

CAPITAL A BERHAD
[Registration No.: 201701030323 (1244493-V)]
("Capital A" or "the Company")
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company ("**EGM**" or "**Meeting**") conducted on a virtual manner through live streaming from the broadcast venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") and online remote voting via TIIH Online website at <https://tiih.online> on Monday, 14 October 2024 at 10.00 a.m.

Present & In Attendance: As per Attendance List

1.0 WELCOME & INTRODUCTION

- 1.1 On behalf of the Board of Directors and the Company, Ms. Maryanna Kim, the emcee (the "**Emcee**") for the Meeting, welcomed the shareholders to the EGM.
- 1.2 The Emcee then introduced the members of the Board, Senior Management, the Company Secretary and the representatives of the Company's advisers, who were present at the Broadcast Venue and Senior Management who were in attendance via video conferencing.

2.0 CHAIRMAN OF THE MEETING

- 2.1 The Chairman of the Board, Datuk Kamarudin bin Meranun informed the Meeting that, Tan Sri Anthony Francis Fernandes, Dato' Fam Lee Ee and himself are related parties and are deemed interested in the Meeting's agenda, and as such, have abstained and shall continue to abstain from deliberations and voting on the Agenda items for the Meeting. He then handed the chair to Dato' Mohamed Khadar bin Merican ("the Chairman").
- 2.2 Following a confirmation from the Company Secretary that there was a quorum present in accordance with the Company's Constitution, the Chairman declared the Meeting duly convened.

3.0 NOTICE OF THE MEETING

- 3.1 The notice convening the Meeting dated 20 September 2024, having been circulated earlier was taken as read.
- 3.2 Before the Meeting proceeded with the items on the Agenda, the Chairman informed that all resolutions tabled at the Meeting would be voted by way of a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 3.3 The Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the polling process and Aldpro Corporate Services Sdn. Bhd. as Independent Scrutineer to verify the results of the poll.
- 3.4 Shareholders were informed that voting on the resolutions could be done at any time throughout the Meeting until the conclusion of the voting session and were welcomed to raise questions in real time by submitting questions via the query box.

- 3.5 The Chairman further highlighted that the Board and Senior Management team will address as many questions as possible during the question and answer (Q&A) session after the Meeting has deliberated on all items on the agenda. The responses to questions not addressed during the Q&A session due to time constraint would be e-mailed at the earliest possible opportunity, after the Meeting.

4.0 PRESENTATION BY RHB INVESTMENT BANK BERHAD

- 4.1 The Chairman invited the representative from RHB Investment Bank Berhad, Ms. Choong Lee Sim (“Ms Choong”) to brief the shareholders on the summary of the Proposals.
- 4.2 Ms Choong briefed that the Proposed AAAGL Disposal entails the disposal of 100% equity interest to AAX, for a disposal consideration of RM3,000.0 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new AAX shares at an issue price of RM1.30 each.
- 4.3 As part of the completion of the Proposed AAAGL Disposal, the Company will distribute 1,692,307,692 consideration shares to the entitled shareholders by way of a proposed reduction and repayment of the Company’s issued share capital pursuant to Section 116 of the Companies Act 2016.
- 4.4 She added that the proposed disposal of AAB entails the disposal of the 100% equity interest to AAX, for a disposal consideration of RM3,800.0 million to be satisfied entirely via the assumption by AAX of an amount of RM3,800.0 million owing by the Company to AAB.
- 4.5 Following the disposals, the Group will streamline its core business activities to focus on aviation services, logistic, digital business and AirAsia brand.
- 4.6 She further added that Capital A will hold 18.48% in AAX after the completion of the Proposals, the final percentage is subject to the number of AAX placement shares to be issued, which is dependent on the AAX share price during their placement exercise.
- 4.7 The basis of and justification to arrive at the disposal consideration and the issue price were also presented at the Meeting.
- 4.8 The disposal consideration is within the AAAGL and AAB’s valuation range of RM2,880.0 million to RM3,691.0 million and RM3,721.0 million to RM4,602.0 million respectively conducted by Deloitte Corporate Advisory Services Sdn. Bhd. (“DCAS”).
- 4.9 She highlighted that the Proposed AAAGL Disposal is expected to result in a pro forma gain arising from the remeasurement of the remaining interest in AAAGL of approximately RM3,605.9 million whilst the Proposed AAB Disposal is expected to result in a pro forma gain upon completion of the Proposed AAB Disposal of approximately RM7,674.9 million.
- 4.10 Ms. Choong moved on to brief the Meeting on the salient terms of the SSPA covering the conditions precedent. The conditions precedent includes the following approvals and consents being obtained:

- (a) the approval of at least 75% of the total number of issued shares held by the non-interested shareholders of the Company present and voting either in person or by proxy at this EGM;
- (b) the approval of at least 75% of the non-interested holders of the RCUIDS at a RCUIDS holders meeting for the Proposals;
- (c) the sanction of the High Court of Malaya being obtained for the capital reduction pursuant to the Proposed Distribution;
- (d) the approval of government entity, financiers/lenders or any third party, as may be necessary, being obtained by (where applicable) the Company, the Company's subsidiaries or the relevant entity within the AAAGL Group or AAB Group for the Proposed Pre-Completion Restructuring and the Proposals including, but not limited to:
 - (i) Either:
 - (A) (1) Agreement between the Company and AAX after consultation with MAVCOM or CAAM or any successor thereof (as the case may be), or (2) confirmation or concurrence of MAVCOM or CAAM or any successor thereof (as the case may be), that Section 54(1) of the MAVCOM Act or Section 36T(1) of the CAAM Act (as the case may be) is not applicable to the Proposed Disposals; or
 - (B) A decision issued by MAVCOM or CAAM or any successor thereof (as the case may be) that Section 54(1) of the MAVCOM Act or Section 36T(1) of the CAAM Act (as the case may be) is not infringed if the Proposed Disposals are carried into effect;
 - (ii) BNM, Foreign Exchange Administration with regards to the AAAGL Debt Novation;
 - (iii) third parties in respect of certain aircraft lease as well as operational agreements entered into by the Capital A Group;
 - (iv) MAVCOM with regards to the proposed change in shareholding of AAB;
 - (v) the approvals and/or consents of financiers/lenders pursuant to banking facilities granted to the Group, wherein the release and/or discharge of any corporate guarantee and/or security provided by the Group (excluding the AAAGL Target Entities and AAB Target Entities) in favour of lenders/financiers of the AAAGL Target Entities and/or AAB Target Entities shall be obtained before the AAAGL Completion Date and AAB Completion Date, respectively;
- (e) the approval of the non-interested shareholders of AAX at AAX's EGM for the Proposed Disposals and the AAX Proposed Private Placement;
- (f) the AAAGL Target Entities and/or AAB Target Entities do not incur or record an aggregate loss exceeding RM50,000,000 each during the 3-month period immediately preceding the AAAGL Completion Date and AAB Completion Date;
- (g) the approval/consent of the governmental entity, financiers/lenders or any third party, as may be necessary, being obtained by (where applicable) AAX or its subsidiaries for the Proposals including, but not limited to:

- i. Takeover Panel of Securities and Exchange Commission, Thailand in respect of the proposed exemption under the applicable takeover rules in Thailand to be sought by AAX from the obligation to undertake a tender offer to acquire all remaining shares in Asia Aviation Public Company Limited not already owned by AAX on completion of the Proposed AAAGL Disposal;
 - (h) AAX raising RM1,000,000,000 within AAX's financial year ending 31 December 2024, pursuant to the placement letter(s) or commitment letter(s) or agreement(s) (as the case may be) executed by AAX and the identified investors in relation to AAX's private placement exercise;
 - (i) any other relevant authorities and/or parties, if required.
- 4.11 In terms of the rationale for the Proposals, she highlighted that the Proposed Disposals are intended to be undertaken by the Company to streamline the Group's core business activities to focus on aviation services, logistic, digital and brand management services which are essential and complementary to the passenger airline business. This will allow clarity in investment between Capital A and AAX and facilitating business centric valuation of separate entities. Additionally, the Company and shareholders will still be able to participate directly in a pure play of aviation company via AAX shares to be allotted and issued pursuant to the distribution.
- 4.12 The Proposals would improve the Group's financial position. The net liabilities of the Group of RM8.76 billion is expected to improve to a net asset position of RM649.4 million, and under the maximum scenario assuming all RCUIDS and warrants are exercised prior to the entitlement date, the net asset position would improve close to RM2 billion.
- 4.13 The total borrowing will reduce from RM24.18 billion to RM1.734 billion. The pro forma earnings of the Group will improve from RM337 million to RM13.9 billion, mainly due to the gain on the Proposed Disposals.
- 4.14 Ms. Choong briefed the Meeting on the prospects of the Group, as follows:-

ADE

- One of the main income contributors of the Group with PAT of RM115 million for financial year ended 2023.
- It intends to expand its capacity and presence regionally. It has plans to offer MRO services in Thailand.
- ADE has recently completed 6 new hangar lines in KLIA and will be completing 8 new hangar lines by the end of the year which will bring the total base maintenance lines to 14. ADE intends to increase the number of hangar lines to 20 by the end of 2026.
- The main key driver includes increased AirAsia flight frequencies, expansion of new flight routes, reactivation of AirAsia aircraft from storage and MRO booking secured from other airlines.

Santan

- Santan is expected to continue to grow with expected growth in the aviation and tourism industry.
- It is in the midst of applying for in-flight license to serve third party airlines and it also intends to expand customer base for frozen and ready to eat food by targeting hotels and F&B service providers.

Teleport

- To expand the business by leveraging on AirAsia extensive air network and capacity provided by its own freighters and true strategic partnerships.
- It targets to deliver two million parcels daily by end of 2025.

AirAsia Move

- Achieve relatively lower acquisition costs by leveraging the AirAsia Brand and data from its super app.
- AirAsia Move will intensify its marketing and personalisation effort, prioritising technological enhancement to increase conversion. To drive its market share in travel agency, it also intends to actively secure preferential fares, airline and hotel partnership.

BigPay

- to target AirAsia Move's customers who have not utilised BigPay's digital financial services.
- Focused on building features with positive unit economics, which will subsequently increase its average revenue per user.

Abc.

- The key revenue driver is the increase in passenger revenue and ancillary income of the AOCs, AAX and TAAX through their increase in flight frequencies and expansion of routes.
- To leverage on intellectual properties built within the Group to create new co-branding and business opportunities.

4.15 She also highlighted that the Proposed Distribution may give rise to an adjustment to the conversion price and conversion ratio to RCUIDS.

4.16 The tentative timeline for the implementation of the Proposals was also presented at the Meeting. It is targeted that the completion date for the Proposals is end of January 2025.

5.0 PRESENTATION BY PUBLIC INVESTMENT BANK BERHAD

5.1 The Chairman then invited Mr. Simon Lim, the representative from Public Investment Bank Berhad to brief the shareholders on their independent advice in relation to the Proposals.

5.2 Mr. Simon highlighted that the Proposals are related party transactions pursuant to Paragraph 10.08 of the Listing Requirements in view of the interested parties, namely Tune Live Sdn Bhd, Tune Air Sdn Bhd, Tan Sri Tony, Dato' Kamarudin and Dato' Fam. The Disposals are deemed major disposals in view that based on the audited consolidated financial statements of Capital A, the aggregated revenue generated by AAAGL Group and AAB Group constitute more than 70% of Capital A's Group's total revenue.

5.3 The details of the transaction and rationale and benefits of the Proposed Disposals were also highlighted to the Meeting.

5.4 Mr. Simon moved on to brief the Meeting on the evaluation of the Proposals.

5.5 He reported that the AAAGL disposal consideration of RM3 billion was arrived after taking into consideration the rationale and benefits of the proposals as well as the valuation range of AAAGL ascribed by DCAS of between RM2.88 billion and RM3.69 billion.

- 5.6 He added that in arriving at this value range, DCAS has adopted the adjusted net asset value (NAV) approach after taking into consideration the adjusted NAV of the holding companies of the respective airline operating companies ("AOC"), the fair value of the direct investment in IAA and carrying amount of capital contribution and investments in other subsidiaries. As for the AOC holding companies, DCAS has also adopted the adjusted NAV approach after adjusting for the fair value of the respective AOCs based on the discounted cashflow method.
- 5.7 He highlighted that PIVB is of the view that the valuation approach adopted by DCAS is appropriate and had also assessed and was satisfied with the discount rates adopted in the DCF valuation of the AOCs.
- 5.8 PIVB's had reviewed the basis as assumptions adopted by the Management in preparing the financial forecast of the respective AOCs and is of the view that it is reasonable.
- 5.9 In terms of the AAAGL disposal consideration, Mr. Simon reported that PIVB is of the opinion it is fair after consideration of the following:-
- the AAAGL Disposal Consideration is **within** the AAAGL's valuation range derived by PIVB and ascribed by DCAS;
 - the effects of the Proposed AAAGL Disposal which is expected to result in an **improvement in the consolidated net assets** ("NA") of the Company; and
 - the Company is expected to realise a pro forma gain arising from the remeasurement of remaining interest in AAAGL which is expected to **improve the financial condition of the Company**.
- 5.10 He added that PIVB is of the view that the issue price of RM1.30 per consideration share is justifiable.
- 5.11 Mr. Simon moved on to brief the Meeting on the disposal consideration of AAB. He highlighted that the AAB disposal consideration of RM3.80 billion is **fair** after considering the following:-
- the AAB Disposal Consideration is **within** the AAB's valuation range derived by PIVB and ascribed by DCAS;
 - the Company is expected to realise a gain on disposal of AAB which is expected to **improve the financial condition** of the Company;
 - allow Capital A to recognise **interest savings** in comparison to repayment of the amount due to AAB via borrowings; and
 - the effects of the Proposed AAB Disposal which is expected to result in an **improvement in the consolidated NA** of the Company.
- 5.12 PIVB is of the view that the valuation approach adopted by DCAS is appropriate and they have also assessed and are satisfied with the discount rates adopted in the DCF valuation of AAB. He added that PIVB has reviewed the basis and assumptions adopted by Management in preparing the financial forecast for AAB and it is of the view that it is reasonable.
- 5.13 He added that as for the method of settlement, they are of the view that it is reasonable after considering AAB fully releasing Capital A from the liability for payment of the amount owing from the Company to AAB and AAX fully assuming the liability for the payment of the amount owing.
- 5.14 Other aspects considered in the valuation include the salient terms of the AAAGL SSPA and the AAB SSPA and the risk factors.

5.15 The proforma effects of the Proposals and the industry outlook and prospects were also presented at the Meeting.

5.16 He reported that after taking into consideration the rationale of the Proposals, the disposal consideration and mode of payments of the Proposed Disposals, effects of the Proposals, the salient terms of the SSPAs, risk factors, as well as industry outlook and prospects of the Group, PIVB as the independent adviser is of the view that the Proposals are fair and reasonable and not detrimental to the interests of the non-interested shareholders of Capital A, and recommend the non-interested shareholders to vote in favour of the Proposals.

6.0 PROPOSED AAAGL DISPOSAL

6.1 The Chairman informed the Meeting that the interested Directors and interested Major Shareholders have abstained from voting in respect of their direct and indirect interests on all the resolutions pertaining to the Proposals and undertook to ensure that persons connected to them abstained from voting on all the resolutions pertaining to the Proposals at the Meeting.

6.2 The Chairman then informed that Special Resolution 1 was to approve the proposed disposal by the Company of 100% equity interest in AirAsia Aviation Group Limited ("AAAGL") to AirAsia X Berhad ("AAX") for a disposal consideration of RM3,000.0 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new ordinary shares in AAX ("Consideration Shares") at an issue price of RM1.30 each.

6.3 The Chairman then put the Special Resolution 1 to the Meeting for consideration.

7.0 PROPOSED AAB DISPOSAL

7.1 The Meeting then proceeded to consider the proposed disposal by the Company of its 100% equity interest in AirAsia Berhad ("AAB") to AAX for a disposal consideration of RM3,800.0 million to be satisfied entirely via the assumption by AAX of an amount of RM3,800.0 million owing by the Company to AAB.

7.2 The Chairman put Special Resolution 2 to the Meeting for consideration.

8.0 PROPOSED DISTRIBUTION

8.1 The Meeting went on to consider the next item on the Agenda which was in relation to the proposed distribution of 1,692,307,692 Consideration Shares to the entitled shareholders of our Company by way of a proposed reduction and repayment of our Company's issued share capital pursuant to Section 116 of the Companies Act 2016.

8.2 He put forward the Special Resolution 3 to the Meeting for consideration.

9.0 ANY OTHER ORDINARY BUSINESS

9.1 It was noted that there was no notice of any other business been received by the Company.

9.2 The Chairman informed that the Company had received a letter from the Minority Shareholder Watch Group ("**MSWG**") for the EGM. For the benefit of the shareholders, the questions raised in the MSWG's letter, and the answers thereto were presented on the screen, and read out by the Emcee and answered by the Chairman and CEO respectively. The said questions and answers are stated in **Appendix 1** annexed herewith.

10.0 Q&A SESSION

- 10.1 The Chairman declared the commencement of the Q&A session and he reiterated that the questions received would not be answered in any sequence in relation to the agenda of the EGM. The questions received in the online query box were moderated to avoid repetition and would only be answered once, and questions that were lengthy will be summarised for reasons of brevity.
- 10.2 The Emcee read out the questions submitted by shareholders *via* the TIIH online platform prior to the Meeting, followed by selected questions submitted by remote participants *via* the online query box at the EGM. The questions raised by shareholders and/or proxy holders were addressed by the Chairman, the CEO and the representative from RHB Investment Bank Berhad respectively. The questions and answers are detailed in **Appendix 2** annexed herewith.
- 10.3 With that, the Chairman declared that the Q&A session closed.
- 10.4 Due to time constraint, it was noted that the remaining questions, clarifications and comments would be addressed accordingly, after the Meeting.

11.0 VOTING SESSION

- 11.1 On conclusion of the Q&A session, the Chairman advised the shareholders and proxy holders to proceed to submit their vote *via* the RPV facilities as the polling process would conclude after 10 minutes; followed by a 30 minute recess for the verification of the poll results by the Scrutineers and thereafter declaration of the poll results. He then declared the EGM adjourned.

12.0 ANNOUNCEMENT OF POLL RESULTS

- 12.1 The Chairman called the Meeting to order for the declaration of the voting results that were verified by the Scrutineers.
- 12.2 Based on the poll results, annexed herewith as **Appendix 3**, the Chairman declared that all resolutions that had been put to the Meeting were duly carried.
- 12.3 It was **RESOLVED** as follows: -

SPECIAL RESOLUTION 1

PROPOSED DISPOSAL BY THE COMPANY OF ITS 100% EQUITY INTEREST IN AIRASIA AVIATION GROUP LIMITED (“AAAGL”) TO AIRASIA X BERHAD (“AAX”) FOR A DISPOSAL CONSIDERATION OF RM3,000.0 MILLION TO BE SATISFIED ENTIRELY VIA THE ALLOTMENT AND ISSUANCE OF 2,307,692,307 NEW ORDINARY SHARES IN AAX AT AN ISSUE PRICE OF RM1.30 EACH (“PROPOSED AAAGL DISPOSAL”)

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (if required) and the conditions precedent in the conditional share sale and purchase agreement dated 25 April 2024 entered into between the Company and AirAsia Group Berhad (formerly known as AirAsia Aviation Group Sdn. Bhd.) (“AAG”) pertaining to the Proposed AAAGL Disposal, as supplemented by the supplemental agreement dated 26 July 2024 between the Company, AAG and AAX, and the second supplemental agreement dated 4 September 2024 between the Company and AAX, and includes any amendments, variations and/or supplementals thereto from time to time (“AAAGL SSPA”) being fulfilled and/or waived (as the case may be), approval be and is hereby given to the Company to dispose of its entire 100% equity interest

in AAAGL (including any forms of capital contribution and any unissued capital) to AAX for a disposal consideration of RM3,000.0 million upon the terms and conditions contained in the AAAGL SSPA.

AND THAT the Board of Directors of our Company (“Board”) be and is hereby empowered and authorised to do all acts, deeds and things (including all applications and submissions to the relevant regulatory authorities and bodies) and take all such decisions as they may in their absolute discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed AAAGL Disposal under the terms and conditions of the AAAGL SSPA with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities including to enter into any supplemental agreement(s), if any, in connection with the Proposed AAAGL Disposal, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner or as the Board may deem necessary or expedient in the best interest of the Company.”

SPECIAL RESOLUTION 2

PROPOSED DISPOSAL BY THE COMPANY OF ITS 100% EQUITY INTEREST IN AIRASIA BERHAD (“AAB”) TO AAX FOR A DISPOSAL CONSIDERATION OF RM3,800.0 MILLION TO BE SATISFIED ENTIRELY VIA THE ASSUMPTION BY AAX OF AN AMOUNT OF RM3,800.0 MILLION OWING BY THE COMPANY TO AAB (“PROPOSED AAB DISPOSAL”)

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (if required) and the conditions precedent in the conditional share sale and purchase agreement dated 25 April 2024 entered into between the Company and AAG pertaining to the Proposed AAB Disposal, as supplemented by the supplemental agreement dated 26 July 2024 between the Company, AAG and AAX, and the supplemental agreement dated 4 September 2024 between the Company and AAX, and includes any amendments, variations and/or supplementals thereto from time to time (“AAB SSPA”) being fulfilled and/or waived (as the case may be), approval be and is hereby given to the Company to dispose of its entire 100% equity interest in AAB (including any forms of capital contribution and any unissued capital) to AAX for a disposal consideration of RM3,800.0 million upon the terms and conditions contained in the AAB SSPA. **AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things (including all applications and submissions to the relevant regulatory authorities and bodies) and take all such decisions as they may in their absolute discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed AAB Disposal under the terms and conditions of the AAB SSPA with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities including to enter into any supplemental agreement(s), if any, in connection with the Proposed AAB Disposal, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner or as the Board may deem necessary or expedient in the best interest of the Company.”

SPECIAL RESOLUTION 3

PROPOSED DISTRIBUTION OF 1,692,307,692 NEW ORDINARY SHARES IN AAX (“AAX SHARES”) ARISING FROM THE PROPOSED AAAGL DISPOSAL (“DISTRIBUTION SHARES”), TO THE ENTITLED SHAREHOLDERS OF THE COMPANY BASED ON THEIR RESPECTIVE SHAREHOLDINGS IN THE COMPANY ON A PRO-RATA BASIS, ON AN ENTITLEMENT DATE TO BE DETERMINED BY THE BOARD AND ANNOUNCED LATER BY THE COMPANY (“ENTITLEMENT DATE”), ON WHICH THE NAMES OF ITS SHAREHOLDERS MUST APPEAR IN THE COMPANY’S RECORD OF DEPOSITORS AS AT 5:00 P.M. ON THAT DATE IN ORDER TO BE ENTITLED TO THE PROPOSED DISTRIBUTION BY WAY OF A PROPOSED REDUCTION AND REPAYMENT OF THE COMPANY’S ISSUED SHARE CAPITAL PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED DISTRIBUTION”)

“**THAT** subject to the passing of Special Resolution 1 above, the confirmation of the High Court of Malaya pursuant to Section 116 of the Act, and approvals of all relevant authorities and/or parties being obtained (if required), approval be and is hereby given to the Company to carry out the following: (i) the reduction of the issued share capital of the Company from RM8,769,410,847 to RM6,535,564,694 via the cancellation of a sum of RM2,233,846,153 or such sum to be decided by the Board, subject to the prevailing market price of AAX Shares (1) immediately prior to the application to the High Court of Malaya; and (2) on the Entitlement Date, from the issued share capital of the Company in accordance with Section 116 of the Act; (ii) upon such reduction taking effect, the entire credit arising from the reduction of RM2,233,846,153 or such sum to be decided by the Board, subject to the prevailing market price of AAX Shares (1) immediately prior to the application to the High Court of Malaya; and (2) on the Entitlement Date, in the issued share capital of the Company shall be applied in distributing 1,692,307,692 Distribution Shares to all entitled shareholders of the Company on a pro-rata basis, whose names appear in the Record of Depositors of the Company on the Entitlement Date.

THAT any fractional entitlements that may arise under the Proposed Distribution shall be disregarded and dealt with in such manner or terms as the Board shall in its absolute discretion deems fit and expedient, and in the best interest of the Company; **THAT** the Board be and is hereby empowered and authorised with full powers to take all steps that the Board deems fit and expedient for the proposed Company’s issued share capital reduction and repayment pursuant to Section 116 of the Act and upon the receipt of the order of the High Court of Malaya, to distribute the Distribution Shares subject to the Proposed Distribution in such manner and upon such terms as the Board shall in its absolute discretion deems fit and expedient, and in the best interest of the Company;

THAT the Board be and is hereby empowered and authorised with full powers to determine the Entitlement Date referred to in this Special Resolution 3;

AND THAT the Board be and is hereby authorised and empowered to take all steps and to do all acts, deeds and things and to execute, enter into, sign and deliver for and on behalf of the Company, all documents as it may consider necessary or expedient to give full effect to the Proposed Distribution, with full power to fix and vary the Entitlement Date and time, payment date and/or effective date for the Proposed Distribution and assent to and accept any conditions, modifications, variations, arrangements and/or amendments as may be required or imposed or permitted by the relevant authorities/parties and/or the High Court of Malaya and with full power to make any amendments, variations or modifications to the terms and/or conditions of the Proposed Distribution in any manner as the Board may in its absolute discretion deem fit, necessary, expedient and/or appropriate.”

13.0 CLOSURE

- 13.1 There being no other matters, the Chairman thanked all present for their participation in the Meeting, and declared the EGM of the Company closed at 11.25 a.m.

ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 10 OCTOBER 2024 FOR THE EGM ON 14 OCTOBER 2024

Issues raised	Reply
<p>1. The Proposals are not part of our regulation plan” (Page 19 of the Circular)</p> <p>“Bursa Securities had vide its letter dated 19 August 2024 resolved to grant our Company an extension of time up to 31 December 2024 to submit our regularisation plan to the regulatory authorities.” (Page 19 of the Circular)</p> <p>The Company has less than three (3) months to submit its regulation plan, please provide a status update on the progress of the plan formulation. Is the Company on track to submit a regularisation plan by 31 December 2024 or a further extension of time will be required?</p>	<p>Our Company and the appointed advisers are in the midst of finalising a regularisation plan to address its financial condition and our Company is on track to submit a regularisation plan by 31 December 2024. The requisite announcement pertaining to the regularisation plan will be announced in due course.</p> <p>The Proposals are expected to improve the financial position of our Group. Based on the Reporting Accountants’ Pro Forma Consolidated Statements of Financial Position of Capital A as at 31 December 2023 prepared by Messrs Ernst and Young PLT (“EY’s Report”) which illustrates the effects of the Proposals, the consolidated shareholders’ liability of RM8,762.1 billion is expected to improve to a consolidated shareholders’ equity of RM649.4 million. Please refer to Appendix VI of the Circular for EY’s Report dated 19 September 2024.</p> <p>The positive shareholders’ equity position is a major milestone in improving the financial position of Capital A. Accordingly, Capital A’s regularisation plan would be announced after receiving the approvals of the shareholders and RCUIDS holders of Capital A in respect of the Proposals.</p>
<p>2. Considering that the Company is still classified under Practice Note 17 (PN17), please clarify how the disposal of AAAGL and AAB will affect the Company’s efforts to regularise its financial position?</p>	<p>Our Company is expected to record a gain on remeasurement of remaining interest in AAAGL and gain on disposal of AAB pursuant the Proposed Disposals and is thereby expected to improve the shareholders’ equity of our Group in our effort to regularise our financial conditions. Please refer to Sections 2.9 and 3.5 of the Circular for further details on the expected pro forma gains. Further, based on EY’s Report dated 19 September 2024, the pro forma shareholders’ equity of our Group as at 31 December 2023 after taking into account the effects of the Proposals is expected to improve to a shareholders’ equity position of RM649.4 million.</p>

ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 10 OCTOBER 2024 FOR THE EGM ON 14 OCTOBER 2024

<p>3. “Our Board intends to maintain the listing status of our Company on the Main Market of Bursa Securities and will endeavour to take the necessary steps to maintain an adequate level of operations through our aviation services, logistics, digital and brand management businesses (“Retained Segments”).” (Page 19 of the Circular)</p> <p>AAAGL Group and AAB Group recorded RM1.14 billion and RM3.62 billion of PATAMI for the FYE 2023 respectively. (Pages 25 and 26 of the Circular)</p> <p>“Further, we noted that the Retained Segments of the Group in aggregate generated PAT of RM91.40 million for the FYE 31 December 2023” (Page 85 of the Circular)</p> <p>“After the completion of the Proposed Disposals, our Company will cease to consolidate the earnings or losses of AAAGL Group and AAB Group.” (Page 49 of the Circular)</p> <p>(a) Please elaborate on how the RM91.40 million PAT from the Retained Segments will be sufficient to replace the profitability gap left by the disposal of AAAGL and AAB?</p> <p>(b) Will additional capital investments be necessary to enhance the performance of the Retained Segments? If so, what is the expected amount of such investments?</p> <p>(c) How soon are the Retained Segments expected to generate sufficient cash flow to repay the remaining debts within the Group such as the pro forma total borrowings of RM1.73 billion?</p>	<p>(a) We wish to clarify that AAAGL Group’s PATAMI for the FYE 31 December 2023 of RM1.14 billion was mainly contributed by an one-off gain amounting to RM1.55 billion on remeasurement of previously held interest in associate derived primarily from the impacts resulting from the change of status of AAV, AAID, AAI, TAA, IAA and PAA from associates to subsidiaries pursuant to the MBLA. Meanwhile, AAB Group’s PATAMI for the FYE 31 December 2023 of RM3.62 billion was mainly attributable to the one-off gain from disposal of AirAsia Brand during the FYE 31 December 2023 of RM4.50 billion. Hence, AAAGL and AAB had been making operational losses for the past 4 financial years mainly due to the adverse impacts of the COVID-19 pandemic. Accordingly, there’s no profitability gap left by AAAGL Group and AAB Group after the Proposed Disposals.</p> <p>We also wish to clarify that that the above mentioned aggregate PAT of RM91.4 million in the IAL is merely a summation of all the profitability of the remaining core businesses of Capital A for the FYE 31 December 2023 (namely ADE, AirAsia Move Group, Teleport Group, BigPay Group, Brand AA and Santan) and it is not indicative of the aggregate PAT of Capital A Group for the FYE 31 December 2023 post-disposal (i.e. excluding AAAGL Group and AAB Group). It has not taken into account the financial performance recorded by, amongst others, the investment holding companies within Capital A Group, e.g. Capital A Berhad (Company) and MOVE Digital Sdn Bhd, and other non-core operating entities within Capital A Group as well as any one-off extraordinary items incurred during the FYE 31 December 2023 or any elimination adjustments.</p> <p>Nevertheless, after the completion of the Proposals, ADE, AirAsia MOVE Group, Brand AA and Santan are expected to be primary drivers of revenue and profit for the Group. While ADE ensures a stable income base, AirAsia MOVE, Teleport, Santan and Brand AA provide opportunities for high-growth revenue streams in the near to medium term. The future direction, outlook and prospects of the Capital A Group after the Proposed Disposals are detailed out in Section 7.7 of Part A of the Circular.</p>
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ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 10 OCTOBER 2024 FOR THE EGM ON 14 OCTOBER 2024

		<p>(b) The Retained entities do not require extensive capital investment other than ADE. ADE intends to increase further the number of hangar lines under its operation from 16 to 20 by the end of 2026, in addition to developing new workshops, all of which will be used to service AirAsia aircraft and other third-party airlines. The expected capital investment of ADE is approximately RM220 million from FY2025 to FY2026 for the expansion.</p> <p>(c) The proforma borrowings of Cap A Retained Entities as detailed below:-</p> <table border="1"> <thead> <tr> <th>Entities</th> <th>Type of Facility</th> <th>Amount (RM' million)</th> </tr> </thead> <tbody> <tr> <td>Cap A Berhad</td> <td>RCUIDS</td> <td>685</td> </tr> <tr> <td>Teleport</td> <td>Term Loan</td> <td>160</td> </tr> <tr> <td>Ourfarm</td> <td>Term Loan</td> <td>110</td> </tr> <tr> <td>BigPay</td> <td>Loan Note</td> <td>276</td> </tr> <tr> <td>ADE</td> <td>Term Loan</td> <td>110</td> </tr> </tbody> </table> <p>The borrowings will be repaid over the tenure of the loans from FY 2024 to FY 2028 via operating cash flow of respective entities.</p> <p>Included in the proforma borrowings was lease liabilities of RM390 million and majority related to the lease of freighter by Teleport that will be repaid via operating cash flow of Teleport over lease period of 8 years.</p>	Entities	Type of Facility	Amount (RM' million)	Cap A Berhad	RCUIDS	685	Teleport	Term Loan	160	Ourfarm	Term Loan	110	BigPay	Loan Note	276	ADE	Term Loan	110
Entities	Type of Facility	Amount (RM' million)																		
Cap A Berhad	RCUIDS	685																		
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ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 10 OCTOBER 2024 FOR THE EGM ON 14 OCTOBER 2024

4.	<p>“There is no assurance that AAX will not trigger any prescribed criteria under Paragraph 2.1 of PN17 and be classified as a PN17 Issuer again following the completion of the Proposed Disposals” (Page 49 of the Circular)</p> <p>How does the Proposed Distribution of 1.69 billion AAX shares to shareholders adds long-term value, particularly given the volatility in the aviation sector?</p>	<p>The Proposed Distribution is intended to reward the entitled shareholders for their continuous support and to enable them to potentially benefit directly from the future performance of AAX Group vis-à-vis the New Aviation Group. Please refer to the prospectus of AAX as detailed in Section 8.3 of the Circular. Further, based on EY’s report dated 23 September 2024 on the pro forma consolidated statements of financial position of AAX as at 31 December 2023 illustrating the pro forma shareholders’ equity of AAX after taking into account the effects of the proposed acquisition of AAAGL and AAB is at a positive shareholders’ equity of RM575.0 million. Please refer to Appendix VIII of AAX’s Circular to Shareholders dated 24 September 2024 for further details.</p> <p>In addition, AAX will undertake its private placement of RM1.0 billion to strengthen its financial position prior to completing the Proposed Disposals. Furthermore, it is a condition precedent in the AAAGL SSPA and AAB SSPA that AAAGL Group and AAB Group do not incur or record an aggregate loss exceeding RM100.00 million during the 3-month period immediately preceding the dates of completion of the Proposed Disposals. These conditions under the SSPAs shall mitigate the risk of holding the AAX shares pursuant to the Proposed Distribution.</p>
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ISSUES RAISED BY THE SHAREHOLDERS

Issues raised	Reply
<p>1. The total consideration for the disposal is RM6.8 billion, involving the exchange of AAX shares and amounts owed by AAX, with Capital A remaining the controlling shareholder.</p> <p>a) How will Capital A reduce its gearing and debt on the balance sheet if it needs to consolidate AAX's accounts?</p> <p>b) Will the company issue additional shares to reduce its ownership percentage in AAX? If so, what will be the expected average price after the new shares are issued?</p> <p>c) What will be the projected average share price following the completion of this exercise?</p>	<p>(a) Capital A will not be a controlling shareholder of AAX as a result of the Proposals. As Capital A is expected to retain only approximately 18.48% of the enlarged total number of issued shares of AAX post completion of AAX's Proposed Corporate Exercises, the financial position and results of AAX will not be consolidated into our Company's financial statements. It is not the intention of the Company to hold more than the recognition of AAX as an investment in quoted securities.</p> <p>(b) Our Company will be distributing a fixed number of 1,692,307,692 AAX Shares to the Entitled Shareholders of our Company pursuant to the Proposed Distribution.</p> <p>(c) The Proposed Distribution will result in an adjustment to the reference price of Capital A on the ex-date, being a market day before the Entitlement Date. As illustrated in pages 20 and 21 of the Circular dated 20 September 2024, pursuant to the Proposed Distribution and based on the share prices of Capital A and AAX as at the LPD, the theoretical ex-price of Capital A Shares would be RM0.26.</p>
<p>2. The aviation business will become part of Capital A's history if the EGM resolutions are approved. Shareholders primary focus is now on the non-aviation segments.</p> <p>Could you provide the company's audited FY2023 consolidated income statement, balance sheet, and cash flow statement, excluding the AAAGL and AAB portions? As stakeholders, we want to clearly understand the financial position of the non-aviation businesses to confidently support these resolutions.</p>	<p>The pro forma consolidated statement of financial position as at 31 December 2023 had been prepared by EY to illustrate the pro forma effects of the Proposals (refer to pages 52 to 54 of the Circular).</p> <p>At present, we have not audited the consolidated income statement and cash flows of Capital A excluding the aviation businesses. Nevertheless, we have provided a summary of the key financial performance of the major sub-groups of the remaining businesses in Section 7 of Part A of the Circular.</p> <p>We wish to also highlight that our Company and our Entitled Shareholders will be able to continue participating in the business of the New Aviation Group via AAX Shares to be allotted and issued to our Company and the Entitled Shareholders pursuant to the Proposed Distribution.</p>

ISSUES RAISED BY THE SHAREHOLDERS

<p>3.</p>	<p>Dear Management,</p> <p>Regarding the disposal proposal: RM3 billion cash, RM3.8 billion debt, RM2.23 billion AAX shares,</p> <p>(a) These three proposals total approximately RM9 billion for Capital A and its shareholders. However, Capital A's equity is currently short by RM11 billion, leaving a RM2 billion shortfall even after the proceeds. Could you explain how the company plans to exit PN17 if the equity remains insufficient?</p> <p>(b) After the transaction, AAX will owe AAB RM3.8 billion, potentially putting AAX's equity back into negative territory. Does this pose a risk of AAX re-entering PN17 status?</p>	<p>For the avoidance of doubt, there will be no cash proceeds arising from either of the Proposed AAAGL Disposal or Proposed AAB Disposal. Additionally, the illustrative RM2.23 billion in value of AAX Shares to be distributed to the Entitled Shareholders is part of the RM3.00 billion AAAGL Disposal Consideration.</p> <p>As illustrated in the pro forma consolidated statements of financial position as at 31 December 2023 as prepared by EY and Section 10.2 of Part A of the Circular, the net assets of our Group is expected to improve from a net liabilities position as at 31 December 2023 of RM8,762.1 million to a net assets position RM649.4 million after the completion of the Proposals. This is aligned with our Group's efforts to regularise our financial conditions.</p> <p>The amount to be owed to AAB by AAX as part of the AAB Disposal Consideration of RM3.8 billion will be deemed as an intercompany debt. Accordingly, the aforementioned amount to be owed will be eliminated in the consolidated statement financial position of AAX Group.</p> <p>For further details on the effects of the Proposals to AAX's net assets, please refer to AAX's circular dated 24 September 2024.</p>
<p>4.</p>	<p>Referring news: https://theedgemalaysia.com/node/727957</p> <p>Capital A can exit PN17 before branding biz carve-out, says Fernandes</p> <p>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</p> <p>Congratulations to BOD especially to Capital A chief executive officer Tan Sri Tony Fernandes for coming out with this out of the world deal in getting Capital A exit PN17 status soon.</p>	<p>Our Company is unable to verify the pro forma gain of over RM18 billion as disclosed in the quoted news article. Based on our Company's audited consolidated financial statements for the FYE 31 December 2023, the Proposed AAAGL Disposal and Proposed AAB Disposal is expected to result in a pro forma gain arising from the remeasurement of the remaining interest in AAAGL upon AAAGL Completion and pro forma gain on disposal of AAB upon AAB Completion of approximately RM3,605.9 million and RM7,674.9 million, respectively.</p> <p>Please refer to Section 2.9, Section 3.5 and Appendix VI of the Circular for further details on the pro forma gain arising from the Proposed Disposals.</p>

ISSUES RAISED BY THE SHAREHOLDERS

<p>BOD, with pro forma over RM18 billion when including accumulated losses in the aviation business is transferred to AAX. Isn't that too good a deal and any thought on AAX weighted down by multi-billions of liabilities and its ability not to default on payment of billions in current liabilities?</p> <p>The branding business, parked under Capital A International, will be able to collect a royalty fee based on the revenue generated by the operating companies over its affiliates' aviation businesses.</p>	<p>AAX will undertake a RM1 billion placement to strengthen its financial position. Our Company is unable to verify the pro forma gain of over RM18 billion as disclosed in the quoted news article. Based on our Company's audited consolidated financial statements for the FYE 31 December 2023, the Proposed AAAGL Disposal and Proposed AAB Disposal is expected to result in a pro forma gain arising from the remeasurement of the remaining interest in AAAGL upon AAAGL Completion and pro forma gain on disposal of AAB upon AAB Completion of approximately RM3,605.9 million and RM7,674.9 million, respectively.</p> <p>Please refer to Section 2.9, Section 3.5 and Appendix VI of the Circular for further details on the pro forma gain arising from the Proposed Disposals.</p> <p>The majority of the liabilities of Aviation/AAX are lease liabilities of RM20 billion that will be repaid over the tenure of lease ranging from 12 to 18 years. Current lease liabilities of RM5 billion represent lease payment due within 12 months and will be serviced by operating cash flow for the next 12 months. Aviation is expected to generate positive cash flow to service its liabilities going forward, that is supported by valuation of both AAB and AAAGL under the DCF method.</p>
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ISSUES RAISED BY THE SHAREHOLDERS

<p>5.</p>	<p>Referring: PROPOSED BUSINESS COMBINATION AMONG THE COMPANY, ETHERIUM ACQUISITION CORP (“GMFI”), CAPITAL A INTERNATIONAL (“CAPI”), ETHER MERGER SUB INC. (“MERGER SUBSIDIARY”) AND BRAND AA SDN BHD (“BRAND AA”);</p> <p>Mode of settlement of the Transaction Consideration</p> <p>The Transaction Consideration will be satisfied via a combination of the following:</p> <p>(a) the issuance of USD1 billion of new ordinary shares of CAPI (“CAPI Shares”) (“Consideration Shares”) to the Company;</p> <p>(b) the assumption of a term loan of USD150 million (equivalent to approximately RM710 million) provided by Lender A (“Loan”) to be novated from Asia Aviation Capital Limited (Labuan) (“AACL”), an indirect wholly-owned subsidiary of the Company and the original borrower of the Loan, to Brand AA (“Loan Novation”). Capital A is in the midst of obtaining the approval from the facility agent of the Loan for the Loan Novation</p> <p>(a) BOD, had the term loan of USD150 million already been novated from Asia Aviation Capital Limited (Labuan) (“AACL”), the original borrower of the Loan, to Brand AA?</p> <p>(b) BOD, will Capital A chief executive officer Tan Sri Tony Fernandes, demonstrate his confidence by converting his RCUIDS holdings into CapitaA shares?</p> <p>(c) BOD, what will happen to CAPITALA-WA (2021-2028) and will there be an adjustment in the exercise price of RM1.00 and conversion ratio 1:1?</p>	<p>(a) As of today, the term loan of USD150 million has not been novated from AAACL to Brand AA. Any material development in respect of the Proposed Business Combination will be announced in due course.</p> <p>(b) Tan Sri Tony Fernandes responded that he would convert his RCUIDS into shares.</p> <p>(c) The Proposed Distribution gives rise to an adjustment to the exercise price to the Warrants in accordance with the relevant provisions of the Warrants Deed Poll to ensure that the status of the Warrant holders is not prejudiced as a result of the Proposed Distribution. Please refer to Section 10.4.2 of Part A of the Circular for the illustrative adjustments to the Warrant Exercise Price. The actual adjustments to the Warrants will be certified by our Auditor after the Entitlement Date for the Proposed Distribution and our Company will issue and dispatch a notice of adjustment to Warrant holders as soon as reasonably practicable after the effective date of the adjustments.</p> <p>For the avoidance of doubt, there will be no adjustment to the exercise rights of the Warrants such that the rights of each Warrant holder to subscribe for one new Capital A Share upon exercise of the Warrant will remain unchanged.</p>
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ISSUES RAISED BY THE SHAREHOLDERS

<p>6.</p>	<p>Can management clearly explain the potential losses and benefits for shareholders when AirAsia X acquires shares of AirAsia's short-haul airline from Capital A? Additionally, do shareholders still retain shares in Capital A after this process is finalised?</p>	<p>You will not lose any of your shareholding in Capital A as a result of the Proposals. The Proposed Distribution would not result in a cancellation of Capital A Shares or a change in the number/percentage of Capital A Shares held by any of the shareholders.</p> <p>For illustration purposes, based on Capital A's shareholding as at LPD, shareholders will receive AAX Shares on the basis of approximately 392 new AAX Shares for every 1,000 of Capital Shares pursuant to the Proposed Distribution.</p> <p>Nevertheless, the Proposed Distribution will result in an adjustment to the reference price of Capital A Shares on the ex-date (a day before the Entitlement Date) as shown in page 20 and 21 of the Circular.</p> <p>Pursuant to the illustration in the Circular, based on the closing price of Capital A Shares and AAX Shares of RM0.77 and RM1.31 respectively, the theoretical ex-price of Capital A Shares would be RM0.26.</p>
<p>7.</p>	<p>Is there any plan to issue dividends? Since the MCO period up until now, shareholders have not received any profit distribution from these shares.</p>	<p>Our Company had triggered the prescribed criteria of PN17 of the Listing Requirements as announced on 8 July 2020 and 27 May 2021. Our Board expresses gratitude for the ongoing support from the shareholders. Upon the exit from the PN17 status, our Board will explore dividend payments to our shareholders, subject to various factors, amongst others, profitability and cashflow of our Group. Nevertheless, our Entitled Shareholders will be entitled to the Proposed Distribution of approximately 1.69 billion new AAX Shares to be received as partial consideration of the Proposed AAAGL Disposal.</p>

ISSUES RAISED BY THE SHAREHOLDERS

8.	<p>As at 30/6/2024</p> <p>Total current assets: RM2,319,481,000</p> <p>Total current liabilities: RM15,798,327,000</p> <p>Net current liabilities: RM13,478,846,000</p> <p><u>CURRENT LIABILITIES (RM'000)</u></p> <p>Trade and other payables: 4,725,450 Aircraft maintenance provision and liabilities: 1,950,706 Sales in advance: 2,041,289 Amounts due to associates: 21,297 Amounts due to related parties: 502,283 Borrowings: 809,799 Current portion of long term debentures: 191,518 Lease liabilities: 5,510,697 Derivative financial instruments: 24 Provision of taxation: 45,264</p> <p>(a) BOD, can Capital A generate enough cash flow to pay for all the current liabilities in the next 12 months?</p> <p>(b) If the answer is NO, then how is Capital A/AAX going to avoid payment default especially on trade and other payables, aircraft maintenance, amount due to associate and related parties, borrowings, current portion of long term debentures and lease liabilities?</p>	<p>This has already been addressed in our response to the previous MSWG questions 3(c).</p>
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ISSUES RAISED BY THE SHAREHOLDERS

<p>9.</p>	<p>As Capital A will be getting AAG shares in this restructuring, and as AAG will be getting free warrant. Will Capital A shareholders be entitled for the AAG warrant? When will this restructuring be completed?</p>	<p>We wish to clarify that pursuant to the execution of the AAAGL Supplemental SSPA and AAB Supplemental SSPA as announced by our Company on 26 July 2024, AAX has assumed the rights, benefits, titles, interests, obligations and liabilities of AAG to the AAAGL SSPA and AAB SSPA as the purchaser in respect of the Proposed AAAGL Disposal and Proposed AAB Disposal respectively, with effect from 26 July 2024. Hence, the Entitled Shareholders of our Company will be entitled to the Proposed Distribution of approximately 1.69 billion new AAX Shares to be received as partial consideration of the Proposed AAAGL Disposal.</p> <p>For the avoidance of doubt, our shareholders will not be entitled to AAX Proposed Issuance of Free Warrants.</p> <p>Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the 1st quarter of 2025.</p>
<p>10.</p>	<p>What is the alternative plan for Capital A to exit PN17 if these proposed resolutions are not approved by the shareholders?</p>	<p>The proposed resolutions are a key component of our plan to exit PN17 status, and we believe they offer the most viable path for Capital A's financial recovery and growth. However, should the resolutions not be approved, the management and Board will reassess the situation and explore alternative strategies to address the Company's PN17 status.</p>
<p>11.</p>	<p>What is the long-term strategy for Capital A after the disposal of AirAsia - given that most of the revenue are derived from the aviation unit? How will this transaction align with the company's goal of transforming into a broader digital and aviation ecosystem?</p>	<p>After the completion of the Proposals, ADE, AirAsia MOVE Group, Brand AA and Santan are expected to be primary drivers of revenue and profit for our Group. While ADE ensures a stable income base, AirAsia MOVE, Teleport, Santan and Brand AA provide opportunities for high-growth revenue streams in the near to medium term. The future direction, outlook and prospects of the Capital A Group after the Proposed Disposals are detailed out in Section 7.7 of Part A of the Circular.</p>

ISSUES RAISED BY THE SHAREHOLDERS

<p>12.</p>	<p>The share price of AAX and Capital A have both increased after the release of Circulars. AAX is now at RM1.76/share, compared to the proposed price of RM1.30/share, increased by 35%. How much further gain on remeasurement of the remaining interest in AAAGL that Capital A able to recognise?</p>	<p>The actual gain on remeasurement of the remaining interest in AAAGL arising from the Proposed AAAGL Disposal can only be ascertained upon the AAAGL Completion Date based on the realisation of net liabilities of AAAGL as well as the market price of AAX Shares on the Entitlement Date and on the AAAGL Completion Date. In the event that the market price of AAX Shares falls below RM1.30 (being the Issue Price) on the AAAGL Completion Date, the net reduction in value would reduce the gain arising from the Proposed AAAGL Disposal. On the contrary, should the market price of AAX Shares trade above RM1.30 on the AAAGL Completion Date, the net increase in value would contribute to an increased gain arising from the Proposed AAAGL Disposal.</p> <p>For the avoidance of doubt, the fluctuation of AAX share price will not affect the entitlement but will affect the share capital reduction which is already considered into the improvement in the shareholders equity as above.</p>
<p>13.</p>	<p>What specific value does Capital A expect to unlock for its shareholders through the disposal of AirAsia to AirAsia X, and how will this affect future dividends or capital returns?</p>	<p>The Company is expected to record a gain on remeasurement of remaining interest in AAAGL and gain on disposal of AAB pursuant the Proposed Disposals and is thereby expected to improve the shareholders' equity of our Group in our effort to regularise our financial conditions. Please refer to Sections 2.9 and 3.5 of the Circular for further details on the expected pro forma gains. Further, based on EY's Report dated 19 September 2024, the pro forma shareholders' equity of our Group as at 31 December 2023 assuming that the Proposals had been effected on that date, is expected to improve from a consolidated shareholders' deficit of RM8,762.1 billion to a shareholders' equity position of RM649.4 million.</p> <p>The future dividends and capital returns would be dependent on the future profitability and cashflows of the Group.</p>

ISSUES RAISED BY THE SHAREHOLDERS

<p>14.</p>	<p>Is it true that Asia Digital Engineering maintenance is having a shortage of staff & the local staff are not paid fairly.</p>	<p>ADE does not face a staff shortage. The strength of Capital A and AirAsia lies in their people, with a dedicated workforce of 21,000 employees.</p> <p>The Company has grown significantly, from an initial fleet of 2 aircraft to 250, driven by a strong organisational culture and the support of well-established academies that supply technical talent, including those through ADE. As an ASEAN company, we have the advantage of recruiting talent from across the region, including Indonesia, the Philippines, and other ASEAN countries.</p> <p>In terms of compensation, we offer competitive salaries and incentives that align favorably with the market rates in this region.</p>
<p>15.</p>	<p>Under Special Resolution 1, Capital A obtained 2,307,692,307 New AAX shares at issue price of RM1.30 for disposal of AAAGL to AAX.</p> <p>Quest: Why only a much smaller number of AAX shares (1,692,307,692) are distributed to the existing Capital A shareholders (whose existing Capital A shares are already reduced by 25%)?</p>	<p>As the Proposed Distribution is undertaken via share capital reduction, the Company is unable to distribute the entire 2.3 billion Consideration Shares as the shareholders' equity of the Group would be a deficit and this would not bode well with the Company's regularisation plan.</p> <p>Kindly note that the reduction and repayment of our Company's issued share capital pursuant to the Proposed Distribution will not result in:-</p> <ul style="list-style-type: none"> (i) a cancellation of Capital A Shares; (ii) a change in the number of Capital A Shares held by any of our shareholders; and (iii) a change in the proportion of Capital A Shares held by any of our shareholders. <p>Each shareholder will hold the same number of Capital A Shares representing the same percentage shareholding in our Company before and immediately after the completion of the Proposals.</p>

POLL RESULTS VERIFIED BY THE SCRUTINEERS

Appendix 3

CAPITAL A BERHAD

(201701030323(1244493-V))

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

On 14-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	%
Special Resolution 1	720,249,656	99.9761	516	88.0546	172,535	0.0239	70	11.9454	720,422,191	100.0000	586	100.0000
Special Resolution 2	720,254,956	99.9768	518	88.3959	167,235	0.0232	68	11.6041	720,422,191	100.0000	586	100.0000
Special Resolution 3	720,267,324	99.9784	526	89.7611	155,835	0.0216	60	10.2389	720,423,159	100.0000	586	100.0000

