

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

The Provisional Allotment (as defined herein) is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991 (including all amendments thereof) and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("Bursa Depository") shall apply in respect of dealings in the provisional allotment of Rights Shares (as defined herein).



MALAYSIAN AIRLINE SYSTEM BERHAD
(Company No. 10601-W)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 13,368,624,960 NEW ORDINARY SHARES OF RM0.10 EACH IN MALAYSIAN AIRLINE SYSTEM BERHAD ("MAS" OR "COMPANY") ("RIGHTS SHARES") ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.10 EACH HELD IN MAS AT 5.00 P.M. ON 6 MAY 2013, AT AN ISSUE PRICE OF RM0.23 PER RIGHTS SHARE ("RIGHTS ISSUE")

PRINCIPAL ADVISER



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: Shareholders of MAS

Dear Sir/Madam,

The Board of Directors of MAS ("Board") has provisionally allotted to you, in accordance with the ordinary resolution passed at the EGM held on 5 March 2013 and the approval of Bursa Malaysia Securities Berhad (635998-W) ("Bursa Securities") via its letter dated 18 December 2012, the number of Rights Shares as indicated below ("Provisional Allotment").

We wish to advise that the Provisional Allotment of the following Rights Shares made to you in respect of the Rights Issue has been confirmed by Bursa Depository and will be credited into your Central Depository System ("CDS") account.

This Provisional Allotment is made subject to the terms and conditions stated in the Abridged Prospectus dated 6 May 2013 issued by the Company. Bursa Securities has already prescribed our securities that are listed on the Main Board of Bursa Securities to be deposited with Bursa Depository.

ALL THE RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

IT IS THE INTENTION OF THE BOARD TO ALLOT THE EXCESS RIGHTS SHARES, IF ANY, IN A FAIR AND EQUITABLE MANNER TO THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) WHO HAVE APPLIED FOR THE EXCESS RIGHTS SHARES IN THE FOLLOWING PRIORITY:

- (I) FIRSTLY, TO MINIMISE THE INCIDENCE OF ODD LOTS;
- (II) SECONDLY, TO ENHANCE THE PUBLIC SHAREHOLDING SPREAD OF THE COMPANY;
- (III) THIRDLY, FOR ALLOCATION TO ENTITLED SHAREHOLDERS WHO HAVE APPLIED FOR EXCESS RIGHTS SHARES ON A PRO-RATA BASIS AND IN BOARD LOTS, CALCULATED BASED ON THEIR RESPECTIVE SHAREHOLDINGS AS AT THE ENTITLEMENT DATE; AND
- (IV) FOURTHLY, FOR ALLOCATION TO RENOUNCEE(S) AND/OR TRANSFEREE(S) WHO HAVE APPLIED FOR EXCESS RIGHTS SHARES ON A PRO-RATA BASIS AND IN BOARD LOTS, CALCULATED BASED ON THE QUANTUM OF EXCESS RIGHTS SHARES APPLIED FOR.

NEVERTHELESS THE BOARD RESERVES THE RIGHT TO ALLOT THE EXCESS RIGHTS SHARES APPLIED FOR UNDER PART II OF THE RSF IN SUCH MANNER AS THE BOARD DEEMS FIT AND EXPEDIENT IN THE BEST INTEREST OF MAS SUBJECT ALWAYS TO SUCH ALLOCATION BEING MADE ON A FAIR AND EQUITABLE BASIS, AND THAT THE INTENTION OF THE BOARD SET OUT ABOVE IS ACHIEVED.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER
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NUMBER OF SHARES HELD AT 5:00 P.M. ON 6 MAY 2013	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE (AT RM0.23 PER RIGHTS SHARE) (RM)

IMPORTANT DATES AND TIME^(a)	
Entitlement or record date	: Monday, 6 May 2013 at 5:00 p.m. ^(a)
Last date and time for sale of provisional allotment of rights	: Monday, 13 May 2013 at 5:00 p.m. ^(a)
Last date and time for transfer of provisional allotment of rights	: Thursday, 16 May 2013 at 4:00 p.m. ^(a)
Last date and time for acceptance and payment	: Tuesday, 21 May 2013 at 5:00 p.m. ^{(a)(b)}
Last date and time for excess application and payment	: Tuesday, 21 May 2013 at 5:00 p.m. ^{(a)(b)}
^(a) In the event that Monday, 6 May 2013 is a public holiday, the Entitlement Date shall fall on the next market day i.e. 7 May 2013. The last date and time for the important relevant dates above shall also fall on the respective next succeeding market days.	
^(b) or such later date and time as the Board may mutually decide and announce not less than two (2) market days before the stipulated date and time.	

By order of the Board
Rizani bin Hassan (LS 0009520)
Company Secretary

Share Registrar
SYMPHONY SHARE REGISTRARS SDN BHD (378993-D)
Level 6, Symphony House, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone no.: 603 7841 8000
Helpdesk Telephone no.: 603 7849 0777
Fax no.: 603 7841 8151/8152

RIGHTS SUBSCRIPTION FORM

THIS RIGHTS SUBSCRIPTION FORM ("RSF") IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE (AS DEFINED HEREIN) OF MALAYSIAN AIRLINE SYSTEM BERHAD ("MAS" OR "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON TUESDAY, 21 MAY 2013 OR SUCH LATER TIME AND DATE AS THE BOARD OF DIRECTORS OF MAS MAY DECIDE AND ANNOUNCE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE STIPULATED TIME AND DATE.



MALAYSIAN AIRLINE SYSTEM BERHAD
(Company No. 10601-W)
(Incorporated in Malaysia under the Companies Act, 1965)

**AFFIX A
RM10.00
MALAYSIAN
REVENUE
STAMP HERE**

RENOUNCEABLE RIGHTS ISSUE OF UP TO 13,368,624,960 NEW ORDINARY SHARES OF RM0.10 EACH IN MAS ("RIGHTS SHARES") ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.10 EACH HELD IN MAS AT 5.00 P.M. ON 6 MAY 2013, AT AN ISSUE PRICE OF RM0.23 PER RIGHTS SHARE ("RIGHTS ISSUE")

To: The Board of Directors
MALAYSIAN AIRLINE SYSTEM BERHAD (10601-W)

PART I - ACCEPTANCE OF RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus dated 6 May 2013, I/we hereby irrevocably accept Rights Shares comprised in the Notice of Provisional Allotment of Rights Shares issued by the Company, which were provisionally allotted/renounced to me/us in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We enclose herewith Banker's Draft/Cashier's Order/Money Order/Postal Order No. for RM in favour of "MAS RIGHTS ISSUE ACCOUNT", being the full amount payable for the said number of Rights Shares accepted (ROUNDED UP TO THE NEAREST SEN), and hereby request for the said Rights Shares accepted to be credited into my/our Central Depository System ("CDS") account as disclosed in Part III:

NO. OF RIGHTS SHARES ACCEPTED	TOTAL AMOUNT PAYABLE AT (RM0.23 PER RIGHTS SHARES) (RM)

PART II - APPLICATION FOR EXCESS RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus dated 6 May 2013, I/we hereby irrevocably apply for excess Rights Shares, in addition to the Rights Shares provisionally allotted/renounced to and accepted by me/us as stated above, in accordance with and subject to the Memorandum and Articles of Association of the Company, and agree to accept the same or any other amount that may be allotted to me/us.

I/We enclose herewith Banker's Draft/Cashier's Order/Money Order/Postal Order No. for RM in favour of "MAS RIGHTS ISSUE EXCESS ACCOUNT", being the amount payable for the number of excess Rights Shares applied for (ROUNDED UP TO THE NEAREST SEN), and hereby request for the said excess Rights Shares applied for to be credited into the CDS account as disclosed in Part III:

NO. OF EXCESS RIGHTS SHARES APPLIED FOR	TOTAL AMOUNT PAYABLE (AT RM0.23 PER RIGHTS SHARE) (RM)

PART III - DECLARATION

I/We hereby confirm and declare that:

- (i) all information provided by me/us is true and correct;
- (ii) all information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd (165570-W) ("Bursa Depository") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our rights may be rejected; and
 - * I am 18 years of age or over.
 - * I am/We are resident(s) of Malaysia.
 - * I am/We are resident(s) of (country) and having citizenship.
 - * I am/We are nominee(s) of a person who is a "Bumiputera"/"Non-Bumiputera"/Non-Malaysian resident in (country) and having citizenship.

I/We hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus dated 6 May 2013 and further confirm compliance with all requirements for acceptance as set out therein.

CDS ACCOUNT NO.:

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NAME AND ADDRESS OF APPLICANT (in block letters as per Bursa Depository's record)	Signature / Authorised signatory(ies) (Body Corporate must affix their Common Seal)										
Contact Telephone No. (office or mobile number)	Nationality / Place of incorporation										
If the Applicant is a natural person (as per Bursa Depository's record) NRIC No. Old: New: Passport No. (also state country):	If the Applicant is a body corporate (as per Bursa Depository's record) Company No./Registration No.:										
Race: (If Malaysian) Please tick (✓) where appropriate <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Malay</td> <td><input type="checkbox"/> Indian</td> </tr> <tr> <td><input type="checkbox"/> Chinese</td> <td><input type="checkbox"/> Others (specify)</td> </tr> </table>	<input type="checkbox"/> Malay	<input type="checkbox"/> Indian	<input type="checkbox"/> Chinese	<input type="checkbox"/> Others (specify)	Type of Body Corporate Please tick (✓) where appropriate <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Government Agencies/Institutions/ Statutory Bodies</td> <td><input type="checkbox"/> Controlled by Non-Malaysians</td> </tr> <tr> <td><input type="checkbox"/> Controlled by Malaysians (Malays/Natives)</td> <td><input type="checkbox"/> Others (specify)</td> </tr> <tr> <td><input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)</td> <td> </td> </tr> </table>	<input type="checkbox"/> Government Agencies/Institutions/ Statutory Bodies	<input type="checkbox"/> Controlled by Non-Malaysians	<input type="checkbox"/> Controlled by Malaysians (Malays/Natives)	<input type="checkbox"/> Others (specify)	<input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)	
<input type="checkbox"/> Malay	<input type="checkbox"/> Indian										
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<input type="checkbox"/> Controlled by Malaysians (Malays/Natives)	<input type="checkbox"/> Others (specify)										
<input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)											

NOTES AND INSTRUCTIONS FOR COMPLETION THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. In accordance with the requirements of the Securities Commission Act, 1993, this RSF must not be circulated unless accompanied by the Abridged Prospectus dated 6 May 2013.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. All enquiries concerning the Rights Issue should be addressed to the Share Registrar, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan (Tel.: 603-7849 0777). **INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS DATED 6 MAY 2013 TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.**

This RSF, with the Abridged Prospectus, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renounees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any law of such countries or jurisdictions. Neither MAS nor CIMB shall accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) made by Entitled Shareholders and/or their renounees (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or renounees (if applicable) are residents.

A copy of the Abridged Prospectus, together with the NPA and RSF, have been registered with the SC. A copy of the Abridged Prospectus, together with the NPA and RSF, have also been lodged with the Registrar of Companies, Malaysia who takes no responsibility for the contents of these documents.

Approval for the Rights Issue has also been obtained from the shareholders of MAS through the resolutions passed at the Extraordinary General Meeting held on 5 March 2013. Approval-in-principle has been obtained from Bursa Securities via its letter dated 18 December 2012 for the listing of and quotation for the Rights Shares on the Main Board of Bursa Securities. The official listing of and quotation for the Rights Shares shall commence after, among others, receipt of confirmation from Bursa Depository that the Rights Shares are ready to be credited into the CDS accounts of the Entitled Shareholders and/or their renounees (if applicable) and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein. The listing of and quotation for the Rights Shares on the Main Board of Bursa Securities are in no way reflective of the merits of the Rights Issue or of MAS and its subsidiaries.

This RSF, with the Abridged Prospectus and NPA, have been seen and approved by the Board of Directors of MAS, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted Rights Shares are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991 (including all amendments thereof) and the Rules of the Bursa Depository shall apply in respect of dealings of the provisionally allotted Rights Shares.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "RM" in abbreviation) and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this document, unless they are otherwise defined here or the context otherwise requires.

INSTRUCTIONS:

(i) CLOSING DATE FOR ACCEPTANCE

This RSF is valid for acceptance until 5.00 p.m. on Tuesday, 21 May 2013, or such later date and time as the Board of Directors of MAS may mutually decide and announce. Where the closing date for acceptance is extended from the original closing date, the announcement of such extensions will be made not less than two (2) market days before the original closing date.

If acceptance and payment(s) in the manner specified herein are not received by the Share Registrar before 5.00 p.m. on Tuesday, 21 May 2013 (or such later date and time as may be announced) for any part of the Rights Shares provisionally allotted to you, such provisional allotment will be deemed to have been declined and will be cancelled. The Board of Directors of MAS will then have the right to allot the Rights Shares not subscribed for in such manner as they may deem fit or expedient in the interest of the Company.

(ii) FULL ACCEPTANCE AND PAYMENT

If you wish to accept the Rights Shares provisionally allotted to you, please complete the Part I and Part III of this RSF and return this RSF, with the appropriate separate remittance(s) made in Ringgit Malaysia by Banker's Draft/Cashier's Order/Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "MAS RIGHTS ISSUE ACCOUNT" and crossed "A/C PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letters and CDS account number, for the full amount payable for the Rights Shares accepted, to be received by the Share Registrar Symphony Share Registrars Sdn Bhd (Company No. 378993-D), before 5.00 p.m. on Tuesday, 21 May 2013 (or such later date and time as may be announced).

The remittance(s) must be made for the full amount payable for the Rights Shares accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement of receipt will be issued but a notice of allotment will be despatched to you at your own risk by ordinary post to the address as stated in this RSF within eight (8) market days from the last date for acceptance and payment for the Rights Shares.

(iii) APPLICATION FOR EXCESS RIGHTS SHARES

If you wish to apply for excess Rights Shares in addition to those provisionally allotted to you, please complete Part II of this RSF (in addition to Parts I and Part III) and forward this RSF, with the appropriate separate remittance(s) made in Ringgit Malaysia by Banker's Draft/Cashier's Order/Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "MAS RIGHTS ISSUE EXCESS ACCOUNT" and crossed "A/C PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letters and CDS account number, for the full amount payable for the excess Rights Shares applied for, to be received by the Share Registrar before 5.00 p.m. on Tuesday, 21 May 2013 (or such later date and time as may be announced). No acknowledgement of receipt will be issued but a notice of allotment will be despatched to you at your own risk by ordinary post to the address as stated in this RSF within eight (8) market days from the last date for acceptance and payment for the excess Rights Shares.

IT IS THE INTENTION OF THE BOARD TO ALLOT THE EXCESS RIGHTS SHARES, IF ANY, IN A FAIR AND EQUITABLE MANNER TO THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) WHO HAVE APPLIED FOR THE EXCESS RIGHTS SHARES IN THE FOLLOWING PRIORITY:

- (I) FIRSTLY, TO MINIMISE THE INCIDENCE OF ODD LOTS;
- (II) SECONDLY, TO ENHANCE THE PUBLIC SHAREHOLDING SPREAD OF THE COMPANY;
- (III) THIRDLY, FOR ALLOCATION TO ENTITLED SHAREHOLDERS WHO HAVE APPLIED FOR EXCESS RIGHTS SHARES ON A PRO-RATA BASIS AND IN BOARD LOTS, CALCULATED BASED ON THEIR RESPECTIVE SHAREHOLDINGS AS AT THE ENTITLEMENT DATE; AND
- (IV) FOURTHLY, FOR ALLOCATION TO RENOUNCEE(S) AND/OR TRANSFEREE(S) WHO HAVE APPLIED FOR EXCESS RIGHTS SHARES ON A PRO-RATA BASIS AND IN BOARD LOTS, CALCULATED BASED ON THE QUANTUM OF EXCESS RIGHTS SHARES APPLIED FOR.

NEVERTHELESS THE BOARD RESERVES THE RIGHT TO ALLOT THE EXCESS RIGHTS SHARES APPLIED FOR UNDER PART II OF THE RSF IN SUCH MANNER AS THE BOARD DEEMS FIT AND EXPEDIENT IN THE BEST INTEREST OF MAS SUBJECT ALWAYS TO SUCH ALLOCATION BEING MADE ON A FAIR AND EQUITABLE BASIS, AND THAT THE INTENTION OF THE BOARD SET OUT ABOVE IS ACHIEVED.

If no excess Rights Shares are allotted to you, the amount paid on application therefore will be returned in full without interest by ordinary post to the address as stated in this RSF at your own risk within fifteen (15) market days from the last date for acceptance and payment for the excess Rights Shares. Where an application is accepted in part only, the surplus of the application monies will be refunded without interest and shall be despatched to the applicant by ordinary post to the address as stated in this RSF at your own risk within fifteen (15) market days from the last date for acceptance and payment for the excess Rights Shares. The Board of Directors of MAS reserves the right to accept any application in part only without assigning any reason thereof.

(iv) SALE/TRANSFER OF THE PROVISIONALLY ALLOTTED RIGHTS SHARES

If you wish to sell/transfer all or part of your provisionally allotted Rights Shares to one or more person, you may do so through your stockbroker for the period up to the last day for sale/transfer of the provisional allotment of rights. You may immediately sell/transfer your provisionally allotted Rights Shares (in accordance with the Rules of Bursa Depository) in full or in part without first having to request the Company for a splitting of your provisionally allotted Rights Shares.

In selling/transferring all or part of your provisionally allotted Rights Shares, you need not deliver the RSF nor any other document to the stockbroker. However, you must ensure that you have sufficient provisionally allotted Rights Shares standing to the credit of your CDS account that are available for settlement of the sale/transfer. The renounee(s)/transferree(s) can collect a copy of this RSF from his/her/their stockbroker, the Bursa Securities website (<http://www.bursamalaysia.com>), the Share Registrars' office or the registered office of the Company.

If you have sold/transferred only part of the provisionally allotted Rights Shares, you may still accept the balance of your provisionally allotted Rights Shares by completing Parts I and Part III of this RSF.

(v) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- (b) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on the RSF.
- (c) Rights Shares subscribed by the Entitled Shareholders and/or their renounees (if applicable) will be credited into their respective CDS accounts as stated on the NPA or the exact accounts appearing in Bursa Depository's Record of Depositors.
- (d) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- (e) The contract arising from your acceptance of the provisionally allotted Rights Shares by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (f) The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.