.

** *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns RedCargo, pursuant to Section 8 of the Act.*

*** *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, the holding company of GTRH, being a Major Shareholder of GTR, pursuant to Section 8 of the Act.*

^^^ *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AAJ, pursuant to Section 8 of the Act.*

Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of TAA, pursuant to Section 8 of the Act.

Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AirAsia, Inc, which is a Major Shareholder of PAA pursuant to Section 8 of the Act.

>>> *Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of PT AirAsia Indonesia Tbk, whereby AirAsia Investment and PT AirAsia Indonesia Tbk are the Major Shareholders of IAA, pursuant to Section 8 of the Act.*

- @@@ Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia (Guangzhou), pursuant to Section 8 of the Act.
- ~ Share capital of USD1,000,000 entirely issued to AirAsia Investment, a wholly-owned subsidiary of AAGB.

(2) Datuk Kamarudin is an interested Director and interested Major Shareholder by virtue of his directorships, direct and indirect shareholdings in our Company, and the Transacting Parties. Please refer to Section 7 of this Circular for details of his shareholdings in our Company.

As at the LPD, the directorship and direct and indirect shareholdings of Datuk Kamarudin in the Transacting Parties are as follows:

	<----- Direct ----->		<-----Indirect----->		Directorship
	No. of Shares	%	No. of Shares	%	
AirAsia	-	-	3,341,974,080	100.00*	√
Rokki	-	-	1,200,000	100.00@	-
Tune Insurance	-	-	83,273,097	83.26@@	-
BIGLIFE	-	-	6,660,002	80.00^^	√
AirAsia SEA	-	-	100,000	100.00>>	√
Yummy Kitchen	-	-	5	50.00#	-
RedCargo	-	-	250,002	100.00**	-
GTR	-	-	55,161,050	100.00***	-
AAJ	-	-	159,929,764	33.00^^^	√
TAA	-	-	19,600,000	45.00###	√
PAA	-	-	592,999,993	98.83####	√
IAA	-	-	329,266	78.20>>>	-
AirAsia (Guangzhou)	-	-	~	100.00@@@	-

- * Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, pursuant to Section 8 of the Act.
- @ Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns Rokki, pursuant to Section 8 of the Act.
- @@ Deemed interested via his interest in Tune Group and AirAsia, being the Major Shareholders of Tune Protect, which is the Major Shareholder of Tune Insurance, pursuant to Section 8 of the Act.
- ^^ Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns RedBeat, the holding company of BIGLIFE, pursuant to Section 8 of the Act.
- >> Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia SEA, pursuant to Section 8 of the Act.
- # Deemed interested via his interest in Tune Group, being a Major Shareholder of ECM, which 50% owns Yummy Kitchen pursuant to Section 8 of the Act.
- ** Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns RedCargo, pursuant to Section 8 of the Act.
- *** Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, the holding company of GTRH, being a Major Shareholder of GTR, pursuant to Section 8 of the Act.
- ^^^ Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AAJ, pursuant to Section 8 of the Act. The shareholding represents voting shares.
- ### Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of TAA, pursuant to Section 8 of the Act.
- #### Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AirAsia, Inc, which is a Major Shareholder of PAA pursuant to Section 8 of the Act.
- >>> Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major

- Shareholder of PT AirAsia Indonesia Tbk, whereby AirAsia Investment and PT AirAsia Indonesia Tbk are the Major Shareholders of IAA, pursuant to Section 8 of the Act.
- @@@ Deemed interested via his interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia (Guangzhou), pursuant to Section 8 of the Act.
- ~ Share capital of USD1,000,000 entirely issued to AirAsia Investment, a wholly-owned subsidiary of AAGB.

- (3) Dato' Fam is an interested Director by virtue of his directorships in our Company and AAGB, which wholly owns AirAsia, being a Major Shareholder of our Company. Dato' Fam is also a Director of AirAsia (Guangzhou), which is ultimately wholly-owned by AAGB.
- (4) AirAsia is an interested Major Shareholder by virtue of its direct shareholdings in our Company, and direct and indirect shareholdings in the Transacting Parties. Please refer to Section 7 of this Circular for details of its shareholdings in our Company.

As at the LPD, the direct and indirect shareholdings of AirAsia in the Transacting Parties are as follows:

	<----- Direct ----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Rokki	-	-	1,200,000	100.00*
Tune Insurance	-	-	83,273,097	83.26#
BIGLIFE	-	-	6,660,002	80.00**
AirAsia SEA	100,000	100.00	-	-
RedCargo	-	-	250,002	100.00***
GTR	1,103,221	2.00	54,057,829	98.00****
AAJ	-	-	159,929,764	33.00^^
TAA	-	-	19,600,000	45.00##
PAA	-	-	592,999,993	98.83###
IAA	-	-	329,266	78.20>>
AirAsia (Guangzhou)	-	-	~	100.00@@@

- * Deemed interested as RedBeat, which wholly owns Rokki, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- # Deemed interested via its interest in Tune Protect, being a Major Shareholder of Tune Insurance, pursuant to Section 8 of the Act.
- ** Deemed interested as RedBeat, which is the holding company of BIGLIFE, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- *** Deemed interested as RedBeat, which wholly owns RedCargo, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- **** Deemed interested via its interest in GTRH, being a Major Shareholder of GTR, pursuant to Section 8 of the Act.
- ^^ Deemed interested as AirAsia Investment, which is a Major Shareholder of AAJ, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- ## Deemed interested as AirAsia Investment, which is a Major Shareholder of TAA, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- ### Deemed interested as AirAsia Investment, which is a Major Shareholder of AirAsia, Inc, being a Major Shareholder of PAA, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- >> Deemed interested as AirAsia Investment, which is a Major Shareholder of PT AirAsia Indonesia Tbk, whereby AirAsia Investment and PT AirAsia Indonesia Tbk are the Major Shareholders of IAA, is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- @@@ Deemed interested as AirAsia Investment, which wholly owns AirAsia (Guangzhou), is a wholly-owned subsidiary of its holding company, AAGB, pursuant to Section 8 of the Act.
- ~ Share capital of USD1,000,000 entirely issued to AirAsia Investment, a wholly-owned subsidiary of AAGB.

- (5) Tune Group is an interested Major Shareholder by virtue of its direct shareholdings in our Company, and direct and indirect shareholdings in the Transacting Parties. Please refer to Section 7 of this Circular for details of its shareholdings in our Company.

As at the LPD, the direct and indirect shareholdings of Tune Group in the Transacting Parties are as follows:

	<----- Direct ----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
AirAsia			3,341,974,080	100.00 [*]
Rokki	-	-	1,200,000	100.00 [@]
BIGLIFE	-	-	6,660,002	80.00 ^{^^}
AirAsia SEA	-	-	100,000	100.00 ^{>>}
Tune Insurance	-	-	83,273,097	83.26 [#]
RedCargo	-	-	250,002	100.00 ^{**}
GTR	-	-	55,161,050	100.00 ^{***}
AAJ	-	-	159,929,764	33.00 ^{^^^}
TAA	-	-	19,600,000	45.00 ^{##}
PAA	-	-	592,999,993	98.83 ^{###}
IAA	-	-	329,266	78.20 ^{>>>}
AirAsia (Guangzhou)	-	-	~	100.00 ^{@@@}

* Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, pursuant to Section 8 of the Act.

@ Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns Rokki, pursuant to Section 8 of the Act.

^^ Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns RedBeat, the holding company of BIGLIFE, pursuant to Section 8 of the Act.

>> Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia SEA, pursuant to Section 8 of the Act.

Deemed interested via its interest in Tune Protect, being a Major Shareholder of Tune Insurance, pursuant to Section 8 of the Act.

** Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns RedCargo, pursuant to Section 8 of the Act.

*** Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia, the holding company of GTRH, being a Major Shareholder of GTR, pursuant to Section 8 of the Act.

^^^ Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AAJ, pursuant to Section 8 of the Act.

Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of TAA, pursuant to Section 8 of the Act.

Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of AirAsia, Inc, which is a Major Shareholder of PAA, pursuant to Section 8 of the Act.

>>> Deemed interested via its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which wholly owns AirAsia Investment, being a Major Shareholder of PT AirAsia Indonesia Tbk, whereby AirAsia Investment and PT AirAsia Indonesia Tbk are the Major Shareholders of IAA, pursuant to Section 8 of the Act.

@@@ Deemed interested as its interest in Tune Air and Tune Live, being the Major Shareholders of AAGB, which ultimately wholly owns AirAsia (Guangzhou), pursuant to Section 8 of the Act.

~ Share capital of USD1,000,000 entirely issued to AirAsia Investment, a wholly-owned subsidiary of AAGB.

- (6) *Lim Kian Onn is an interested Director by virtue of his directorship and indirect shareholding in our Company, and the indirect shareholding in the Transacting Party. Please refer to Section 7 of this Circular for details of his shareholdings in our Company.*

As at the LPD, the directorship and indirect shareholding of Lim Kian Onn in the Transacting Party respectively is as follows:

	<----- Direct ----->		<-----Indirect----->		Directorship
	No. of Shares	%	No. of Shares	%	
Yummy Kitchen	-	-	10	100.00**	-

*** Deemed interested via his interest in ECM, and Tune Hotels.com and Plato, being the ultimate shareholders of TP Real Estate Holdings Pte. Ltd., which 50% owns Yummy Kitchen, pursuant to Section 8 of the Act.*

2.4 Details of Amount due by Related Parties

There is no amount due and owing to our Group by its Related Parties pursuant to the RRPTs disclosed in Section 2.3 of this Circular, which has exceeded the credit term granted as at 31 December 2018. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.5 Basis of estimates

The estimated transaction values for the RRPTs referred to in Section 2.3 of this Circular are based on (i) estimated prevailing prices, which are reasonably market-competitive; and (ii) the sums incurred or received over the past years for similar transactions. The estimated transaction values were also projected based on the assumption that (i) our Group's usual levels of transaction; (ii) our Group's projected business volume; and (iii) our current level of operations would be maintained, from the date of our forthcoming AGM to our next AGM.

2.6 Review procedures for RRPTs

We have established the following policies and procedures to ensure that all RRPTs will be entered into on normal commercial terms and on an arm's length basis, on terms which will not be more favourable to our Related Parties than those generally available to the public, and will not be detrimental to our non-interested shareholders:

- (i) Directors are required to make full disclosure at once, of the nature and extent of any direct or indirect interests they may have in any business enterprise with an existing or proposed relationship with our Group, including all matters in relation to the proposed RRPT that he is aware or should be reasonably be aware of, whether or not they believe it is a material event or agreement. Upon such disclosure, the interested Director(s) are required to abstain from board deliberation and voting on any resolution relating to such related party transaction(s);
- (ii) There are no specific thresholds for disclosure of related party transactions in our Company for internal deliberation. All existing or potential related party transactions have to be disclosed by the interested parties for management reporting by the relevant head of department in which the transaction falls under ("**Management**"). The Management will propose the transaction by providing a transaction paper and other relevant documents, including a draft announcement to be submitted to Bursa Securities to the Legal Department, at least 2 weeks prior to the Audit Committee meeting to ensure the regulatory requirements have been met. Upon obtaining clearance from the Legal Department, Management will sign off on the transaction papers and the matter shall be tabled to our Audit Committee for evaluation and assessment. The Audit Committee will in turn make the necessary recommendation to our Board;

- (iii) With the information provided in the RRPT papers, our Board ascertains that at least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities. In the event that a quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the prevailing market prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms, which are generally in line with industry norms and not more favourable to the Related Party than those generally available to the public and are not to the detriment of our Company or our Group or our non-interested shareholders;
- (iv) In reviewing and evaluating the RRPTs, the following are considered: the rationale and the cost/benefit to our Company; and where possible, comparative quotes, including sources, methods and procedures through which transaction prices are determined to justify the transaction being undertaken are also taken into consideration to determine whether the price and terms offered to or by the related party(ies) are fair and reasonable, in the best interests of our Company and not detrimental to our non-interested shareholders and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products, services or quantities; and
- (v) Our Audit Committee shall review the procedures set out by our Company to ensure that such procedures are adequate to monitor, track and identify related party transactions in a timely and orderly manner and that procedures are reviewed on an annual basis or whenever the need arises.

2.7 Audit Committee's Statement

The Audit Committee has seen and reviewed the procedures set out in Section 2.6 of this Circular and is of the view that the procedures are:

- (i) sufficient to ensure that the RRPTs are not more favourable to the Transacting Parties than those generally available to the public and are not to the detriment of our Company's minority shareholders; and
- (ii) adequate to monitor, track and identify RRPTs in a timely and orderly manner and that such procedures are reviewed on an annual basis or whenever the need arises.

2.8 Disclosure of RRPTs

If the Proposed Mandate is approved, disclosure will be made in our Annual Report and in the Annual Reports for the subsequent years that the Proposed Mandate continues to be in force in accordance with the Listing Requirements which requires, in addition to what is set out in Section 2.1(b) of this Circular, a breakdown of the aggregate value of the RRPTs made during the financial year, among others, based on the following information:

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of RRPT made and their relationship with our Company.

If the actual value of an RRPT exceeds the estimated value of the RRPT disclosed in Section 2.3 of this Circular by 10% or more, our Company will make an immediate announcement to Bursa Securities, which will include information as may be prescribed by Bursa Securities.

3. RATIONALE AND BENEFITS OF THE PROPOSED MANDATE

The RRPTs that have been entered into and will be entered into by our Group are necessary for our business and are intended to meet business needs at the best possible terms. Our Group should be able to have access to all available markets, products and services provided by all vendors, including Related Parties and to provide products and services to all persons including our Related Parties. This will enhance the ability of our Group to explore beneficial business opportunities as well as to promote cross-selling, which will be beneficial to our Group.

The Proposed Mandate will eliminate the need to announce and convene separate general meetings on each occasion to seek your prior approval for the entry by our Group into such transactions. This will reduce the associated expenses, improve administrative efficiency and allow manpower, resource and time to be better channelled towards achieving other corporate objectives.

The RRPTs are likely to continue in the future on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek your prior approval on a case-by-case basis before entering into such transactions.

The RRPTs are transactions in the ordinary course of our business, made on commercial terms on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

The benefits of transacting with the Related Parties are as follows:

- (a) The brand licence agreement entered into with AirAsia will provide service to guests beyond the four (4)-hour flight radius (i.e. long-haul routes). This agreement will allow AAX to operate and be visually recognisable within the AAGB Group of airlines.
- (b) AirAsia has the capacity to provide the range of services to our Company as detailed in Section 2.3 of this Circular. The provision of these services will extend and sustain our Company's existing operations. This will also rationalise and standardise the services provided across the associate companies.
- (c) The sale and supply agreement entered into with Rokki will offer an in-flight entertainment system on AAX's flights to all its long-haul destinations. The passengers on AAX's flights will be able to enjoy in-flight entertainment such as movies, TV shows, music and games. It is our Company's commitment in driving innovation while enhancing passengers' in-flight experience.
- (d) While our Company values the importance of travel insurance as part of our business, the insurance business is not our core business. As such it would be more efficient and cost effective if Tune Insurance undertakes the sourcing of insurance for our Company. This will enable our Company to monetise and leverage on our Company's large customer base for additional revenue without any additional investment outlay whilst improving performance of our travel insurance business and reducing the cost of dealing with multiple parties through the central management by Tune Insurance. Tune Insurance has proven to be reliable in its delivery of services and fulfils the quality expectations of our Company, hence, any risk of interruption to our Company's day-to-day operations would be minimised. Tune Insurance is also familiar with our Company's operations and therefore, is able to meet the business needs and requirements of our Company. Further, this would enable our Company to concentrate on our core business while maximising business opportunities.
- (e) BIGLIFE operates and manages the BIG Loyalty Program. It plans to accelerate the growth of Asia's best frequent flying loyalty programme catering to low-cost carrier customers. Our Company will purchase loyalty points from BIGLIFE and issue the

loyalty points to our customers when they purchase flight tickets or duty free items. The purchase of loyalty points is an expense incurred by our Company. The BIG Loyalty Program is beneficial to our Company as it has a large membership base of over 1 million as at the LPD. Participation by our Company in the BIG Loyalty Program has contributed to an increase of our passenger load.

- (f) AirAsia SEA has the capacity to provide the range of services to our Company as detailed in Section 2.3 of this Circular. The provision of these services will assist and complement our Company's existing operations. This will also rationalise and standardise the services provided across the associate companies.
- (g) The Company has the capacity to provide carriage support to its sister company, AirAsia for its passengers through various routes during its peak travelling period. Such support will also maximise the Company's aircraft utilisation hours and generate positive returns.
- (h) The Company has launched an airport lounge at the Kuala Lumpur International Airport (klia2) providing lounge services to passengers, which includes a provision of food and beverages. Yummy Kitchen provides food catering services to the said airport lounge five times daily at a competitive price, hence complementing our Company's commitment to provide a holistic flying experience to our passengers.
- (i) BIGLIFE operates and manages the BIG Loyalty Program. It plans to accelerate growth of Asia's best frequent flying loyalty programme catering to low-cost carrier customers. Our Company participates in a loyalty programme where our customers accumulate points for purchases made, which entitle them for free flights, discounts on future purchases or other AirAsia add-ons such as baggage and Hot Seats. Award points are recognised as a cost of sale at the time of issue while revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed and the redemption value of each point.
- (j) In order to facilitate the Company's operational requirements in the Indonesian stations it flies to or intends to fly to, the Company requires operational assistance from IAA to provide ground handling services in the said stations.
- (k) In line with the Company's commitment to provide a holistic flying experience to its passengers, the Company has granted accessibility of the airport lounge at the Kuala Lumpur International Airport (klia2) to the passengers of AAGB Group under the agreement with AirAsia.
- (l) In order to facilitate AAJ's operational requirements in the AAX stations that it flies to or plans to fly to, AAJ will require operational assistance from the Company through the Company's employees, sharing of office premise(s) and other applicable facilities (as the case may be) as well as ground handling services to be provided by AAX in the said stations. The arrangement between AAX and AAJ will allow AAJ to procure such commercial services from AAX in all the AAX stations or countries that our Company operates in on the basis of sharing of resources and costs, which will in turn allow the Company to reduce its operations cost at each of its own stations.
- (m) In order to facilitate PAA's operational requirements in the AAX stations that it flies to or plans to fly to, PAA will require operational assistance from the Company through the Company's employees, sharing of office premise(s) and other applicable facilities (as the case may be) to be provided by AAX in the said stations. The arrangement between AAX and PAA will allow PAA to procure such commercial services from AAX in all the AAX stations or countries that our Company operates in on the basis of sharing of resources and costs, which will in turn allow the Company to reduce its operations cost at each of its own stations.

- (n) In order to facilitate TAA's operational requirements in the AAX stations that it flies to or plans to fly to, TAA will require operational assistance from the Company through the Company's employees, sharing of office premise(s) and other applicable facilities (as the case may be) to be provided by AAX in the said stations. The arrangement between AAX and TAA will allow TAA to procure such commercial services from AAX in all the AAX stations or countries that our Company operates in on the basis of sharing of resources and costs, which will in turn allow the Company to reduce its operations cost at each of its own stations.
- (o) In order to facilitate IAA's operational requirements in the AAX stations that it flies to or plans to fly to, IAA will require operational assistance from the Company through the Company's employees, sharing of office premise(s) and other applicable facilities (as the case may be) to be provided by AAX in the said stations. The arrangement between AAX and IAA will allow IAA to procure such commercial services from AAX in all the AAX stations or countries that our Company operates in on the basis of sharing of resources and costs, which will in turn allow the Company to reduce its operations cost at each of its own stations.
- (p) In order to facilitate AAX's operational requirements in the AAX stations that it flies to or plan to fly to in the People's Republic of China, AAX will require operational assistance from AirAsia (Guangzhou) through AirAsia (Guangzhou)'s employees, sharing of office premise(s) and other applicable facilities (as the case may be) to be provided by AirAsia (Guangzhou). The arrangement between AAX and AirAsia (Guangzhou) will allow the Company to procure such commercial services from AirAsia (Guangzhou) in all the AAX stations that our Company operates in the People's Republic of China, which will in turn allow the Company to reduce its operations cost at each of its own stations.

Our Group has had long-standing business relationships with the Related Parties and the close co-operation has reaped mutual benefits which are expected to continue to be beneficial to the business of our Group.

4. VALIDITY PERIOD FOR THE PROPOSED MANDATE

The Proposed Mandate, if approved at our forthcoming AGM, shall take effect from the date of the passing of the ordinary resolution proposed at our forthcoming AGM to approve the Proposed Mandate and is subject to annual renewal. In this respect, the Proposed Mandate shall only continue to be in force until:

- (a) the conclusion of our next AGM following our forthcoming AGM at which such ordinary resolution is passed to effect the Proposed Mandate, at which time it will lapse, unless renewed by a resolution passed at a meeting or the authority is renewed;
- (b) the expiration of the period within which our next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the Proposed Mandate is revoked or varied by resolution passed by you in a general meeting,

whichever is the earliest.

5. EFFECTS OF THE PROPOSED MANDATE

The Proposed Mandate will not have any effect on the issued and paid-up share capital of our Company and our substantial shareholders' shareholdings and is not expected to have a material effect on the NA per Share and gearing of our Group.

The Proposed Mandate is in relation to the transactions which are of revenue or trading nature which forms part of our Group's day-to-day operations. Thus, those transactions will contribute positively to our Group's financial performance and EPS.

6. APPROVALS REQUIRED

The Proposed Mandate is subject to and conditional upon obtaining your approval at our forthcoming AGM.

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

Save as disclosed below, none of our Directors, Major Shareholders, and/or Persons Connected to them, have any interests, direct or indirect in the Proposed Mandate:

- (i) Tan Sri Tony Fernandes, by virtue of his directorship in our Company and a Major Shareholder of our Company and by virtue of his directorships and shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular;
- (ii) Datuk Kamarudin, by virtue of his directorship in our Company and a Major Shareholder of our Company and by virtue of his directorships and shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular;
- (iii) Dato' Fam, by virtue of his directorship in our Company and by virtue of his directorship in the Related Party as detailed in the notes of Section 2.3 of this Circular;
- (iv) AirAsia, by virtue of it being our Major Shareholder and by virtue of its shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular;
- (v) Tune Group, by virtue of it being our Major Shareholder and by virtue of its shareholdings in the Transacting Parties as detailed in the notes of Section 2.3 of this Circular; and
- (vi) Lim Kian Onn, by virtue of his directorship in our Company and by virtue of his directorship and shareholding in the Transacting Party as detailed in the notes of Section 2.3 of this Circular.

The shareholdings of the interested Directors and interested Major Shareholders in our Company as at the LPD are as follows:

	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Tan Sri Tony Fernandes	111,587,228	2.69	1,310,331,376 ⁽¹⁾	31.59
Datuk Kamarudin	370,709,939	8.94	1,310,331,376 ⁽¹⁾	31.59
Dato' Fam	-	-	-	-
Lim Kian Onn	-	-	175,833,356 ⁽²⁾	4.24
<u>Interested Major Shareholders</u>				
AirAsia	570,728,502	13.76	-	-
Tune Group	739,602,874	17.83	-	-
Tan Sri Tony Fernandes	111,587,228	2.69	1,310,331,376 ⁽¹⁾	31.59
Datuk Kamarudin	370,709,939	8.94	1,310,331,376 ⁽¹⁾	31.59

Notes:

(1) *Deemed interested via their interests in AirAsia and Tune Group, being Major Shareholders of our Company pursuant to Section 8 of the Act.*

(2) *Deemed interest via shareholdings of his spouse and children.*

Accordingly, the interested Directors have abstained and will continue to abstain from deliberations and voting on the Proposed Mandate at all your Board's meetings. Further, the interested Directors and interested Major Shareholders will abstain from voting in respect of their direct and indirect interests, if any, on the resolution pertaining to the Proposed Mandate at our forthcoming AGM.

In addition, the interested Directors and interested Major Shareholders have undertaken to ensure that Persons Connected to them shall abstain from voting, deliberating or approving the resolution pertaining to the Proposed Mandate at our forthcoming AGM in respect of their direct and indirect interests in our Company.

8. DIRECTORS' RECOMMENDATION

Your Board (save for the interested Directors), having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in our Company's best and long-term interests.

Accordingly, your Board (save for the interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at our forthcoming AGM.

9. AGM

The Thirteenth AGM, the extract of the notice of which is set out in this Circular, will be held at c/o CAE Kuala Lumpur Sdn. Bhd., Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Wednesday, 26 June 2019 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Mandate.

You are entitled to attend and vote at our forthcoming AGM or appoint a proxy to vote for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not later than forty-eight (48) hours before the time fixed for our forthcoming AGM or any adjournment thereof. The last date and time for you to lodge the Form of Proxy is on Monday, 24 June 2019 at 10.00 a.m. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our forthcoming AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

You are advised to refer to the attached appendix for further information.

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

TAN SRI RAFIDAH AZIZ
Senior Independent Non-Executive Chairman

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make a statement in this Circular false or misleading.

2. MATERIAL CONTRACT

Save as disclosed below, there is no material contract, not being a contract entered into in the ordinary course of business, which has been entered into by our Group within the past two (2) years immediately preceding the date of this Circular.

- (i) On 27 September 2017, our Company entered into a Sale and Purchase Agreement with GTR (“**SPA**”) for the sale and transfer of ramp/ground equipment and transfer of employees (as amended by an addendum to the SPA dated 1 November 2017).
- (ii) On 27 September 2017, our Company entered into a Novation Agreement with TCR Solution Sdn. Bhd. (“**TCR**”) and GTR to novate to GTR:
 - a. the Full-Service Rental Agreement dated 1 September 2015 between TCR and the Company for the rental of ground support equipment from TCR, and for TCR to provide maintenance services in relation to the said ground support equipment, together with the related change orders; and
 - b. the TCR Repair and Maintenance Contract signed on 13 April 2017 between the Company and TCR for repair and maintenance of ground support equipment at Kuala Lumpur International Airport (klia2), together with an Addendum signed on 7 July 2017 and deemed effective from 1 May 2017.

3. MATERIAL LITIGATION

As at the date of this Circular, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our financial position or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings, which may materially affect our financial position or business.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming AGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for the past two (2) FYE 31 December 2017 and 2018; and
- (iii) the material contracts referred to in Section 2 of this Appendix.



AIRASIA X BERHAD

(Company No. 734161-K)

(Incorporated in Malaysia under the Companies Act, 1965)

EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING THIRTEENTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 6

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED MANDATE")

"**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 30 April 2019 ("**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 an 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.”

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Personal data privacy notice:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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