



AAV06/2022

23 February 2022

Subject: Notification of the Information Memorandum concerning the Connected Transaction and the Acquisition of Assets regarding the Subscription of Newly Issued Ordinary Shares in the Connected Person

To: President
The Stock Exchange of Thailand

Enclosure: Information Memorandum concerning the Acquisition of Assets and the Connected Transaction

Asia Aviation Public Company Limited (the "**Company**") hereby notified that the meetings of Board of Directors of the Company No. 1/2022 held on 23 February 2022 and of the Board of Directors of the Company's subsidiary, Thai AirAsia Company Limited ("**TAA**") No. 2/2022 held on 23 February 2022 have approved TAA to subscribe the newly issued ordinary shares in AirAsia SuperApp Sdn. Bhd. ("**AASP**") which is the connected person of the Company¹ since AASP and the Company have the same major shareholder. TAA will subscribe 39,267,972 newly issued ordinary shares of AASP, equivalent to 7.5 per cent. of total shares in AASP, at the subscription price of MYR 0.01 per share (equivalent to THB 0.076 per share).² The total subscription price is MYR 392,680 (equivalent to THB 2,996,148). AASP, which is the company incorporated in Malaysia, is the company developing AirAsia Super App platform, which is the 1st rank platform for travelling and life style for everyone. AirAsia Super App platform has been developed in response to the use for overall travelling and lifestyle, including flights and hotels reservation, food delivery, financial technology (FinTech), and social media community. However, this transaction is still subject to conditions and other details to be determined in the subscription agreement between parties, including obtaining a shareholders' approval of AASP.

Such transaction is the connected transaction relating to Assets or Services type, having the transactional size of 0.67 per cent. of the Net Tangible Assets ("**NTA**") of the Company under the criteria of the highest value of consideration in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules for Entry Into the Connected Transaction dated 31 August 2008 and the Notification of the Board of Stock Exchange of Thailand Re: the Disclosure and Operation of the Listed Company in the Connected Transaction dated 19 November 2003 (collectively the "**Connected Transaction Notifications**") where the Company has not

¹ AASP has AirAsia Digital Sdn. Bhd. ("**AirAsia Digital**") as the major shareholder holding 96.19 per cent. of shareholding, and AirAsia Digital also has Capital A Berhad ("**Capital A**") as its entire shareholder. Capital A is the indirect shareholder of the Company holding 45.12 per cent. of voting rights of the Company through AirAsia Aviation Limited (AAA).

² The book value of shares of AASP is MYR 0.18 per share. The calculation is based on the proportion of 7.5 per cent. of total shares of AASP in which the Company will be the shareholder which will be THB 53.93 Million (based on the financial statements of AASP ending 31 December 2021).

entered into any connected transactions, except for the normal course of business transaction or the supporting normal course of business transaction having the arm's length conditions. Therefore, this connected transaction has the size exceeding 0.03 per cent. but not reaching 3 per cent. of NTA based on the financial statements of the Company for the year ended 31 December 2021 which has been audited by the certified public accountant.

In addition, such transaction is considered as the acquisition of assets which has the highest transactional size of 0.67 per cent. under the criteria of the NTA. In this regard, when aggregating the size of the acquisition transactions for the past 6-month-period prior to the decision of entering this transaction, the total aggregated value of transaction is of 15.59 per cent. under the criteria of the value of consideration, in which the value of transaction is higher than 15 per cent. but less than 50 per cent. under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on the Entry Into the Significant Transactions which are considered as the Acquisition or Disposal of Assets, and the Notification of the Board of the Stock Exchange of Thailand Re: Disclosure and the Operation of the Listed Company on the Acquisition or Disposal of Assets B.E. 2547 (2004) (including the amendment thereto) (collectively, the "Notifications on the Acquisition and Disposal").

As such, the Company would like to disclose the details on the entry of the transaction as appeared in the Enclosure.

. Please be informed accordingly.

Sincerely yours,

(Mr. Santisuk Klongchaiya)

Chief Executive Office

Authorized Person who Report the Information Memorandum

**Information Memorandum concerning the Acquisition of Assets and the Connected Transaction of
Asia Aviation Public Company Limited (the “Company”)**

The Meetings of Board of Directors of the Company No. 1/2022 held on 23 February 2022 and of the Board of Directors of its subsidiary, Thai AirAsia Company Limited (“TAA”) No. 2/2022 held on 23 February 2022 have approved TAA to subscribe the newly issued ordinary shares in AirAsia SuperApp Sdn. Bhd. (“AASP”) which is the connected person of the Company since AASP and the Company have the same major shareholder. TAA will subscribe 39,267,972 shares of AASP, equivalent to 7.5 per cent. of shares in AASP, at the subscription price of MYR 0.01 per share (equivalent to THB 0.076 per share).³ The total subscription price is MYR 392,680 (equivalent to THB 2,996,148). This transaction is connected transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules for Entry Into the Connected Transaction dated 31 August 2008 and the Notification of the Board of Stock Exchange of Thailand Re: the Disclosure and Operation of the Listed Company in the Connected Transaction dated 19 November 2003 (collectively the “**Connected Transaction Notifications**”). Such transaction is the connected transaction in relation to Assets or Service type having the transactional size of 0.67 per cent. of the Net Tangible Assets (“NTA”) of the Company under the criteria of the highest value of consideration in accordance with the Connected Transaction Notifications. The Company has not entered into any connected transactions, except for the normal course of business transaction or the supporting normal course of business transaction having the arm’s length conditions.

In addition, such transaction is considered as the acquisition of assets which has the highest transactional size of 0.67 per cent under the criteria of the NTA. In this regard, when aggregating the size of the acquisition transactions for the past 6-month-period prior to the decision of entering this transaction, the total aggregated value of transaction is of 15.59 per cent. under the criteria of the value of consideration, in which the value of transaction is higher than 15 per cent. but less than 50 per cent. under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on the Entry Into the Significant Transactions which are considered as the Acquisition or Disposal of Assets, and the Notification of the Board of the Stock Exchange of Thailand Re: Disclosure and the Operation of the Listed Company on the Acquisition or Disposal of Assets B.E. 2547 (2004) (including the amendment thereto) (collectively, the “**Notifications on the Acquisition and Disposal**”).

As such, the Company hereby reports significant details of entry into the transaction as follows:

1. Date Month and Year of Approval to Enter into the Transaction and Expected Transaction Date.

Board of Directors of TAA approved the entry into the transaction on 23 February 2022. The Company expected that TAA will enter into the Shares Subscription Agreement, including the payment and delivery of such newly issued shares to be finalized within the third quarter of 2022. However, this transaction is still subject to conditions and other details to be determined in the subscription agreement between parties, including obtaining a shareholders’ approval of AASP.

³ The book value of shares of AASP is MYR 0.18 per share. The calculation is based on the proportion of 7.5 per cent. of total shares of AASP in which the Company will be the shareholder which will be THB 53.93 Million (based on the financial statements of AASP ending 31 December 2021).

2. Related Counterparties and Relationship with the Company

Subscriber: Thai AirAsia Company Limited (“TAA”), a subsidiary of the Company

Issuer: AirAsia SuperApp Sdn. Bhd. (“AASP”)

Relationship between counterparties:

- AASP has AirAsia Digital Sdn. Bhd. (“AirAsia Digital”) as the major shareholder who holds 96.19 per cent. and AirAsia Digital has Capital A Berhad (“Capital A”) as its entire shareholder. Therefore, Capital A is the major shareholder of AASP.
- Capital A is the indirect shareholder of the Company holding 45.12 per cent. of voting rights of the Company through AirAsia Aviation Limited (AAA). One director of AASP namely Tharumalingam A/L Kanagallingam is the director of the Company.

3. Overall Characteristics and Value of Transaction

3.1 Calculation of Value of Transaction under the Connected Transaction Notifications

3.1.1	Total Value of Transaction	Approximately THB 53.93 Million by using AASP’s book value, which is higher than value of consideration. ⁴ (based on the financial statements of AASP ended 31 December 2021)
3.1.2	Size of Transaction	Considered as the connected transaction having size more than 0.03 per cent. but not reaching 3 per cent. of NTA under Notification of the Board of Stock Exchange of Thailand Re: the Disclosure and Operation of the Listed Company in the Connected Transaction dated 19 November 2003. In this regard, the Company requires approval from its Board of Directors and disclosure the Information Memorandum to the Stock Exchange of Thailand on characteristics and interest of connected person in entering into the connected transaction.
3.1.3	Criteria for consideration:	Value of transaction is approximately THB 53.93 Million, comparing with the size of NTA of the Company approximately THB 8,003.97 million. Such transaction is the connected transaction in relation to Assets or Services type, having

⁴ If calculated by using figures under the latest audited financial statements of AASP ended 31 December 2020, the value of consideration will be higher than the book value approximately having the transactional value at 0.037.

	the transactional size of 0.67 per cent. of the NTA of the Company under the calculation of book value of AASP which is higher than value of consideration. The Company has not entered into with the same person or related person, and close relatives of such person in the past 6-month-period before the decision of entering the transaction except for the normal course of business transaction or the supporting normal course of business transaction having the arm's length conditions.
3.1.4 Conditions for Payment:	TAA will pay the entire subscription amount by 30-day counting from the date of receiving the letter of shares allotment as to be agreed on conditions and other details under the Subscription Agreement, including obtaining a shareholders' approval of AASP (the issuer).

3.2 Calculation under Notifications on the Acquisition and Disposal

Rules	Formula	Size	Aggregating the size of the transactions during 6-month-period before the decision of entering the transaction
1. <i>Net Tangible Asset (NTA)</i>	NTA of AASP in accordance with the investment proportion of the Company / NTA of the Company	0.67%	N/A <i>The prior transaction cannot be calculated under the Net Tangible Asset criteria.</i>
2. <i>Net Profit</i>	Net Profit of AASP in accordance with the investment proportion of the Company / Net Profit of the Company	Unable to calculate as AASP having Net Loss	-
3. <i>Value of Consideration</i>	Book value of AASP in accordance with the investment proportion of the Company / Total Asset of the Company	0.08%	15.59%
4. <i>Value of Securities</i>	Unable to calculate as there is no issuance of securities for payment-in-kind.		

Notes: If calculated by using figures under the latest audited financial statements of AASP ended 31 December 2020, the highest value will be under the criteria of value of consideration which will be approximately 0.004 since the consideration will be higher than the book value and other criteria cannot be calculated since at the time AASP had negative NTA and also had net loss.

4. **Details of Acquired Assets, Value of Acquired Assets, Value of Consideration, and Payment Method.**

TAA will acquire 39,267,972 newly issued ordinary shares of AASP, equivalent to 7.5 per cent. of shares in AASP, at the subscription price of MYR 0.01 per share (equivalent to THB 0.076 per share). The total subscription price is MYR 392,680 (equivalent to THB 2,996,148). The book value of shares of AASP is MYR 0.18 per share. The calculation based on the proportion that the Company will be the shareholder at 7.5 per cent of total shares of AASP will be THB 53.93 Million (based on the financial statements of AASP ended 31 December 2021).

AASP is the company incorporated in Malaysia, developing AirAsia Super App platform, which is the 1st rank platform for travelling and life style for everyone. AirAsia Super App platform has been developed for responding the use for overall travelling and life style, including flights and hotels reservation, food delivery, financial technology (FinTech), and social media community.

TAA will pay the entire subscription amount by 30-day counting from the date of receiving the letter of shares allotment as to be agreed on conditions and other details under the Subscription Agreement, including obtaining a shareholders' approval of AASP (the issuer).

- **Significant Financial Position and Result of Operation of AASP**

Unit : Million MYR

	Financial Information of AASP As of 31 December 2021*
<i>Result of Operation</i>	
Income	147.1
Earnings (Loss) Before Interest, Tax, Depreciation, and Amortization (EBITDA)	(126.7)
Net Income (Loss)	(162.2)
<i>Financial Position</i>	
Current Assets	278.6
Total Assets	623.0
Current Liabilities	407.4
Total Liabilities	555.3
Total Equity	67.7

* AASP starts its operation, along with the restructure its group companies resulting in having subsidiaries in 2021, thus the accounting information is presented for YE2021 in order to present the performances of consolidated accounts.

Notes: Currency conversion as of 22 February 2022 is MYR 1 per THB 7.63.

- Shareholders of AASP before and after the entry into the transaction

Shareholders of AASP	Before the entry into transaction		After the entry into transaction	
	Number of shares	Percentage	Number of shares	Percentage
AirAsia Digital	357,070,000	96.19	357,070,000	68.2
Velox South-Eat Asia Holdings Pte. Ltd.	14,143,224	3.81	14,143,224	2.7
AirAsia Berhad	-	-	62,828,754	12.0
TAA	-	-	39,267,972	7.5
PT Indonesia AirAsia	-	-	25,131,502	4.8
Philippines AirAsia, Inc.	-	-	25,131,502	4.8
Total	371,213,224	100	523,572,953	100

- List of directors of AASP

1. Datuk Kamarudin Bin Meranun
2. Tharumalingam A/L Kanagalingam
3. Aireen Omar
4. Chan Ka Yan Karen
5. Colin Melville Kennedy Currie
6. Chang Soonyoung
7. Chee Wei-Meng

In this regard, TAA will not nominate its directors to be seated in AASP.

5. Value of Acquired Assets

TAA will acquire 39,267,972 newly issued ordinary shares of AASP. The book value is THB 53.93 Million based on the proportion of 7.5 per cent. of total shares of AASP in which the Company will be the shareholder (based on the Financial Statements of AASP ended 31 December 2021).

6. Rules for calculating the value of consideration

The subscription of AASP newly issued ordinary shares at MYR 0.01 per share (equivalent to THB 0.076 per share) is the price agreed between TAA and AASP. The total subscription price is MYR 392,680 (equivalent to THB 2,996,148) which is lower than the book value in accordance with the proportion that the Company will be the shareholder as AASP has recently started its operation and still incurred loss.

7. Benefits to the Company from Entry into the Transaction

The Company expects that the Company and TAA shall be benefited from this new investment. The Company believes that investment in AASP will better encourage the business of Thai AirAsia Group in this digital era since AirAsia SuperApp is the leading platform in travelling and life style providing well-rounded digital platform. The Company also believes that the benefits of AirAsia SuperApp will synergize with its airline business, and it will be the benefit of the Company and TAA to have an access to new business in this digital era. In addition, it is expected that the Company will gain benefit from dividend of AASP and the valuation of investment by TAA in AASP.

8. Source of Funding for the Entry into the Transaction

TAA will have a source of funding for entering into the transaction from its working capital which the Company believes that it will be sufficient for acquiring AASP's newly issued ordinary shares at the number and subscription price described in Clause 4. hereof.

9. Characteristics and Extent of Interest of the Connected Person in this Connected Transaction

Such transaction is the transaction between TAA which is the subsidiary of the Company and AASP which is the connected person of the Company. AASP has AirAsia Digital as its entire shareholder and AirAsia Digital as Capital A as its entire shareholder. This results in Capital A being the major shareholder of both AASP and the Company (through AirAsia Aviation Limited (AAA)).

10. Directors who have the interest

Directors who have the interest	Position having the interest
Tharumalingam A/L Kanagalingam	Director nominated by Capital A which is the major shareholder of the Company and major shareholder of AASP
Rozman Bin Omar	Director nominated by Capital A which is the major shareholder of the Company and major shareholder of AASP
Mohamed Khadar Bin Merican	Director nominated by Capital A which is the major shareholder of the Company and major shareholder of AASP

These interested directors are not entitled to vote for this transaction.

11. Opinion of Directors of the Company

Board of Directors of the Company opined that this transaction is reasonable by considering business opportunity of the Company and TAA in the ability to obtain benefits from AirAsia SuperApp platform.

12. Different Opinion of Member of Audit Committee and/or Directors

None

The Company represents that in entering into this transaction, the Company considers them with reasons and based on the benefit of shareholders' interest.

Sincerely yours,

(Mr. Santisuk Klongchaiya)

Chief Executive Office

Authorized Person who Report the Information Memorandum