

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 524989-M)

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AirAsia shareholders back airline, Fernandes

> Investors met after EGM
voiced understanding
for group CEO's actions,
pledged continued support

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SEPANG: Shareholders of AirAsia Group Bhd have thrown their support behind the airline after group CEO Tan Sri Tony Fernandes apologised in a video for endorsing the former Barisan Nasional-led government.

On Bursa Malaysia yesterday, AirAsia closed down 5.41% at RM3.50 with 63.54 million shares traded, while its long-haul, low-cost affiliate AirAsia X Bhd (AAX) gained 4% to 39 sen on volume of 38.43 million shares.

SunBiz spoke to a few shareholders at AirAsia's EGM here yesterday, who remained confident of the group's business prospects. They think that AirAsia's stock still makes a good investment and will look at the airline's fundamentals rather than its political links.

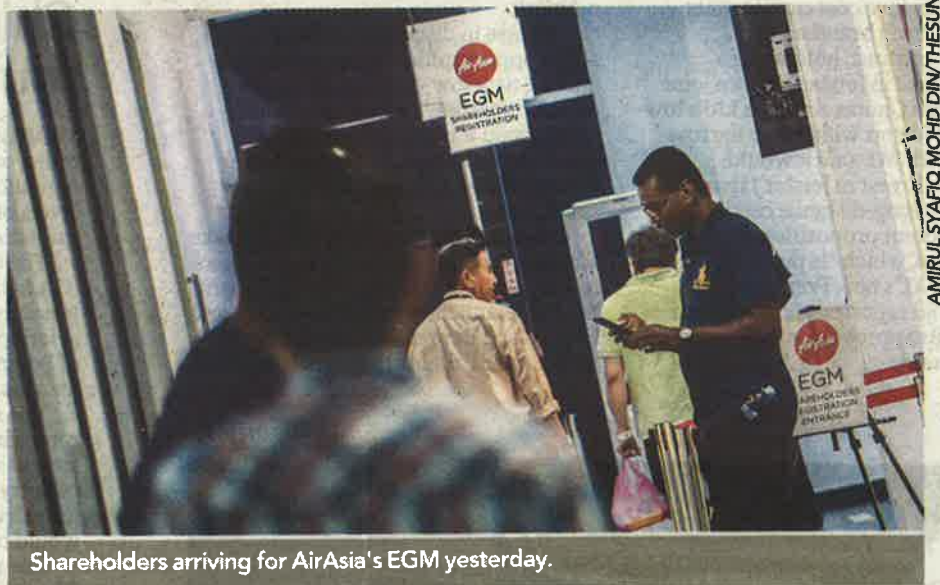
Shareholder Tan Swee Pean believed that Fernandes did not do anything wrong as he was under intense pressure, given the airline's business and the importance of cooperating with the former government.

"Of course we will still support AirAsia, we also have our capital here. Fernandes said he will do his best, so we continue to support him," said Tan, who has invested in AirAsia since the inception of the airline. She also has shares in AAX.

Tan said AirAsia's share price has been doing well and she has confidence in the company as it is well managed. With time, she is also confident of a turnaround of AAX.

Another shareholder said his investments in AirAsia have performed better than the then Malaysian Airline System Bhd.

"His decision was purely for business,"



Shareholders arriving for AirAsia's EGM yesterday.

quipped another shareholder on Fernandes' actions.

Proxies of shareholders also accepted Fernandes' apology, saying he was in a dilemma and was forced to make such a decision. "It's a small mistake. (But) without AirAsia, we don't think so many can fly," one said.

Fernandes, AirAsia chairman Datuk Kamarudin Meranun and other directors were present at the EGM but did not meet the press. Shareholders said the management's replies to questions were similar to what Fernandes said in his video.

The EGM was held to seek shareholders' approval for the proposed disposal of its aircraft leasing operations, which was duly passed.

Minority Shareholder Watchdog Group (MSWG) general manager Lya Rahman, when met after the EGM, said in recent times, it has witnessed listed corporations rallying support or aligning themselves to certain political party, be it the incumbent

government or the opposition. Although their numbers are not alarming, the rule of thumb dictates that listed companies should always remain apolitical or neutral.

"Bearing in mind that business should not mix with politics, it is our hope to see healthy corporate reforms taking place in our country post GE14 alongside the host of political reforms," she said.

Lya added that businesses should be run professionally with creating shareholder value being the ultimate focus. Harbouring political motives can be detrimental to innocent shareholders who have to pay a costly price should the gamble taken by the head honcho not materialise.

"Another corporate reform that we hope to see is that no politicians are appointed to sit on the board of listed companies. MSWG has been strongly advocating against having politicians on PLC boards as it believes board members should be given ample breathing space to exude their independent stature."