

AIRASIA X BERHAD
(“AAX” or “the Company”)
Company No. 200601014410 (734161-K)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AS A VIRTUAL MEETING VIA LIVE STREAMING AND ONLINE REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING FACILITIES VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. FROM THE BROADCAST VENUE AT REDQ, JALAN PEKELILING 5, LAPANGAN TERBANG ANTARABANGSA KUALA LUMPUR, 64000 KLIA, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 16 OCTOBER 2024 AT 10.00 A.M.

Present:

Directors

1. Y. Bhg. Dato’ Fam Lee Ee (“Chairman”)
2. Y. Bhg. Datuk Kamarudin Bin Meranun
3. Y. Bhg. Tan Sri Asmat Bin Kamaludin
4. Ms Chin Min Ming
5. Y. Bhg. Dato’ Abdul Mutalib Bin Alias
6. Y. Bhg. Dato’ Sri Mohammed Shazalli Bin Ramly

Senior Management

1. En. Benyamin Bin Ismail, Chief Executive Officer
2. Ms. Lavinia Louis, Chief Financial Officer

Company Secretary

Ms. Thin Pui Leng

Invitees/Shareholders/ Proxies

As per the Attendance List

1.0 CONVENING OF MEETING

- 1.1** Dato’ Fam Lee Ee (“**Chairman**”) presided at the meeting and welcomed the shareholders and proxies (“**Members**”) to the Extraordinary General Meeting (“**EGM**”) of the Company.
- 1.2** The Chairman informed that the EGM was being held as a virtual meeting via live streaming and online remote voting from the Broadcast Venue, RedQ, Jalan Pekeliling 5 Lapangan Terbang Antarabangsa Kuala Lumpur 64000 KLIA Selangor Darul Ehsan, Malaysia in compliance with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022.

2.0 QUORUM

- 2.1** There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 10.00 a.m.

3.0 INTRODUCTION

- 3.1** The Chairman drew attention to some housekeeping matters and poll voting, which would be conducted after completion of deliberations of all items on the agenda. The Members were informed that Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) was appointed as the Poll Administrator to conduct the polling process, whilst KPMG Management & Risk Consulting Sdn. Bhd. was appointed as the Independent Scrutineers to verify the poll results.
- 3.2** The Chairman informed that the EGM would proceed according to the sequence in the agenda, which was to be followed by a question and answer (“**Q&A**”) session. Members would be given the opportunity to ask questions or seek clarifications on each agenda item, which would be responded to during the Q&A session. The responses to questions not addressed during the Q&A session due to time constraint would be e- mailed at the earliest possible, after the EGM.
- 3.3** For the benefit of the Members, TIIH presented a brief explanatory video on the Remote Participation and Voting Facilities (“**RPV**”) Facility and procedure for remote voting.
- 3.4** With the consent of the meeting, the notice convening the EGM was taken as read.

4.0 PRESENTATION BY REPRESENTATIVES OF PROFESSIONAL ADVISERS

- 4.1** The Chairman invited the representative from the Principal Adviser, Inter-Pacific Securities Sdn. Bhd., Mr. Foo Chun Keong and the Independent Adviser, Wyncorp Advisory Sdn. Bhd. to present the overview on the proposals and independent evaluation on the fairness and reasonableness of the Proposed Acquisitions.

5.0 ORDINARY RESOLUTION 1

PROPOSED ISSUANCE OF UP TO 223,536,401 FREE WARRANTS IN AAX (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 ORDINARY SHARES IN AAX (“SHARES”) HELD BY THE SHAREHOLDERS OF AAX ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“WARRANTS ENTITLEMENT DATE”) (“PROPOSED ISSUANCE OF FREE WARRANTS”)

- 5.1** The Chairman informed that the first item on the agenda was to approve the Proposed Issuance of Free Warrants which comprised the allotment and issuance of up to 223,536,401 free Warrants by way of an issuance of free Warrants to all entitled shareholders of the Company whose names are registered in the Record of Depositors of the Company as at the close of business on the Warrants Entitlement Date on the basis of 1 free Warrant for every 2 shares held on the Warrants Entitlement Date.

6.0 ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF NEW SHARES TO INDEPENDENT THIRD PARTY INVESTORS TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER TO RAISE GROSS PROCEEDS OF RM1,000.00 MILLION (“PROPOSED PRIVATE PLACEMENT”)

- 6.1** It was noted that the interested Directors namely, Datuk Kamarudin bin Meranun and Dato’ Fam Lee Ee shall abstain from deliberation and voting in refer to Ordinary Resolution 2 (Proposed Private Placement), Ordinary Resolution 3 (Proposed AAAGL Acquisition) and Ordinary Resolution 4 (Proposed AAB Acquisition).
- 6.2** Dato’ Mutalib Bin Alias was invited to chair Ordinary Resolution 2 (Proposed Private Placement), Ordinary Resolution 3 (Proposed AAAGL Acquisition) and Ordinary Resolution 4 (Proposed AAB Acquisition).
- 6.3** Dato’ Mutalib Bin Alias informed that the next item on the agenda to approve the Proposed Private Placement which comprised the allotment and issuance of up to RM1,000.00 million shares by way of private placement to independent third party investors to be identified later in 1 or multiple tranches at an issue price for each tranche to be determined at later date(s) by the Board to raise gross proceeds of up to RM1,000.00 million.

7.0 ORDINARY RESOLUTION 3

PROPOSED ACQUISITION BY THE COMPANY OF 100% EQUITY INTEREST IN AIRASIA AVIATION GROUP LIMITED (“AAAGL”) HELD BY CAPITAL A BERHAD FOR A PURCHASE CONSIDERATION OF RM3,000.00 MILLION TO BE SATISFIED ENTIRELY VIA THE ALLOTMENT AND ISSUANCE OF 2,307,692,307 NEW SHARES AT AN ISSUE PRICE OF RM1.30 EACH (“PROPOSED AAAGL ACQUISITION”)

- 7.1** Dato’ Abdul Mutalib Bin Alias informed that the next item on the agenda was to approve the proposed acquisition of 100% equity interest in AAAGL for a purchase consideration of RM3,000.00 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new shares at an issue price of RM1.30 each.

8.0 ORDINARY RESOLUTION 4

PROPOSED ACQUISITION BY THE COMPANY OF 100% EQUITY INTEREST IN AIRASIA BERHAD (“AAB”) HELD BY CAPITAL A BERHAD FOR A PURCHASE CONSIDERATION OF RM3,800.00 MILLION TO BE SATISFIED ENTIRELY VIA THE ASSUMPTION BY AAX OF AN AMOUNT OF RM3,800.00 MILLION OWING BY CAPITAL A BERHAD TO AIRASIA BERHAD (“PROPOSED AAB ACQUISITION”)

- 8.1** Dato’ Abdul Mutalib Bin Alias informed that the next item on the agenda was to approve the proposed acquisition of 100% equity interest in AAB for a purchase consideration of RM3,800.00 million to be satisfied entirely via the assumption by the Company of an amount of RM3,800.00 million owing by Capital A Berhad to AAB.

- 8.2** Dato’ Abdul Mutalib Bin Alias passed the chair to Dato’ Fam Lee Ee.

9.0 ORDINARY RESOLUTION 5

PROPOSED GRANTING TO GARYNMA INVESTMENTS PTE LTD (“GARYNMA” OR THE “SUBSCRIBER”) THE RIGHTS TO SUBSCRIBE FOR SUCH NUMBER OF NEW SHARES (“SUBSCRIPTION OPTIONS”) REPRESENTING, IN AGGREGATE, 12% OF THE TOTAL ISSUED SHARES IN AAX IMMEDIATELY AFTER THE COMPLETION OF THE PROPOSED AAAGL ACQUISITION AND PROPOSED AAB ACQUISITION (EXCLUDING TREASURY SHARES, IF ANY) VIA 3 SUBSCRIPTION OPTIONS OF 4% EACH (“PROPOSED GRANTING OF SUBSCRIPTION OPTIONS”)

- 9.1** The Chairman informed that the next item on the agenda was to approve the Proposed Granting of Subscription Options to Garynma Investments Pte Ltd in accordance with the terms and conditions of the Subscription Option Agreement.

10.0 SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF AAX TO RM100.0 MILLION PURSUANT TO SECTION 116 OF THE ACT (“PROPOSED SHARE CAPITAL REDUCTION”)

- 10.1** The Chairman informed that the last item on the agenda was to approve the Proposed Share Capital Reduction to RM100.00 million pursuant to Section 116 of the Companies Act 2016.

11.0 QUESTIONS AND ANSWERS SESSION

- 11.1** The Chairman declared the commencement of the Q&A session and reiterated that the questions received would not be answered in any particular sequence in relation to the business of the EGM.
- 11.2** For the benefit of the Members participating remotely, En. Amzar, the emcee of the EGM, read out the questions submitted by the Members via TIIH platform prior to the commencement of the EGM, followed by those submitted during the EGM. The questions and answers provided by the Company annexed hereto as “**Annexure I**”.
- 11.3** The Chairman informed that the responses to the questions not addressed during the Q&A session due to time constraint would be e-mailed to the shareholders at earliest possible, after the EGM. The Chairman further informed that the shareholders could contact the Investor Relations team of the Company at aax_ir@airasia.com after the EGM, for any further clarification.
- 11.4** The Chairman then invited the Poll Administrator to brief the Members on the polling procedures, and thereafter, the polling process took place.

12.0 DECLARATION OF RESULTS

- 12.1** The Chairman informed that the Independent Scrutineers appointed by the Company, had verified the poll voting results and that the said results were projected on the screen for Members’ viewing. The poll voting results were annexed hereto as “**Annexure II**”.

12.2 Based on the poll voting results as verified by the Independent Scrutineers, the Chairman declared all the following ordinary resolutions and special resolution stated in the Notice of the EGM dated 24 September 2024, were carried:-

- Resolution 1 – Proposed Issuance of Free Warrants.
- Resolution 2 – Proposed Private Placement.
- Resolution 3 – Proposed AAAGL Acquisition.
- Resolution 4 – Proposed AAB Acquisition.
- Resolution 5 – Proposed Granting of Subscription Options.
- Special Resolution – Proposed Share Capital Reduction.

13.0 CLOSE OF MEETING

13.1 There being no other business, the EGM was closed at 12:23 p.m.

**Confirmed as a correct record of the
proceedings held thereat**

Chairman

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
 EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

(Unless stated otherwise, all definitions used in AAX’s circular to shareholders dated 24 September 2024 are valid throughout this document.)

1. Is the Board imprudent and extremely generous in paying RM3 billion for AirAsia Aviation Group Limited (“AAAGL”)?

Referring to the financial position of Capital A Berhad (“Capital A”) in FYE 2023 report

From Capital A FYE 2023 report: Summarised statement of financial position as at 31 December are as follows:

Effective Holding

AAV: IAA: PAA

40.71%:47.43%: 97.71% (99.66 latest)

FYE 2023: FYE 2023: FYE 2023

RM’000: RM’000: RM’000

Non-current assets: 8,094,574: 1,627,381:908,863

Current Assets: 1,831,039: 231,987: 242,429

Non-current liabilities: (6,223,938): (2,283,702): (1,679,148)

- Answer The Board (save for our Interested Directors) has deliberated a few rounds on the Proposals. The Proposed Acquisitions would enable the formation of the New Aviation Group to better serve the markets we operate in.

Deloitte Corporate Advisory Services Sdn Bhd (“Deloitte”), as the independent valuer was appointed to provide independent third-party insights into the equity value of AirAsia Berhad (“AAB”) and AAAGL (collectively, “Target Companies”), and upon consideration of Target Companies’ historical performances, forward plans and strategy, including but not limited to growth and enhanced synergistic benefits of the airlines, brand strength, traffic rights as well as the future aircraft orderbook, had presented the published valuations incorporated within the Circular to Shareholders dated 24 September 2024.

WYNCORP Advisory Sdn Bhd (“WYNCORP”), as the independent adviser had also provided satisfactory representation that the rationale and valuation in relation to the exercise are appropriate and reasonable. Guided by the esteemed lineup of independent advisors, please do rest assured that the Board has indeed duly and carefully deliberated the reports by Deloitte prior to concurring with the Company’s objective in this corporate exercise, i.e., advancing its growth ambitions for the future, driven particularly by the aircraft orderbook of close to 400 aircraft, facilitating our continued growth for years to come.

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

Historical financial performances and financial positions of the Target Companies were adversely impacted by COVID-19; the formation of the New Aviation Group will ensure that the Company is well-positioned to capitalise on the recovery of the aviation industry.

2. As at 27 September 2024 Mr. Market only valued the whole of Capital A at RM4.049 billion. Why pay RM 3 billion just for AAAGL?

Answer

- As responded in Query No. 1 above, the AAAGL Purchase Consideration is fair and justifiable as explained in Section 4.3, Part A of the Circular.
- The market price reflects the overall market sentiment and external factors, which are beyond the Company’s control. Market prices can fluctuate and may not reflect the underlying value of the business / subject companies.
- The RM3,000 million purchase consideration for AAAGL was arrived at on a willing buyer willing seller basis after a series of negotiation with Capital A and taking into consideration, amongst others, recovery phase of the aviation industry as well as the range of valuation for the entire AAAGL Equity Interest of between RM2,880.00 million and RM3,691.00 million as at the valuation date of 31 December 2023 based on the valuation undertaken by Deloitte.

3. WYNCORP Independent Adviser - how to justify paying RM3.0 billion for AAAGL that is still PAT negative, shareholders’ deficit of RM(4,515,397,000) and with total borrowings, debentures, and lease liabilities of RM9,638,715,000 to be fair and reasonable when Mr. Market only valued the whole of Capital A at RM 4.049 billion as at 27th Sept 2024?

Answer Our opinion is arrived at after taking into consideration the rationale for the Proposed AAAGL Acquisition, the overview and outlook of the aviation industry, the AAAGL Purchase Consideration (RM3,000.00 million) falls within the range of valuation (RM2,880.00 million to RM3,691.00 million) as appraised by Deloitte and the AAAGL Purchase Consideration (RM3,000.00 million) represents a discount of approximately RM285.5 million or 8.69% to the mid-point of the valuation range for AAAGL (being RM3,285.50 million).

The Proposed Acquisitions is justifiable, taking into consideration the following :-

- (i) the projected future revenue growth of AAAGL Group and AAB Group, backed by the relatively positive prospects and industry outlook, are expected to further enhance the ability of the New Aviation Group to meet its future obligations in relation to the repayment of borrowings, debentures and lease liabilities; and
- (ii) the New Aviation Group, upon completion of the Proposed Acquisitions, would stand to be better-positioned to capitalise on the potential overall medium and long-term growth in passenger traffic for the Asia Pacific region, taking into consideration the potential enhancement on competitive advantages arising from greater economies of scale and cost-savings as well as greater resilience towards future market challenges and uncertainties with a larger revenue base;

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
 EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

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- (iii) the Proposed Acquisitions present an opportunity for AAX Group to achieve instant expansion without actual cash outlays amidst the anticipated recovery of air traffic post COVID-19, where there will be 7 airlines operating under the New Aviation Group on completion of the Proposed Acquisitions, which are currently income-generating and capable of growth via increasing the flight frequency of existing routes and introducing new routes;
 - (iv) the Proposed Private Placement, which the Proposed Acquisitions are conditional upon, will help to enhance the financial position of the New Aviation Group; and
 - (v) AAX Group may encounter similar financial commitments, if AAX Group opted to undertake organic growth and expansion by setting up new operations in the respective countries in which the AAAGL Group and AAB Group operate on its own. For illustrative purposes only, a recent order by Cebu Pacific of 152 Airbus narrowbodies, is valued at USD24 billion at current price with first delivery scheduled by 2029. The Proposed Acquisitions will allow AAX to attain immediate expansion, gaining access to close to 200 aircraft in operation readily income-generating.

4. AAB is still PAT negative and with shareholders’ deficit of RM1,825,633,000 and with total borrowings and lease liabilities of RM16,444,286,000?

Referred to Capital A’s 7th AGM Q&A:

External auditor replied on “going concern”:

“We have assessed the reasonableness of the cash flow projection provided by the management (Note 2.1). The going concern of the Group is dependent on the following:

1. Successful implementation of a Revenue Bond program; and
2. Continuous support from Group's lessors.”

Two leading private credit funds, Ares Management Corp and Indies Capital Partners, will provide \$200 million of the funding, which will be strategically utilised to reactivate aircraft that were grounded during the pandemic. The remaining \$243 million tranche, subscribed by sting aircraft lessors will be used to refinance existing lease liabilities, further strengthening its balance sheet.

Capital A able to roll over current lease liabilities into Bond and save the day for Capital A.

Capital A is very generous and nice to lessors as at 6 months ended 30/6/2024 paid a total of RM(204,192,000 +155,931,000) for non-operating aircraft. On the other hand, AAX only pay 0.5 cent for every RM 1.00 owed to debtors (Lessors included) during the last debts restructure.

Any reasons lessors will give continued support to AAX?

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
 EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

Answer The debt haircut to lessors and creditors that was implemented came on the back of the Debt Restructuring Scheme (“the Scheme”) undertaken by the Company in 2021 came on the back of the unprecedented impact that came at the onset of the pandemic outbreak i.e., COVID-19. The Scheme was eventually voted through with over 97% approval rate from its Class B Creditors and 100% approval rate from Class A and Class C Creditors, demonstrating the success of the Scheme. The Company has since its inception maintained a transparent and engaging partnership with all of its business partners, including aircraft lessors, and we are confident of the soundness of our partnerships with all of our lessors. Furthermore, the Proposals put forth in this EGM are aimed at advancing the Company’s growth in the future to be a network low-cost carrier group, ultimately enhancing its margins and fortifying its financial position, which will be beneficial for the lessors.

5. Can Board of Director (“BOD”) ensure that AAX will not default on above payables or AAX will need to issue more bonds to roll over payables?

Answer The prime rationale for the Proposals put forth in this EGM was aimed at advancing the Company’s growth in the future to be a network low-cost carrier group, ultimately enhancing its margins and fortifying its financial position, and the Company intends to maintain the soundness of its financial position, ensuring the establishment of a future-proof organisation.

The placement proceeds of RM1.0 billion is intended to strengthen the financial position of the New Aviation Group.

6. In the event of a default of payables, could the Board of Directors of both Capital A and AAX potentially face legal repercussions, such as charges of Wrongful or Fraudulent Trading under Section 540 and Section 539 of the Companies Act 2016?

Wrongful Trading

In the CA 2016, an offence of wrongful trading is captured in section 539(3) that: “...an officer of the company who knowingly was a party to the contracting of a debt had, at the time the debt was contracted, no reasonable or probable ground of expectation, after taking into consideration the other liabilities, if any, of the company at the time, of the company being able to pay the debt, commits an offence...”

Fraudulent Trading

Whereas section 540(1) of the CA 2016 stipulates an offence of fraudulent trading as below:

“If it appears... that any business of the company has been carried on with intent to defraud the creditors of the company or creditors of any other person or for any fraudulent purpose, the Court may declare that any person who was knowingly a party to the carrying on of the business in that manner shall be personally responsible...”

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

If an offence under Section 539(3) has been made out, offenders may be punishable with a maximum imprisonment of 5 years or a maximum fine of RM500,000, or both. Reading together with Section 540 of the CA 2016, it is added that the offender may even bear personal liabilities for the payment of the whole or any part of the company’s debt without any limitation of liability upon a court’s declaration.

Answer The Proposed Acquisitions does not involve cash, rather would be satisfied by way of assumption of debt and share issuance, hence no default of payables is expected. Due diligence and deliberation has been satisfied accordingly and the quoted potential legal repercussions are not applicable.

7. External Auditor, are non-current assets: Deferred tax assets and goodwill subjected to yearly impairment?

“For illustrative purposes, as set out in the pro forma consolidated statement of financial position of our Group as at 31 December 2023 in Appendix VIII of this Circular, the goodwill and intangible assets upon completion of the Proposed Acquisitions are RM10,090.74 million and RM2,430.84 million respectively, based on the assumptions and parameters stated therein.”

Answer 1) Goodwill is subject to yearly impairment assessment; and
 2) Deferred tax assets are assessed on a yearly basis to determine whether there are future taxable profits in which the deferred tax assets can be utilised.

8. External Auditor, will above impairment be causing Net Assets into negative and sending AAX into PN17?

(Referred to <https://theedgemalaysia.com/node/727957>) :

Capital A can exit PN17 before branding biz carve-out, says Fernandes

“The proposed RM6.68 billion disposal of AirAsia Bhd and AirAsia Aviation Group Ltd to AAX will lead to a pro forma gain of over RM18 billion when the transfer of accumulated losses in the aviation business is included, according to Capital A”

Answer Based on the latest assessment, there is currently no indication for impairment of such net assets which will result in AAX becoming an affected entity under the PN17. Any future impairment is subject to the financial performance and conditions of the Target Companies in the future. Such risk has also been highlighted by AAX in Section 10.5, Part A of the Circular.

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
 EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

9. BOD, the whole deal looks like a one-sided deal to get Capital A to exit PN17 without due consideration of survivability and profitability of AAX. May I ask if the Board is under pressure to complete the above deal?

Answer The historical performances, forward plans and strategy, including but not limited to growth and enhanced synergistic benefits, brand strength, traffic rights as well as the future aircraft orderbook for the Company, AAB and AAAGL, had been closely deliberated and scrutinised by the Company and the panel of independent advisors prior to presentation to the Board and subsequently the shareholders via the Circular to Shareholders dated 24 September 2024.

Guided by the lineup of independent advisors, please do rest assured that the Board has indeed duly and carefully deliberated the transaction prior to concurring with the Company’s objective in this corporate exercise, i.e. advancing its growth ambitions for the future.

Please refer to Section 1 and Section 19.2, Part A of the Circular on the strategic rationale and benefits of undertaking the Proposed Acquisitions.

10. BOD, with the above investment risks and uncertainty, the deal will increase NOSH from 447.07 million into 3,639.72 million. Will it be more prudent to reject the deal as current low fuel price and appreciation of RM against USD will make current AAX to generate good EPS without worrying how to pay off total borrowings, debentures and lease liabilities as at 31 December 2023 of RM 24,492.69 million (gearing ratio of 42.60 times) upon completion of the Proposed Acquisitions?

Answer

- As responded earlier in Query 1 and Query 9 above, there are strategic reasons to undertake the Proposed Acquisitions.
- We should not assess the Target Companies purely based on their historical financial performances and financial positions as they were adversely impacted by COVID-19. Moving forward, the New Aviation Group is well positioned to capitalise on the recovery of the aviation industry as the industry transitions to a normalised condition.

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

11. WYNCORP Independent Adviser, please confirm with Deloitte is DCF method the cash flow is Net cash generated from operating activities or Net cash generated from operating activities minus Repayment of lease liabilities?

(Referring Capital A 6 months end 30/6/2024):

Net cash generated from operating activities: RM2,009,580,000

Cash flow from financing activities:

Proceeds from borrowings: RM 418,826,000

Repayment of borrowings: RM (143,138,000)

Repayment of lease liabilities: RM (1,792,676,000)

Net cash used in financing activities: RM(1,516,988,000)

Note: under MFRS 16: On the Consolidated Cash Flow Statement, operating lease rental outflows, previously recorded within net cash flow from operating activities, are classified as “net cash flow used in financing activities” for repayment of lease liabilities.

Answer In estimating the free cash flows for the DCF method, the payments for the lease rental have been deducted from the cash flows from operations.

12. BOD - Since the valuation is based on 5-year financial projection and to eliminate the projection risk, should the Board get a 5 years contractual guarantee that Capital A will reimburse AAX on any shortfall to the projection?

Answer

- Profit guarantee is not part of the negotiation. The RM6.8 billion purchase consideration for both AAAGL and AAB was arrived at on a willing buyer willing seller basis after a series of negotiation with Capital A and taking into consideration, amongst others, that the Total Purchase Consideration of RM6.8 billion represents a discount of approximately RM647.00 million or 8.69% to the aggregate of the mid-point of the valuation range for AAAGL and AAB (being RM7.4 billion).
- The cash flow projections were made available by the management of the Target Companies. The Board, management and advisers have conducted several rounds of thorough assessments of the cash flow projections prepared by management of the Target Companies.
- To address the projection risk, the Valuer has imputed a high company specific risk premium to factor in the uncertainty. The independent adviser is of the opinion that the underlying basis and assumptions of the financial projections are reasonable.

AIRASIA X BERHAD
 (“AirAsia X” or “the Company”)
 Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

13. Will I get back my cost even earn in future when security unit from 16000 become 1600? And the unit price still low.

Answer The market price reflects the overall market sentiment and external factors, which are beyond the Company’s control. Market prices can fluctuate and may not always fully reflect the underlying value of the business / subject companies.

14. Can you please explain clearly what are my losses & benefits in AAX after AAX has purchased AirAsia shares from Capital A.

Previously AAX reduced my number of shares in AAX of every 10 shares to only 1 share which was a big loss.

Answer

- In short, if you are in favour of the Proposals, you will become a shareholder of the New Aviation Group. Although your shareholdings may be diluted by the issuance of the new Shares, you are getting a smaller slice of a bigger enlarged group.

- The Proposed Acquisitions are backed by strategic reasons as set out in Section 8.3, Part A of the Circular including:

- (i) achieving elevated synergistic benefits through centralised decision-making;

- (ii) securing approximately 400 aircraft orderbook to facilitate continued growth and expansion; and

- (iii) securing long-term sustainability leveraging on the “AirAsia” brand and AirAsia Ecosystem.

- The market price of the AAX Shares moving forward will be driven by the financial performances of the Target Companies. We are not in a position to speculate on the share price movement as it also depends on the market sentiment and other external factors which are beyond control of AAX.

- For clarification, the previous share consolidation of 10 to 1 had no effect on the Company's market capitalisation as the market price per share is adjusted accordingly.

For example, before the ex-date of share consolidation, the last transacted market price is RM0.09, the share price will be adjusted to RM0.90 on the ex-date. Therefore, despite the consolidation of the number of shares in AAX of every 10 shares to 1 share, the value of your holdings in AAX remained unchanged.

15. Any door gifts or free tickets?

Answer Please be informed that there are no door gift or tickets provided for the attendance of this EGM.

AIRASIA X BERHAD
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PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

16. When can we expect for the financials to reflect the true state of the business? Stripping out the extraordinary items and restructuring?

Answer The only remaining extraordinary impact from the debt restructuring exercise are the provisions for profit sharing and travel vouchers, which are expected to be fully utilised by 1H 2027. Aside from these, the current operation has been reflecting normalised financials.

17. We really hope that AAX can increase more new destinations fly from Kuala Lumpur to China such as Urumuqi, Inner Mongolia, Harbin, Xiamen, Qingdao, Chongqing and etc.

Answer Thank you for your feedback and rest assured that it's always been a key part of our focus to expand our reach within China. We have just yesterday resumed our flight to Chongqing with a very strong load factor of 90%, and are happy to inform you that the team is working diligently to introduce more routes to our guests. This corporate exercise, if approved, will further enhance the synchronisation among our teams in network planning and route management in presenting more destinations and connectivity to our guests. AAX currently flies to 7 destinations in China, and when all entities are consolidated, AAX will serve a total of 22 destinations in China.

18. May I know in brief whether there is any benefit for shareholders from this exercise.

Answer You will get to own a part of the New Aviation Group that houses all the airline entities operating under the "AirAsia" brand (including "AirAsia X" brand). To incentivise the AAX Shareholders, you will be issued free Warrants on the basis of 1 Warrant for every 2 ordinary shares in AAX.

19. Is AirAsia brand still owned by capital?

Answer Yes, the AirAsia brand will be owned by Brand AA Sdn. Bhd., a wholly-owned subsidiary of Capital A. Notwithstanding that, AAAGL has been granted the exclusive right to use the trade name and livery of the "AirAsia" brand for its aviation related business, for a period of 10 years from 1 January 2023 and upon expiry of the initial term, automatically extended for a period of 10 years.

20. Step 5 why is there a share reduction?

Answer The Proposed Share Capital Reduction will enable the elimination of accumulated losses that are brought forward. It is merely an accounting entry. It has no impact to the implied fair value of the Company.

AIRASIA X BERHAD
("AirAsia X" or "the Company")
Company No. 200601014410 (734161-K)

PRE-MEETING SUBMITTED QUESTIONS AND LIVE QUESTIONS POSED DURING THE
EXTRAORDINARY GENERAL MEETING HELD ON 16 OCTOBER 2024

21. If the NTA of AAX will be affected upon such resolution pass through?
Answer Upon the completion of the Proposals and Proposed Granting of subscription Options,
the NA per Share will increase from RM0.26 to RM0.33 per Share.

AIRASIA X BERHAD

(200601014410 (734161-K))

Extraordinary General MeetingBroadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur,
64000 KLIA, Selangor Darul Ehsan, Malaysia

On 16-October-2024 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	195,106,166	99.9189	400	83.1601	158,374	0.0811	81	16.8399	195,264,540	100.0000	481	100.0000
Ordinary Resolution 2	15,590,925	97.4452	383	81.1441	408,764	2.5548	89	18.8559	15,999,689	100.0000	472	100.0000
Ordinary Resolution 3	15,832,375	98.9728	384	81.7021	164,314	1.0272	86	18.2979	15,996,689	100.0000	470	100.0000
Ordinary Resolution 4	15,829,505	98.9549	383	81.4894	167,184	1.0451	87	18.5106	15,996,689	100.0000	470	100.0000
Ordinary Resolution 5	194,247,086	99.4796	389	81.2109	1,016,244	0.5204	90	18.7891	195,263,330	100.0000	479	100.0000
Special Resolution	194,789,701	99.7591	368	76.8267	470,379	0.2409	111	23.1733	195,260,080	100.0000	479	100.0000



AIRASIA X BERHAD
(“AAX” or “the Company”)
Company No. 200601014410 (734161-K)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AS A VIRTUAL MEETING VIA LIVE STREAMING AND ONLINE REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING FACILITIES VIA TIIH ONLINE WEBSITE AT HTTPS://TIIH.ONLINE PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. FROM THE BROADCAST VENUE AT REDQ, JALAN PEKELILING 5, LAPANGAN TERBANG ANTARABANGSA KUALA LUMPUR, 64000 KLIA, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 16 OCTOBER 2024 AT 10.00 A.M.

Present:

Directors

1. Y. Bhg. Dato’ Fam Lee Ee (“Chairman”)
2. Y. Bhg. Datuk Kamarudin Bin Meranun
3. Y. Bhg. Tan Sri Asmat Bin Kamaludin
4. Ms Chin Min Ming
5. Y. Bhg. Dato’ Abdul Mutalib Bin Alias
6. Y. Bhg. Dato’ Sri Mohammed Shazalli Bin Ramly

Senior Management

1. En. Benyamin Bin Ismail, Chief Executive Officer
2. Ms. Lavinia Louis, Chief Financial Officer

Company Secretary

Ms. Thin Pui Leng

Invitees/Shareholders/ Proxies

As per the Attendance List

1.0 CONVENING OF MEETING

- 1.1 Dato’ Fam Lee Ee (“**Chairman**”) presided at the meeting and welcomed the shareholders and proxies (“**Members**”) to the Extraordinary General Meeting (“**EGM**”) of the Company.
- 1.2 The Chairman informed that the EGM was being held as a virtual meeting via live streaming and online remote voting from the Broadcast Venue, RedQ, Jalan Pekeliling 5 Lapangan Terbang Antarabangsa Kuala Lumpur 64000 KLIA Selangor Darul Ehsan, Malaysia in compliance with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022.

2.0 QUORUM

- 2.1 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 10.00 a.m.

3.0 INTRODUCTION

- 3.1 The Chairman drew attention to some housekeeping matters and poll voting, which would be conducted after completion of deliberations of all items on the agenda. The Members were informed that Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) was appointed as the Poll Administrator to conduct the polling process, whilst KPMG Management & Risk Consulting Sdn. Bhd. was appointed as the Independent Scrutineers to verify the poll results.
- 3.2 The Chairman informed that the EGM would proceed according to the sequence in the agenda, which was to be followed by a question and answer (“**Q&A**”) session. Members would be given the opportunity to ask questions or seek clarifications on each agenda item, which would be responded to during the Q&A session. The responses to questions not addressed during the Q&A session due to time constraint would be e- mailed at the earliest possible, after the EGM.
- 3.3 For the benefit of the Members, TIIH presented a brief explanatory video on the Remote Participation and Voting Facilities (“**RPV**”) Facility and procedure for remote voting.
- 3.4 With the consent of the meeting, the notice convening the EGM was taken as read.

4.0 PRESENTATION BY REPRESENTATIVES OF PROFESSIONAL ADVISERS

- 4.1 The Chairman invited the representative from the Principal Adviser, Inter-Pacific Securities Sdn. Bhd., Mr. Foo Chun Keong and the Independent Adviser, Wyncorp Advisory Sdn. Bhd. to present the overview on the proposals and independent evaluation on the fairness and reasonableness of the Proposed Acquisitions.

5.0 ORDINARY RESOLUTION 1

PROPOSED ISSUANCE OF UP TO 223,536,401 FREE WARRANTS IN AAX (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 ORDINARY SHARES IN AAX (“SHARES”) HELD BY THE SHAREHOLDERS OF AAX ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“WARRANTS ENTITLEMENT DATE”) (“PROPOSED ISSUANCE OF FREE WARRANTS”)

5.1 The Chairman informed that the first item on the agenda was to approve the Proposed Issuance of Free Warrants which comprised the allotment and issuance of up to 223,536,401 free Warrants by way of an issuance of free Warrants to all entitled shareholders of the Company whose names are registered in the Record of Depositors of the Company as at the close of business on the Warrants Entitlement Date on the basis of 1 free Warrant for every 2 shares held on the Warrants Entitlement Date.

6.0 ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF NEW SHARES TO INDEPENDENT THIRD PARTY INVESTORS TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER TO RAISE GROSS PROCEEDS OF RM1,000.00 MILLION (“PROPOSED PRIVATE PLACEMENT”)

6.1 It was noted that the interested Directors namely, Datuk Kamarudin bin Meranun and Dato’ Fam Lee Ee shall abstain from deliberation and voting in refer to Ordinary Resolution 2 (Proposed Private Placement), Ordinary Resolution 3 (Proposed AAAGL Acquisition) and Ordinary Resolution 4 (Proposed AAB Acquisition).

6.2 Dato’ Mutalib Bin Alias was invited to chair Ordinary Resolution 2 (Proposed Private Placement), Ordinary Resolution 3 (Proposed AAAGL Acquisition) and Ordinary Resolution 4 (Proposed AAB Acquisition).

7.0 ORDINARY RESOLUTION 3

PROPOSED ACQUISITION BY THE COMPANY OF 100% EQUITY INTEREST IN AIRASIA AVIATION GROUP LIMITED (“AAAGL”) HELD BY CAPITAL A BERHAD FOR A PURCHASE CONSIDERATION OF RM3,000.00 MILLION TO BE SATISFIED ENTIRELY VIA THE ALLOTMENT AND ISSUANCE OF 2,307,692,307 NEW SHARES AT AN ISSUE PRICE OF RM1.30 EACH (“PROPOSED AAAGL ACQUISITION”)

7.1 Dato’ Abdul Mutalib Bin Alias informed that the next item on the agenda was to approve the proposed acquisition of 100% equity interest in AAAGL for a purchase consideration

of RM3,000.00 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new shares at an issue price of RM1.30 each.

8.0 ORDINARY RESOLUTION 4

PROPOSED ACQUISITION BY THE COMPANY OF 100% EQUITY INTEREST IN AIRASIA BERHAD (“AAB”) HELD BY CAPITAL A BERHAD FOR A PURCHASE CONSIDERATION OF RM3,800.00 MILLION TO BE SATISFIED ENTIRELY VIA THE ASSUMPTION BY AAX OF AN AMOUNT OF RM3,800.00 MILLION OWING BY CAPITAL A BERHAD TO AIRASIA BERHAD (“PROPOSED AAB ACQUISITION”)

8.1 Dato’ Abdul Mutalib Bin Alias informed that the next item on the agenda was to approve the proposed acquisition of 100% equity interest in AAB for a purchase consideration of RM3,800.00 million to be satisfied via the assumption by the Company of an amount of RM3,800.00 million owing by Capital A Berhad to AAB.

8.2 Dato’ Abdul Mutalib Bin Alias passed the chair to Dato’ Fam Lee Ee.

9.0 ORDINARY RESOLUTION 5

PROPOSED GRANTING TO GARYNMA INVESTMENTS PTE LTD (“GARYNMA” OR THE “SUBSCRIBER”) THE RIGHTS TO SUBSCRIBE FOR SUCH NUMBER OF NEW SHARES (“SUBSCRIPTION OPTIONS”) REPRESENTING, IN AGGREGATE, 12% OF THE TOTAL ISSUED SHARES IN AAX IMMEDIATELY AFTER THE COMPLETION OF THE PROPOSED AAAGL ACQUISITION AND PROPOSED AAB ACQUISITION (EXCLUDING TREASURY SHARES, IF ANY) VIA 3 SUBSCRIPTION OPTIONS OF 4% EACH (“PROPOSED GRANTING OF SUBSCRIPTION OPTIONS”)

9.1 The Chairman informed that the next item on the agenda was to approve the Proposed Granting of Subscription Options to Garynma Investments Pte Ltd in accordance with the terms and conditions of the Subscription Option Agreement.

10.0 SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF AAX TO RM100.0 MILLION PURSUANT TO SECTION 116 OF THE ACT (“PROPOSED SHARE CAPITAL REDUCTION”)

10.1 The Chairman informed that the last item on the agenda was to approve the Proposed Share Capital Reduction to RM100.00 million pursuant to Section 116 of the Companies Act 2016.

11.0 QUESTIONS AND ANSWERS SESSION

- 11.1 The Chairman declared the commencement of the Q&A session and reiterated that the questions received would not be answered in any particular sequence in relation to the business of the EGM.
- 11.2 For the benefit of the Members participating remotely, En. Amzar, the emcee of the EGM, read out the questions submitted by the Members via TIH platform prior to the commencement of the EGM, followed by those submitted during the EGM. The questions and answers provided by the Company annexed hereto as “**Annexure I**”.
- 11.3 The Chairman informed that the responses to the questions not addressed during the Q&A session due to time constraint would be e-mailed to the shareholders at earliest possible, after the EGM. The Chairman further informed that the shareholders could contact the Investor Relations team of the Company at aax_ir@airasia.com after the EGM, for any further clarification.
- 11.4 The Chairman then invited the Poll Administrator to brief the Members on the polling procedures, and thereafter, the polling process took place.

12.0 DECLARATION OF RESULTS

- 12.1 The Chairman informed that the Scrutineers appointed by the Company, had verified the poll voting results and that the said results were projected on the screen for Members’ viewing. The poll voting results were annexed hereto as “**Annexure II**”.
- 12.2 Based on the poll voting results as verified by the Scrutineers, the Chairman declared all the following ordinary resolutions and special resolution stated in the Notice of the EGM dated 24 September 2024, were carried:-
- Resolution 1 – Proposed Issuance of Free Warrants.
 - Resolution 2 – Proposed Private Placement.
 - Resolution 3 – Proposed AAAGL Acquisition.
 - Resolution 4 – Proposed AAB Acquisition.
 - Resolution 5 – Proposed Granting of Subscription Options.
 - Special Resolution – Proposed Share Capital Reduction.

13.0 CLOSE OF MEETING

13.1 There being no other business, the EGM was closed at 12:23 p.m.

**Confirmed as a correct record of the proceedings
held thereat**

Chairman