

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

Minutes of the Holders of Redeemable Convertible Unsecured Islamic Debt Securities 2021/2028 ("RCUIDS") Meeting of the Company ("**RCUIDS Holders Meeting**" 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 TIH Online website at <https://tiah.online> on Monday, 14 October 2024 at 2.00 p.m.

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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 RCUIDS holders to the Meeting.
- 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, abstained from deliberations and voting on the agenda items. He 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 Trust Deed, 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 RCUIDS holders 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 RCUIDS holders on the summary of the proposal. She took the RCUIDS holders through a presentation with a salient detail of the Proposals.
- 4.2 She 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.
- 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 diversify from being one of the major low-cost carriers in Southeast Asia into 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 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.
- 4.9 She highlighted that the disposal is expected to result in significant improvement in the net assets of the Group and a pro forma gain on the disposal.
- 4.10 The Company will distribute 1,692,307,692 AAX 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. The exact amount of share capital to be reduced is dependent on the market price of AAX shares on the entitlement date. The Proposed Distribution will give rise to an adjustment to the conversion price and conversion ratio of the RCUIDS.
- 4.11 Further, she added that the Company intends to delete paragraph (d) of Clause 12.2 of the Trust Deed with effect from the date of the Trust Deed. It is stated under “negative pledge” that it shall not create or permit to exist any security interest over any of its property, assets, rights or undertaking or all of any parts of the assets or enter into any other preferential arrangement with any person having a similar effect.

- 4.12 She highlighted the rationale and the effects of the proposed amendments to the Meeting.
- 4.13 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 the EGM held earlier;
  - (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.
- 4.14 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 would still be able to participate directly in the aviation company via AAX shares to be allotted and issued pursuant to the distribution.
- 4.15 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.
- 4.16 The total borrowings 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.

## **5.0 PROPOSED AAAGL DISPOSAL**

- 5.1 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.
- 5.2 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.
- 5.3 The Chairman then put the Special Resolution 1 to the Meeting for consideration.

## **6.0 PROPOSED AAB DISPOSAL**

- 6.1 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.
- 6.2 The Chairman put Special Resolution 2 to the Meeting for consideration.

## **7.0 PROPOSED DISTRIBUTION**

- 7.1 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.
- 7.2 He put forward the Special Resolution 3 to the Meeting for consideration.

## **8.0 PROPOSED AMENDMENT TO THE TRUST DEED**

- 8.1 The next item on the Agenda was in relation to the proposed amendment to the Trust Deed constituting the RCUIDS dated 18 November 2021.
- 8.2 The proposed amendment entails the deletion of Paragraph (d) of Clause 12.2 of the Trust Deed, with effect from the date of the Trust Deed, the details of which are set out in Section 5 of the Notice to RCUIDS Holders.
- 8.3 He put forward the Special Resolution 4 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.

## **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 Meeting. The questions received in the online query box were moderated to avoid repetition and would only be answered once, and questions that were lengthy were summarised for reasons of brevity.
- 10.2 The Emcee read out the questions submitted by RCUIDS holders *via* the TIIH online platform prior to the Meeting, followed by selected questions submitted by remote participants *via* the online query box at the Meeting. The questions raised by RCUIDS holders 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 1** 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 the conclusion of the Q&A session, the Chairman advised the RCUIDS holders 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 minutes recess for the verification of the poll results by the Scrutineers and thereafter declaration of the poll results. He then declared the Meeting adjourned.

## 12.0 ANNOUNCEMENT OF POLL RESULTS

- 12.1 The Chairman called the Meeting to order for the declaration of the voting results which has been verified by the Scrutineers.
- 12.2 Based on the poll results, annexed herewith as **Appendix 2**, 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 ENTIRE 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 RM3,000,000,000 upon the terms and conditions contained in the AAAGL SSPA.

**AND THAT** Malaysian Trustees Berhad (as trustee of the RCUIDS Holders) (“**Trustee**”) be and is hereby empowered and authorised to do all acts, deeds and things and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the RCUIDS Holders, all such documents and/or arrangements, including but not limited to a supplemental Trust Deed, as may be necessary or expedient in order to implement, finalise, give effect to the Proposed AAAGL Disposal and this Special Resolution, with full powers to assent to any waiver of any condition or breaches, modification, variation and/or amendment in any manner to give effect to the Proposed AAAGL Disposal and this Special Resolution, PROVIDED THAT the Trustee shall not be liable or held responsible to the RCUIDS Holders for any acts or omissions in order to give effect to the power and authority conferred on the Trustee in the resolutions herein, and PROVIDED THAT in so acting or omitting to act, the Trustee have not acted fraudulently, in gross negligence or in willful default, and the RCUIDS Holders shall fully indemnify and keep indemnified the Trustee and save the Trustee harmless from and against all proceedings, claims and demands to which the Trustee may thereby become liable and all costs, charges, expenses, losses and damages which may thereby be incurred or suffered by the Trustee.”

## **SPECIAL RESOLUTION 2**

**PROPOSED DISPOSAL BY THE COMPANY OF ITS ENTIRE 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 RM3,800,000,000 upon the terms and conditions contained in the AAB SSPA.

**AND THAT** the Trustee be and is hereby empowered and authorised to do all acts, deeds and things and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the RCUIDS Holders, all such documents and/or arrangements, including but not limited to a supplemental Trust Deed, as may be necessary or expedient in order to implement, finalise, give effect to the Proposed AAB Disposal and this Special Resolution, with full powers to assent to any waiver of any condition or breaches, modification, variation and/or amendment in any manner to give effect to the Proposed AAB Disposal and this Special Resolution, PROVIDED THAT the Trustee shall not be liable or held responsible to the RCUIDS Holders for any acts or omissions in order to give effect to the power and authority conferred on the Trustee in the resolutions herein, and PROVIDED THAT in so acting or omitting to act, the Trustee have not acted fraudulently, in gross negligence or in willful default, and the RCUIDS Holders shall fully indemnify and keep indemnified the Trustee and save the Trustee harmless from and against all proceedings, claims and demands to which the Trustee may thereby become liable and all costs, charges, expenses, losses and damages which may thereby be incurred or suffered by the Trustee.”

## **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 OF DIRECTORS OF THE COMPANY (“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; and
- (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;

**AND THAT** the Trustee be and is hereby empowered and authorised to do all acts, deeds and things and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the RCUIDS Holders, all such documents and/or arrangements, including but not limited to a supplemental Trust Deed, as may be necessary or expedient in order to implement, finalise, give effect to the Proposed Distribution and this Special Resolution, with full powers to assent to any waiver of any condition or breaches, modification, variation and/or amendment in any manner to give effect to the Proposed Distribution and this Special Resolution, PROVIDED THAT the Trustee shall not be liable or held responsible to the RCUIDS Holders for any acts or omissions in order to give effect to the power and authority conferred on the Trustee in the resolutions herein, and PROVIDED THAT in so acting or omitting to act, the Trustee have not acted fraudulently, in gross negligence or in willful default, and the RCUIDS Holders shall fully indemnify and keep indemnified the Trustee and save the Trustee harmless from and against all proceedings, claims and demands to which the Trustee may thereby become liable and all costs, charges, expenses, losses and damages which may thereby be incurred or suffered by the Trustee.”

**SPECIAL RESOLUTION 4  
PROPOSED AMENDMENT TO THE TRUST DEED DATED 18 NOVEMBER 2021 –  
PROPOSED DELETION OF PARAGRAPH (D) OF CLAUSE 12.2 (“PROPOSED  
AMENDMENT”)**

**THAT** approval is hereby given to the proposed deletion of paragraph (d) of Clause 12.2 from the Trust Deed dated 18 November 2021 (**“Trust Deed”**) executed between the Company and the Trustee, with effect from the date of the Trust Deed.

**AND THAT** the Trustee be and is hereby empowered and authorised to do all acts, deeds and things and to take all such steps and to execute, sign, deliver and cause to be delivered on behalf of the RCUIDS Holders, all such documents and/or arrangements, including but not limited to a supplemental Trust Deed, as may be necessary or expedient in order to implement, finalise, give effect to the Proposed Amendment and this Special Resolution, with full powers to assent to any waiver of any condition or breaches, modification, variation and/or amendment in any manner to give effect to the Proposed Amendment and this Special Resolution, PROVIDED THAT the Trustee shall not be liable or held responsible to the RCUIDS Holders for any acts or omissions in order to give effect to the power and authority conferred on the Trustee in the resolutions herein, and PROVIDED THAT in so acting or omitting



to act, the Trustee have not acted fraudulently, in gross negligence or in willful default, and the RCUIDS Holders shall fully indemnify and keep indemnified the Trustee and save the Trustee harmless from and against all proceedings, claims and demands to which the Trustee may thereby become liable and all costs, charges, expenses, losses and damages which may thereby be incurred or suffered by the Trustee.”

### **13.0 CLOSURE**

- 13.1 There being no other matters, the Chairman thanked all present for their participation in the Meeting, and declared the RCUIDS Holders Meeting of the Company closed at 1.53 p.m.

**ISSUES RAISED BY THE RCUIDS HOLDERS**

Issues raised	Reply
<p>1. Aviation business will become a history to Capital A if the EGM resolutions passed. I am more concern to non-aviation businesses now, please show your company audited FY2023 consolidated income statement, balance sheet and cashflow statement that excluded AAAGL and AAB portion. We, stakeholders, would like to know the entire non-aviation business' financial position clearly, so we can agree on these resolutions without any hesitation. Else there is no point in letting go of the golden goose.</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> <p>Tan Sri Tony highlighted that the Capital A Group operates through four key segments:</p> <ul style="list-style-type: none"> <li>(i) <b>CAPAS (Capital A Aviation Services)</b>, which is primarily driven by ADE and Santan. ADE, the Group's engineering MRO, stands as the most profitable investment within Capital A. In a relatively short timeframe, ADE has expanded to operate a 16-line hangar, with plans to add 4 more lines, reaching a total of 20. ADE's aim is to become the largest MRO provider in Asia. Meanwhile, Santan, originally an airline caterer, has successfully built a strong brand and is now diversifying by supplying its products to F&amp;B outlets and convenience stores.</li> <li>(ii) <b>Teleport</b>, the Group's logistics division, encompasses three areas of business: air cargo, e-commerce, and courier services. Leveraging AirAsia's extensive network and cost-efficient structure, Teleport aims to establish itself as a competitive player in the region.</li> </ul>

**ISSUES RAISED BY THE RCUIDS HOLDERS**

		<p>(iii) <b>Move Digital</b>, which includes AirAsia Move, serves as the Group's online travel agency and is expanding into various services within the travel ecosystem. This approach enables the airline to retain customers within its own platform, generating higher ancillary income compared to relying on external travel agencies.</p> <p>(iv) <b>Capital A International</b>, the Group's branding division, has recently secured a partnership with a luggage company to launch AirAsia-luggage. The division is also expanding its reach into the mobile and hotel segments, reflecting Capital A's commitment to leveraging its brand across diverse consumer markets.</p> <p>Each of these divisions holds significant growth potential, and a roadshow is planned to provide further insights into Capital A's strategic direction.</p>
<p>2.</p>	<p>Would the RCUIDS scheme be impacted with the airline business disposal to AAX? Any impact to the conversion, redemption and also the quarterly RCUIDS distribution.</p>	<p><b>Impact on Conversion Ratio</b></p> <p>The Proposed Distribution gives rise to an adjustment to the conversion price to the RCUIDS in accordance with the relevant provisions of the RCUIDS Trust Deed to ensure that the status of the RCUIDS holders is not prejudiced as a result of the Proposed Distribution. Please refer to Section 10.4.1 of Part A of the Circular and Section 6.1 of the Notice to RCUIDS holders for the illustrative adjustments to the RCUIDS Conversion Price and accordingly, the illustrative RCUIDS Conversion Ratio. The actual adjustments to the RCUIDS 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 RCUIDS Holders within 15 market days from the effective date of such adjustments.</p>

**ISSUES RAISED BY THE RCUIDS HOLDERS**

		<p><b>Impact on Redemption and Quarterly Payment</b></p> <p>Based on the terms and conditions of the RCUIDS Trust Deed, the computation of the redemption of the outstanding RCUIDS by our Company based on the redemption schedule and the quarterly profit payable by our Company to the RCUIDS holders will be computed based on the nominal value of the outstanding RCUIDS of RM0.75 which will remain unchanged. Hence, the computation of the redemption and quarterly profit payable by our Company to RCUIDS holders will not be affected by the Proposed Distribution.</p>
<p>3.</p>	<p>What will be happening to RCUIDS shareholders after the disposal of the aviation business from Captial A to AAX ? Will there be any dilution of shareholding towards the RCUIDS shareholders?</p>	<p>Based on the terms and conditions of the RCUIDS Trust Deed, RCUIDS holders will not be entitled to the Proposed Distribution until and unless such RCUIDS holders convert their RCUIDS into new Shares in our Company prior to the Entitlement Date for the Proposed Distribution.</p> <p>In addition, the Proposed Distribution gives rise to an adjustment to the conversion price to the RCUIDS in accordance with the relevant provisions of the RCUIDS Trust Deed to ensure that the status of the RCUIDS holders is not prejudiced as a result of the Proposed Distribution. Please refer to Section 10.4.1 of Part A of the Circular and Section 6.1 of the Notice to RCUIDS holders for the illustrative adjustments to the RCUIDS Conversion Price and accordingly, the illustrative RCUIDS Conversion Ratio. The actual adjustments to the RCUIDS 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 RCUIDS Holders within 15 market days from the effective date of such adjustments.</p> <p>Nevertheless, there will be no dilution to the holdings of RCUIDS or cancellation of any RCUIDS pursuant to the Proposals.</p>

**ISSUES RAISED BY THE RCUIDS HOLDERS**

4.	<p>After restructuring, the conversion price of RCUIDS will be adjusted from RM0.75 to RM0.26. The 8% interest per annum will be based on RM0.75 or RM0.26?</p>	<p>Based on the terms and conditions of the RCUIDS Trust Deed, the profit payable by our Company to the RCUIDS holders is fixed at the profit rate of 8% per annum and the profit payment will be computed based on the nominal value of the outstanding RCUIDS of RM0.75 which will remain unchanged. Hence, the computation of the profit payable by our Company to RCUIDS holders will not be affected due to the adjustment to RCUIDS Conversion Price.</p>
5.	<p>The Proposed Amendment will allow the Company &amp; Group to provide security over assets for fundraising purposes, without the prior written consent of the Trustee.</p> <p>If approved, how will the Trustee be able to protect the interest of RCUIDS holders from any inappropriate provision of security over the Company &amp; the Group assets?</p>	<p>The Proposed Amendment provides the Company and Group with flexibility to secure funding when needed, but the interests of RCUIDS holders will remain protected.</p> <p>The Trustee's role, as defined in the RCUIDS Trust Deed, remains unchanged. They retain the responsibility to act in the best interests of RCUIDS holders and to ensure compliance with the terms of the Trust Deed. Any security provided over the Company's or Group's assets will still be governed by these protections, and the Company is obligated to meet all regulatory and legal requirements.</p> <p>In essence, while the amendment allows for operational flexibility, the Trustee's oversight and protective mechanisms remain firmly in place to safeguard the interests of RCUIDS holders.</p>

**ISSUES RAISED BY THE RCUIDS HOLDERS**

<p>6.</p>	<p>The proposed disposals will take away the tremendous value of good aviation business from Capital A. As a RCUIDS holder, I would like the Trustee to explain, how the interests of RCUIDS holder being protected when the value of Capital A has been, by large, dissolved. What can the RCUIDS holders get out from these proposals?</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. 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>Based on the terms and conditions of the RCUIDS Trust Deed, RCUIDS holders will not be entitled to the Proposed Distribution until and unless such RCUIDS holders convert their RCUIDS into new Shares in our Company prior to the Entitlement Date for the Proposed Distribution.</p> <p>In addition, the Proposed Distribution gives rise to an adjustment to the conversion price to the RCUIDS in accordance with the relevant provisions of the RCUIDS Trust Deed to ensure that the status of the RCUIDS holders is not prejudiced as a result of the Proposed Distribution. Please refer to Section 6.1 of the Notice to RCUIDS holders for the illustrative adjustments to the RCUIDS Conversion Price and accordingly, the illustrative RCUIDS Conversion Ratio. The actual adjustments to the RCUIDS 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 RCUIDS Holders within 15 market days from the effective date of such adjustments.</p> <p>For clarity, the Proposed Distribution will not result in an adjustment to the terms of the redemption and profit payments of the RCUIDS.</p>
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**ISSUES RAISED BY THE RCUIDS HOLDERS**

<p>7.</p>	<p>Is BigPay profitable as of now? If not, how to turnaround BigPay since it is one of the segments retained by Capital A after the proposed disposals?</p>	<p>BigPay recorded a loss after taxation of RM106.9 million for the FYE 31 December 2023.</p> <p>The user base has expanded to over 2 million, and BigPay now holds licenses in Thailand, Malaysia, and Singapore.</p> <p>To enhance financial performance, BigPay is fostering greater synergy with Big Rewards, aiming to positively impact the bottom line. Additionally, BigPay is developing a B2B platform to serve e-commerce providers as an alternative to traditional payment channels like Visa and MasterCard. This initiative offers partners access to rewards and valuable data, creating a new revenue stream. Furthermore, BigPay is collaborating with banks as a digital partner, integrating its services to provide comprehensive financial solutions.</p> <p>These strategic initiatives are designed to strengthen BigPay's market position and contribute to Capital A's overall growth trajectory.</p>
<p>8.</p>	<p>Have the written consents from the relevant lenders/financiers of AAB for the proposed declaration of dividend by AAB obtained?</p>	<p>We will obtain the consents from the relevant lenders before the implementation of the proposal.</p>
<p>9.</p>	<p>After restructuring, if I still hold on to my RCUIDS, will there be any change to my amount of shares I owned and interest paid per annum when the conversion change from RM0.75 to RM0.26. Thanks.</p>	<p>This has been answered in one of the pre-meeting questions. Based on the terms and conditions of the RCUIDS Trust Deed, RCUIDS holders will not be entitled to the Proposed Distribution until and unless such RCUIDS holders convert their RCUIDS into new Shares in our Company prior to the Entitlement Date for the Proposed Distribution.</p> <p>For clarity, if RCUIDS holders do not convert their respective RCUIDS held to Capital A shares before the Entitlement Date of Proposed Distribution, the Conversion Ratio will be adjusted. Please refer to page 11 and 12 of the Notice of Holders of RCUIDS dated 20 September 2024.</p>

**ISSUES RAISED BY THE RCUIDS HOLDERS**

		<p>Based on the terms and conditions of the RCUIDS Trust Deed, the profit payable by our Company to the RCUIDS holders is fixed at the profit rate of 8% per annum and the profit payment will be computed based on the nominal value of the outstanding RCUIDS of RM0.75 which will remain unchanged. Hence, the computation of the profit payable by our Company to RCUIDS holders will not be affected due to the adjustment to RCUIDS Conversion Price.</p>
10.	<p>May I know when is the last day to convert my RCUIDS into Capital A shares, if I wish to do so?</p>	<p>After obtaining all the relevant approvals, our Company will announce the Entitlement Date for the Proposed Distribution in due course, which will include the information on the last day for RCUIDS Holders to convert their RCUIDS into Capital A Shares to be entitled to the Proposed Distribution.</p>
11.	<p>Will this exercise finally get us out of PN17?</p>	<p>Capital A is still required to submit a regularisation plan to Bursa Securities before the deadline of 31 December 2024. Nevertheless, the Proposals are major steps closer to regularise the financial conditions of the Group. The Proposals are expected to improve the financial position of our Group. Based on the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position of Capital A as at 31 December 2023 prepared by Messrs Ernst and Young PLT which illustrates the effects of the Proposals, the consolidated shareholders' deficit of RM8,762.1 billion is expected to improve to a consolidated shareholders' equity of RM649.4 million. 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>



**POLL RESULTS VERIFIED BY THE SCRUTINEERS**

Appendix 3

**CAPITAL A BERHAD - RCUIDS**  
(201701030323)

**RCUIDS Holders Meeting**

Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur,  
64000 KLIA, Selangor Darul Ehsan, Malaysia  
On 14-October-2024 at 02:00PM

**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	214,304,770	99.9828	133	93.0070	36,866	0.0172	10	6.9930	214,341,636	100.0000	143	100.0000
Special Resolution 2	214,304,770	99.9828	133	93.0070	36,866	0.0172	10	6.9930	214,341,636	100.0000	143	100.0000
Special Resolution 3	214,307,770	99.9842	133	93.0070	33,866	0.0158	10	6.9930	214,341,636	100.0000	143	100.0000
Special Resolution 4	214,300,770	99.9809	131	91.6084	40,866	0.0191	12	8.3916	214,341,636	100.0000	143	100.0000



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Special Resolution 1	343,028,359	1	6,400	1
Special Resolution 2	343,028,359	1	6,400	1
Special Resolution 3	343,028,359	1	6,400	1
Special Resolution 4	343,028,359	1	6,400	1

\* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

# These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

