

## Bursa Announcement

**Subject:** AirAsia Berhad – Acquisition of 50% in Touristly Travel Sdn. Bhd.

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### 1. INTRODUCTION

AirAsia Berhad (“AirAsia” or the “Company”) is pleased to announce that AirAsia Investment Limited (Company No.: LL03901) (“AAIL”), a wholly-owned subsidiary of AirAsia has on 19 April 2017 executed a Share Subscription Agreement (“SSA”) and a Shareholders Agreement (“SHA”) with Touristly Travel Sdn. Bhd. (“Touristly”) (Company No.: 1050338-A) as follows:-

- i) SSA to subscribe for 50% of the ordinary shares in Touristly; and
- ii) SHA between the shareholders to govern the relationship between the parties of Touristly. The shareholding ratio of the parties are as follows; AAIL (50%), Aaron Ram Sarma (20.7%), Jeffrey Saw Meng Lai (13.6%), Wong Chin Kit (1.4%), Netrove Ventures Corporation (9.6%) and Tune Labs Sdn. Bhd. (4.8%).

AAIL and Touristly have also signed a Convertible Loan Agreement (“CLA”) where AAIL will be providing a convertible loan of RM5 million.

(collectively the “Transactions”).

### 2. INFORMATION

#### 2.1 Touristly

Touristly was incorporated in Malaysia on 17<sup>th</sup> June 2013 as Real Herring Malaysia Sdn. Bhd. and subsequently changed its name to Touristly on 9<sup>th</sup> March 2016. Touristly launched in June 2015 as an online platform for travelers who want to explore, plan and book on-ground activities for their travel. Touristly was founded by Aaron Sarma and Jeffery Saw, with Aaron Sarma serving as Chief Executive Officer.

#### 2.2 travel 3Sixty digital platform

e-T360 ([www.travel3sixty.com](http://www.travel3sixty.com)) is the digital platform of AirAsia’s travel 3Sixty inflight magazine. It encompasses highlights from the print magazine as well as digital-only exclusive features. The next phase for the digital platform is to empower guests to discover on-ground activities and local unique experiences at their destinations through travel guides, reviews and ratings, and ultimately allow them to purchase activities (direct deals from merchants) on the platform, leading to greater cost-savings and personalised customer experiences.

### 3. THE AGREEMENT

#### 3.1 Salient terms of the SHA and SSA:

- **Terms and Conditions**

The following key terms and conditions are incorporated in the SHA:

- a. Preemption rights
- b. Reserve matters
- c. Deadlock provisions
- d. Non-compete provisions
- e. Company administration.

#### 3.2 Salient terms of the SSA:

- **The Subscription**

Touristly has agreed for AAIL’s subscription in Touristly to be via an asset injection of e-T360 at a consideration of RM6,500,000.00.

- **Basis of Consideration**

The purchase consideration of RM6,500,000.00 was based on most recent post money valuation.

### 3.3 Salient terms of the CLA:

- **Terms and Conditions**

- a. Interest on the loan is at 6% per annum.
- b. There will be an option to repay the loan in the first two years at 1.05x times premium of the loan.

## 4. TRANSACTION RATIONALE

Acquiring 50% in Touristly seeks to confer AirAsia the following benefits:

- **Provide a comprehensive travel proposition to our customers**

Currently, AirAsia already offers almost a complete suite of travel offerings including hotels via the AirAsiaGo platform and car booking. The missing piece is on-ground activity offering. Increasingly, there are more free independent travelers looking at planning their own travel itineraries, rather than depending on tour operators to plan their entire trip.

Touristly has built a platform based on industry proven Application Programming Interface technologies that allow guests to seamlessly create and purchase travel on-ground itineraries for AirAsia destinations. Guests can also combine and view them in a single itinerary for easier travel planning. This powerful feature complements our guests' travel intention and purchase habits, and leads towards higher conversion.

- **Strong synergy with AirAsia**

Touristly has synergies with AirAsia in terms of the destinations covered and platforms. Out of the over 120 destinations that AirAsia operates, Touristly covers 70 destinations and growing. Guests can also earn AirAsia BIG Points when they purchase deals on the Touristly platform. Going forward in 2017/2018, AirAsia BIG Points can be used as currency to redeem deals on the Touristly platform, including one-click hassle-free payment with AirAsia BigPay.

- **Monetise AirAsia's existing platform & datasets and provide additional ancillary income**

As mentioned above, this is a missing piece from AirAsia's revenue portfolio. Through this investment, we can tap into our existing base of customer to increase our ancillary income. With the trove of AirAsia customer profiles and datasets coupled with Touristly technologies, the Touristly platform can then offer more targeted offerings that match the customer's lifestyle and travel aspirations. For instance, adventure deals and healthy food options for AirAsia segment markets who fly to adventure-related destinations.

## 5. FINANCIAL EFFECT OF THE TRANSACTIONS

The Transactions will not have any material financial impact in the current financial year nor will it have any effect on the share capital and substantial shareholders' shareholdings of AirAsia. It is also not expected to have any material effect on the net assets per share, earnings per share and gearing of AirAsia for this financial year ending 31 December 2017.

## 6. APPROVAL REQUIRED

AirAsia does not require approval of its shareholders or any authorities to undertake the Transactions. The value of the Transactions do not breach the 5% percentage ratio as prescribed under the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

## 7. DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

The directors, major shareholders of the Company or persons connected with them have no interest, direct or indirect, in the Transactions save for Tan Sri Anthony Francis Fernandes and Datuk Kamarudin bin Meranun, who are directors and major shareholders of AirAsia and they have an indirect shareholding of less than 10% in Touristly via Tune Labs Sdn. Bhd.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

The SHA, SSA and CLA are available for inspection at the registered office of the Company at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

**This announcement is dated 19 April 2017.**