

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

ANNOUNCEMENT

The Board of Directors of Capital A Berhad (“Capital A” or “the Company”) hereby announces the following unaudited consolidated results of Capital A and its subsidiaries (collectively known as “the Group”) for the period ended 30 September 2024.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/9/2024 RM'000	30/9/2023 RM'000	30/9/2024 RM'000	30/9/2023 RM'000
			Restated		Restated
Revenue:	10				
- Aviation		4,503,223	3,920,596	13,981,949	8,963,063
- Logistic		286,717	188,859	732,038	506,434
- Digital and others		142,220	121,992	322,424	442,794
		4,932,160	4,231,447	15,036,411	9,912,291
Operating expenses:					
- Staff costs		(694,923)	(603,498)	(1,970,576)	(1,505,625)
- Aircraft fuel expenses		(1,710,681)	(1,774,691)	(5,393,945)	(3,861,455)
- Maintenance and overhaul		(660,613)	(660,050)	(2,038,638)	(1,208,814)
- User charges and other related expenses		(796,317)	(616,887)	(2,207,001)	(1,406,494)
- Logistic expenses		(213,543)	(151,755)	(527,461)	(400,238)
- Technology and IT related expenses		(44,450)	(77,666)	(205,627)	(207,432)
- Other operating expenses	11(i)	(187,428)	(171,571)	(521,463)	(345,129)
Other income	11(ii)	15,612	272,658	236,053	435,057
EBITDA		639,817	447,987	2,407,753	1,412,161
Depreciation and amortisation		(42,924)	(44,140)	(134,809)	(112,673)
Depreciation on right of use asset					
- Operating aircraft		(356,281)	(323,244)	(1,063,443)	(803,801)
- Others		(7,258)	(5,200)	(32,448)	(20,464)
Finance income	12	14,654	26,792	56,177	84,940
Finance costs - lease liabilities					
- Operating aircraft		(139,697)	(166,869)	(433,234)	(406,955)
Finance costs	12	(98,452)	(116,924)	(433,312)	(249,378)
Net operating profit/(loss)		9,859	(181,598)	366,684	(96,170)
Depreciation on right of use asset					
- Non-operating aircraft		(89,885)	(115,960)	(294,077)	(300,326)
Finance costs - lease liabilities					
- Non-operating aircraft		(53,921)	(84,405)	(209,852)	(249,378)
Foreign exchange gain/(loss)	12	2,269,772	(93,917)	1,462,720	(679,727)
Fair value (loss)/gain on derivatives		(8,812)	2,317	(7,429)	(11,214)
Gain on remeasurement of previously held interest in associate	17	-	-	-	1,369,258
Share of results of associates/joint venture		2,116	(345)	(555)	(11,353)
Profit/(Loss) before taxation		2,129,129	(473,908)	1,317,491	21,090
Tax expense	13	(11,510)	(8,109)	(7,422)	(23,647)
Deferred taxation	13	(104,275)	89,354	(83,548)	93,273
Net profit/(loss) for the financial period		2,013,344	(392,663)	1,226,521	90,716
Attributable to:					
- Owners of the company		1,640,515	(102,750)	1,094,781	600,629
- Non-controlling interests		372,829	(289,913)	131,740	(509,913)
		2,013,344	(392,663)	1,226,521	90,716

The Condensed Income Statement in compliance with MFRS 134.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Net profit/(loss) for the financial period	2,013,344	(392,663)	1,226,521	90,716
Other comprehensive expense				
Remeasurement (loss)/gain on employee benefits liability, net of tax	(2,439)	65	(7,089)	5,034
Fair value reserve	25,766	45,747	(408)	84,040
Foreign currency translation differences	599,361	91,661	756,178	(1,013,192)
Total comprehensive income/(expense)	2,636,032	(255,190)	1,975,202	(833,402)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	2,249,560	63,949	1,825,667	(323,402)
Non-controlling interests	386,472	(319,139)	149,535	(510,000)
	2,636,032	(255,190)	1,975,202	(833,402)

The condensed consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	AS AT 30/9/2024 RM'000	AS AT 31/12/2023 RM'000	
NON CURRENT ASSETS			
Property, plant and equipment	14	1,511,067	1,574,711
Right of use assets	14	12,076,623	12,460,280
Investment property		63,107	67,311
Finance lease receivables	14	133,078	158,000
Investment in associates	16	436,972	435,760
Investment securities	15	182,517	189,984
Intangible assets	24	4,456,820	4,624,514
Deferred tax assets		1,279,762	1,407,161
Receivables and prepayments	17	5,220,023	4,409,803
Deposits on aircraft purchase		641,406	617,412
Derivative financial instruments	22	11,383	11,383
		26,012,758	25,956,319
CURRENT ASSETS			
Inventories		334,440	294,590
Receivables and prepayments	17	1,287,754	1,266,665
Deposits on aircraft purchase		46,345	46,345
Amounts due from associates		11,991	25,440
Amounts due from related parties		18,348	154,640
Tax recoverable		20,800	8,334
Deposits, bank and cash balances		877,322	702,818
		2,597,000	2,498,832
CURRENT LIABILITIES			
Trade and other payables	18	4,635,016	4,206,264
Aircraft maintenance provisions and liabilities	19	1,788,764	1,782,717
Sales in advance		2,026,665	2,025,298
Amounts due to associates		49,546	7,327
Amounts due to related parties		534,267	570,557
Borrowings	20	1,095,947	862,308
Current portion of long term debentures	23	190,261	190,800
Lease liabilities	21	3,467,211	5,438,692
Derivative financial instruments		7,755	467
Provision of taxation		38,650	83,641
		13,834,082	15,168,071
NET CURRENT LIABILITIES		(11,237,082)	(12,669,239)

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30/9/2024 RM'000	AS AT 31/12/2023 RM'000
NON CURRENT LIABILITIES			
Trade and other payables	18	-	66,094
Aircraft maintenance provisions and liabilities	19	4,938,421	5,410,700
Borrowings	20	4,960,517	3,580,599
Non-current portion of long term debentures	23	340,618	357,510
Lease liabilities	21	12,413,036	13,750,088
Deferred tax liabilities		514,314	547,107
Provision for retirement benefits		213,761	199,719
		23,380,667	23,911,817
		(8,604,991)	(10,624,737)
CAPITAL AND RESERVES			
Share capital		8,751,841	8,711,742
Merger deficit		(5,507,594)	(5,507,594)
Other reserves		108,551	138,642
Foreign exchange reserve		955,430	217,047
Accumulated losses		(11,200,158)	(12,321,978)
		(6,891,930)	(8,762,141)
Non-controlling interests		(1,713,061)	(1,862,596)
Total equity		(8,604,991)	(10,624,737)
Net assets per share attributable to ordinary equity holders of the Company (RM)		(1.60)	(2.06)

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company											Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Share Capital RM'000	Merger Deficit RM'000	Foreign exchange reserve RM'000	Share-based payments RM'000	RCUIDS - equity RM'000	Warrant reserve RM'000	Fair value and other reserves RM'000	Remeasurement loss on employee benefits liability RM'000	Accumulated losses RM'000	Total RM'000		
At 1 January 2024	4,254,582	8,711,742	(5,507,594)	217,047	21,678	23,161	56,185	35,654	1,964	(12,321,978)	(8,762,141)	(1,862,596)	(10,624,737)
Net loss for the financial period	-	-	-	-	-	-	-	-	-	1,094,781	1,094,781	131,740	1,226,521
Other comprehensive income	-	-	-	738,383	-	-	-	(408)	(7,089)	-	730,886	17,795	748,681
Conversion of RCUIDS/Warrant reserve	53,524	40,099	-	-	-	110	(1,026)	-	-	-	39,183	-	39,183
Share-based payment expensed	-	-	-	-	5,361	-	-	-	-	-	5,361	-	5,361
Transfer of Share-Based Payment	-	-	-	-	(27,039)	-	-	-	-	27,039	-	-	-
At 30 September 2024	4,308,106	8,751,841	(5,507,594)	955,430	-	23,271	55,159	35,246	(5,125)	(11,200,158)	(6,891,930)	(1,713,061)	(8,604,991)
At 1 January 2023	4,161,793	8,654,977	(5,507,594)	1,178,273	16,614	126,831	112,736	(45,673)	(6,488)	(10,254,769)	(5,725,093)	(3,791,865)	(9,516,958)
Net profit for the financial period	-	-	-	-	-	-	-	-	-	600,629	600,629	(509,913)	90,716
Remeasurement of previously held interest in associate	-	-	-	-	-	-	-	-	-	-	-	(128,333)	(128,333)
Conversion of debentures	-	-	-	-	-	-	-	-	-	-	-	159,250	159,250
Acquisition of a non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	(2,403,998)	(2,403,998)	2,328,274	(75,724)
Other comprehensive income	-	-	-	(1,013,105)	-	-	-	84,040	5,034	-	(924,031)	(87)	(924,118)
Issuance of new shares	52,218	23,644	-	-	-	-	-	-	-	-	23,644	-	23,644
Conversion of RCUIDS/Warrant reserve	-	-	-	-	-	(103,508)	(57,727)	-	-	-	(161,235)	-	(161,235)
Share-based payment expensed	-	-	-	-	3,678	-	-	-	-	-	3,678	-	3,678
At 30 September 2023	4,214,011	8,678,621	(5,507,594)	165,168	20,292	23,323	55,009	38,367	(1,454)	(12,058,138)	(8,586,406)	(1,942,674)	(10,529,080)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	PERIOD ENDED
	30/9/2024	30/9/2023
	RM'000	RM'000
		Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,317,491	21,090
Adjustments:		
Property, plant and equipment		
- Depreciation	133,831	111,656
- Loss on disposal	3,213	3,324
- Write off	2,875	1,221
Rights of use asset		
- Depreciation	1,389,968	1,124,591
Intangible assets		
- Amortisation	978	1,017
Provision for retirement benefit	29,265	12,317
Aircraft maintenance provisions	623,802	358,283
Impairment/(reversal of impairment) of receivables, related parties, joint ventures and investment securities	(20,635)	18,311
Fair value loss on derivative financial instruments	7,429	11,214
Share of results of associates and joint venture	555	11,353
Gain on remeasurement of previously held interest in associate	-	(1,369,258)
Net unrealised foreign exchange (gains)/losses	(1,410,577)	646,530
Share-based payments	5,361	3,678
Interest expense	474,759	249,378
Interest on lease liabilities	643,086	656,333
Interest income	(56,177)	(84,940)
	3,145,224	1,776,098
Changes in working capital		
Inventories	(54,620)	(44,310)
Receivables and prepayments	(849,964)	(202,131)
Payables and provisions	(120,787)	(283,783)
Sales in advance	90,292	43,028
Amounts due from/to associates and related parties	155,463	413,573
Cash generated from operations	2,365,608	1,702,475
Interest paid	(143,581)	(190,717)
Interest received	2,971	3,255
Tax paid, net	(57,906)	(6,790)
Retirement benefit paid	(4,415)	(3,117)
Net cash generated from operating activities	2,162,677	1,505,106

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	PERIOD ENDED
	30/9/2024	30/9/2023
	RM'000	RM'000
		Restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(298,731)	(149,683)
- Proceeds from disposal	9,654	405
Subsidiary, net of cash acquired	-	228,428
Acquisition of other investments	-	(4,620)
Deposits paid for aircraft purchase/leased engines	(106,453)	(20,834)
Net changes		
- Deposits pledged as securities and restricted cash	35,164	(11,267)
- Deposits with licensed banks with maturity period of more than 3 months	34,622	12,211
Net cash (used in)/generated from investing activities	(325,744)	54,640
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,551,768	440,983
Repayment of borrowings	(524,519)	(312,565)
Repayment of lease liabilities	(2,621,956)	(1,523,643)
Acquisition of non-controlling interests	-	(75,725)
Net cash used in financing activities	(1,594,707)	(1,470,950)
NET INCREASE FOR THE FINANCIAL PERIOD	242,226	88,796
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	522,090	336,758
CURRENCY TRANSLATION DIFFERENCES	2,064	20,655
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	766,380	446,209
Note:		
Cash and cash equivalents at the end of the financial period	766,380	446,209
Add:		
Deposits pledged as securities and restricted cash	108,696	132,099
Deposits with licensed banks with maturity period of more than 3 months	2,246	184
Deposits, cash and bank balances at the end of the financial period	877,322	578,492

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in accordance with paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements.

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

2. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the Audited Financial Statements for the financial year ended 31 December 2023. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2023 or later are provided in the notes to the financial statements in the Audited Financial Statements of the Group for the financial year ended 31 December 2023. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

For the beginning of the financial year 1 January 2024, the standards that become effective do not have any material impact on the financial statements of the Group and the Company for the year.

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group and the Company's audited financial statements for the financial year ended 31 December 2023 in their report dated 30 April 2024.

4. Seasonality of operations

The Group's air transportation business is subject to the seasonal demand for air travel.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

6. Changes in composition of the Group

A 100% owned subsidiary, Move Travel Philippines, Inc was incorporated on 2 August 2024.

7. Changes in estimates

There were no changes in estimates that have had a material effect on the results of the current quarter and financial period-to-date.

8. Issues, Repurchases and Repayment of Debt and Equity Securities

During the financial period ended 30 September 2024, the Company issued 53,523,347 new ordinary shares at a total value of RM40.1 million under the conversion of RCUIDS and Warrants.

Apart from the above, there are no issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the period ended 30 September 2024.

9. Dividends paid and proposed

No dividend has been proposed during the period ended 30 September 2024.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

10. Revenue

	Quarter ended 30/9/2024 RM million	Quarter ended 30/9/2023 RM million
<u>Aviation revenue</u>		
Passenger revenue		
- seat sales	3,645.1	3,170.8
- others	800.4	660.5
Aircraft operating lease income	7.2	47.3
	4,452.7	3,878.6
Aviation Services	78.6	50.0
Logistic	286.7	188.9
<u>Digital & Others revenue</u>		
- AirAsia MOVE	94.0	87.4
- BigPay	8.7	11.1
- Others	11.5	15.5
	4,932.2	4,231.5

11. (i) Other operating expenses

Other operating expenses mainly includes advertising and promotion, professional fees, insurance, rentals and maintenance.

(ii) Other income

Other income mainly includes commission and advertising income, forfeited revenue, insurance claims, gain on disposal of assets and management fee for provision of shared services to associates.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

12. Finance income/(costs) and foreign exchange gain/(loss)

	Quarter ended 30/9/2024	Quarter ended 30/9/2023	Period ended 30/9/2024	Period ended 30/9/2023
	RM million	RM million	RM million	RM million
(a) Finance income		Restated		Restated
Interest income from:				
- deposits with licensed banks	2.1	0.8	4.6	2.8
- from associates	-	3.2	0.8	3.6
- finance lease receivables	11.1	21.9	47.3	60.5
Discounting effect on financial instruments and others	1.5	0.9	3.5	18.1
	<u>14.7</u>	<u>26.8</u>	<u>56.2</u>	<u>84.9</u>
(b) Finance costs				
Bank borrowings	(98.7)	(49.6)	(285.3)	(118.6)
RCUIDS profit payment	(13.5)	(19.2)	(41.8)	(50.1)
Discounting effect on financial instruments, bank facilities and other charges	13.7	(48.1)	(106.2)	(80.8)
	<u>(98.5)</u>	<u>(116.9)</u>	<u>(433.3)</u>	<u>(249.4)</u>
(c) Foreign exchange gain/(loss)				
- realized	74.8	61.8	35.9	(33.2)
- unrealized	2,195.0	(155.7)	1,426.9	(646.5)
	<u>2,269.8</u>	<u>(94.0)</u>	<u>1,462.7</u>	<u>(679.7)</u>

13. Income tax and Deferred tax

Income tax expense

The current taxation charge for the period to date mainly relates to the corporate income taxes for the subsidiaries in Malaysia.

Deferred taxation

RM83,548,000 deferred taxation has been recognised for the period ended 30 September 2024.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

14. Property, plant and equipment, ROU and Finance Lease receivables

(a) acquisition and disposals

During the period ended 30 September 2024, the Group acquired property, plant and equipment with a total cost of RM298.7 million (period ended 30 September 2023: RM149.7 million). The acquisition is mainly for the expansion of hangars of ADE.

During the period ended 30 September 2024, the Group received proceeds from the disposal of property, plant and equipment of RM9.7 million (period ended 30 September 2023: RM0.04 million).

(b) revaluation

There was no revaluation of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(c) impairment

There was no impairment of property, plant and equipment and ROU assets in the quarter under review or in the same quarter of the prior year.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

15. Quoted investments and properties

There was no purchase or disposal of quoted securities or properties for the quarter under review and financial period-to-date.

16. Investments in associates

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
Cost		
Investment	609.0	607.3
Share of results and reserves	(112.9)	(112.3)
Impairment loss	(59.2)	(59.2)
	436.9	435.8

MFRS128 provides that entities discontinue recognising their share of further losses when its share of the losses equals to or exceeds its interest in the associate. As at 30 September 2024, the Group has recognised all losses in these associates.

17. Receivables and prepayments

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
<u>Non-current</u>		
Prepayments	3,816.1	3,404.6
Deposits and other receivables	1,403.9	1,005.2
	5,220.0	4,409.8
<u>Current</u>		
Trade and other receivables	591.5	945.7
Prepayments	399.2	137.0
Deposits	297.1	183.9
	1,287.8	1,266.6

Prepayments include advances for the purchase of fuel as well as prepaid engine maintenance costs to the service provider.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

18. Trade and other payables

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
<u>Non-current</u>		
Other payables	-	66.1
<u>Current</u>		
Trade payables	1,284.0	1,445.8
Other payables	916.5	914.4
Accruals for fuel	536.3	206.6
Others	1,898.2	1,639.4
	<u>4,635.0</u>	<u>4,206.2</u>

Other payables and accruals include accruals for operational expenses and passenger service charges payable to airport authorities.

19. Aircraft maintenance provision and liabilities

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
Aircraft maintenance provisions	1,410.6	2,068.4
Aircraft maintenance payables	1,838.5	2,067.0
Aircraft maintenance reserve funds	3,478.1	3,058.0
	<u>6,727.2</u>	<u>7,193.4</u>
Current	1,788.8	1,782.7
Non Current	4,938.4	5,410.7
	<u>6,727.2</u>	<u>7,193.4</u>

- (i) Aircraft maintenance provision relates to contractual obligations by the Group to maintain the aircraft during the lease period until redelivery, based on pre-agreed conditions.
- (ii) Aircraft maintenance payables relate to provision for the Group's contractual obligations, in a sales and leaseback agreement, to incur on the return of an aircraft in a pre-agreed conditions.
- (iii) Aircraft maintenance reserve relates to payments made by the lessee subscribing to the engine maintenance programme for agreed maintenance work that has yet to be carried out.

The liabilities of the aircraft provisions/payables are covered through the Group's prepaid engine maintenance cost to a service provider as disclosed in Note 17.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

20. Borrowings

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
<u>Short term</u>		
Term loans	591.8	579.2
Revolving credit	7.0	7.0
Revenue Bond	445.8	-
Other facility	51.4	276.1
	<u>1,096.0</u>	<u>862.3</u>
<u>Long term</u>		
Term loans	1,927.6	2,282.1
Revenue Bond	1,271.1	-
Other facility	1,095.8	613.4
RCUIDS	666.0	685.1
	<u>4,960.5</u>	<u>3,580.6</u>
Total	<u>6,056.5</u>	<u>4,442.9</u>

The currency profile of borrowings are as follows:

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
Ringgit Malaysia	1,444.6	1,494.1
US Dollar	3,820.0	2,056.5
Philippine Peso	51.8	77.3
Thai Baht	711.5	774.7
Indonesian Rupiah	28.6	40.3
	<u>6,056.5</u>	<u>4,442.9</u>

During the financial period ended 30 September 2024, a total of RM40.1 million RCUIDS were converted into ordinary shares. On 21 August 2024 the Group entered into the definitive agreements with aircraft lessors and private credit funds for the issuance by AARB1, of Regulation S secured notes of up to USD443.0 million, due September 2026 and August 2028 (“Revenue Bond”).

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

21. Lease liabilities

The lease liabilities amounting to RM15.9 billion includes deferred aircraft leases of approximately RM1.0 billion (after the issuance of Revenue Bond to restructure deferred lease of approximately USD 243 million) The lease liabilities are supported by ROU assets of RM12.1 billion.

The Group had completed the restructuring of a total of 161 aircraft leases up to the date of this report including the waiver of lease rentals in arrears, as well as reducing future lease rates with a corresponding longer lease term, where necessary, and return of aircraft.

22. Derivative financial instruments

(a) Early redemption option

The RCUIDS issued by the Group allows for an option of refinancing the debt at a price of 105% of the principal.

(b) Interest rate and foreign exchange forward contracts hedging

As at 30 September 2024, the Group has interest rate swaps agreements and foreign exchange forward contracts that were measured or disclosed at fair value.

23. Long-term debentures

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
Current portion of long-term debentures	190.9	191.4
Less: Front-end fee	(0.6)	(0.6)
Total current portion of long term debentures - net	<u>190.3</u>	<u>190.8</u>
Long term debentures - net of current portion	343.7	361.0
Less: Front-end fee	(3.1)	(3.5)
Total non-current portion of long term debentures - net	<u>340.6</u>	<u>357.5</u>
Total	<u>530.9</u>	<u>548.3</u>

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

24. Intangible assets

	Goodwill	Landing rights	Internally developed software	Total
	RM million	RM million	RM million	RM million
<u>Cost</u>				
At 1 January 2024	2,417.5	2,430.8	44.0	4,892.3
Disposal	-	-	(10.8)	(10.8)
Exchange differences	(56.8)	(95.5)	(4.1)	(156.4)
At 30 September 2024	<u>2,360.7</u>	<u>2,335.3</u>	<u>29.1</u>	<u>4,725.1</u>
<u>Accumulated Amortisation and Impairment</u>				
At 1 January 2024	248.7	-	19.1	267.8
Exchange differences	-	-	0.5	0.5
At 30 September 2024	<u>248.7</u>	<u>-</u>	<u>19.6</u>	<u>268.3</u>
Carrying amount as at:				
1 January 2024	<u>2,168.8</u>	<u>2,430.8</u>	<u>24.9</u>	<u>4,624.5</u>
30 September 2024	<u>2,112.0</u>	<u>2,335.3</u>	<u>9.5</u>	<u>4,456.8</u>

25. Contingent assets

As at the date of this report, the Group does not have any contingent assets.

26. Changes in contingent liabilities since the last annual balance sheet date

There were no material changes in contingent liabilities since the audited financial statements of the Group for the financial year ended 31 December 2023.

27. Capital commitments outstanding not provided for in the interim financial report

Capital commitments for property, plant and equipment:

	As at 30/9/2024 RM million	As at 31/12/2023 RM million
Approved and contracted for	<u>98,703</u>	<u>107,089</u>

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

28. Material related party transactions

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 30 September 2024 are set out below:

	Quarter ended 30/9/2024 RM million	Quarter ended 30/9/2023 RM million
1. Transaction of the Group with companies with common directors and shareholders:		
a. Purchase of cargo transportation capacity		
- AirAsia X	41.9	40.9
- Thai AirAsia X	18.6	20.2
b. Management fees		
- AirAsia X	3.2	8.3
- Thai AirAsia X	3.8	4.7
c. Commission charged		
- AirAsia X	7.1	15.4
- Thai AirAsia X	1.8	-
d. Aircraft maintenance service		
- AirAsia X	7.8	7.0
- Thai AirAsia X	0.1	0.1
d. Brand license fee		
- AirAsia X	2.2	-

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance

The segmental information for the reportable segments for the quarters ended 30 September 2024 and 30 September 2023 are as follows:

	Aviation RM'000	Teleport RM'000	Capital Aviation Services RM'000	ADE RM'000	AirAsia Move RM'000	Bigpay RM'000	Capital A International and Others RM'000	Total Segments RM'000	Elimination Adjustments RM'000	Total RM'000
QTD										
30/9/2024										
Revenue	4,530,916	286,717	105,401	184,173	128,570	8,684	57,422	5,301,883	(369,723)	4,932,160
Staff costs	(508,873)	(24,763)	(25,718)	(63,832)	(35,368)	(8,474)	(31,640)	(698,668)	3,745	(694,923)
Fuel costs	(1,705,163)	(5,518)	-	-	-	-	-	(1,710,681)	-	(1,710,681)
Maintenance and overhaul	(719,125)	(38,668)	(30)	(80,809)	(771)	-	-	(839,403)	178,790	(660,613)
User charges and other related expenses	(831,769)	(190,990)	(34,517)	(63)	(20,714)	-	(219)	(1,078,272)	68,412	(1,009,860)
Other operating expenses	(187,255)	(4,955)	(20,563)	(8,026)	(52,426)	(22,930)	(23,814)	(319,969)	88,091	(231,878)
Other income	(935)	53	1,176	(1,847)	113	940	13,473	12,973	2,639	15,612
EBITDA	577,796	21,876	25,749	29,596	19,404	(21,780)	15,222	667,863	(28,046)	639,817
Depreciation & amortisation	(388,754)	(9,685)	(606)	(11,647)	(2,056)	(2,605)	(270)	(415,623)	9,160	(406,463)
Interest expense	(245,324)	(19,022)	(39)	(17,517)	(4,005)	(6,367)	21,628	(270,646)	32,497	(238,149)
Interest income	14,204	83	-	12	281	-	22,634	37,214	(22,560)	14,654
Segment results	(42,078)	(6,748)	25,104	444	13,624	(30,752)	59,214	18,808	(8,949)	9,859
Non-operating aircraft depreciation	(89,885)	-	-	-	-	-	-	(89,885)	-	(89,885)
Non-operating aircraft interest expense	(53,921)	-	-	-	-	-	-	(53,921)	-	(53,921)
Derivative loss	(8,812)	-	-	-	-	-	-	(8,812)	-	(8,812)
Share of results of associates/joint venture	1,622	494	-	-	-	-	-	2,116	-	2,116
Foreign exchange gain/(loss)	2,370,399	504	(11,795)	(12,586)	1,699	(41,993)	(41,428)	2,264,800	4,972	2,269,772
Profit/(Loss) before taxation	2,177,325	(5,750)	13,309	(12,142)	15,323	(72,745)	17,786	2,133,106	(3,977)	2,129,129
Taxation	(103,597)	796	(2,210)	-	(4,089)	8	(365)	(109,457)	(6,328)	(115,785)
Profit/(Loss) after taxation	2,073,728	(4,954)	11,099	(12,142)	11,234	(72,737)	17,421	2,023,649	(10,305)	2,013,344

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

The segmental information for the reportable segments for the quarters ended 30 September 2024 and 30 September 2023 are as follows: (cont'd.)

	Aviation RM'000	Teleport RM'000	Capital Aviation Services RM'000	ADE RM'000	AirAsia Move RM'000	Bigpay RM'000	Capital A International and Others RM'000	Total Segments RM'000	Elimination Adjustments RM'000	Total RM'000
QTD										
30/9/2023										
Revenue	3,948,895	188,860	108,729	164,555	171,395	11,061	5,375	4,598,870	(367,423)	4,231,447
Staff costs	(459,266)	(18,968)	(15,611)	(39,809)	(35,734)	(11,485)	(19,552)	(600,425)	(3,073)	(603,498)
Fuel costs	(1,775,874)	-	-	-	-	-	-	(1,775,874)	1,183	(1,774,691)
Maintenance and overhaul	(730,989)	(10,262)	(21)	(76,157)	(633)	-	-	(818,062)	158,012	(660,050)
User charges and other related expenses	(718,429)	(151,755)	(23,787)	(51)	(39,168)	-	(277)	(933,467)	164,825	(768,642)
Other operating expenses	(143,986)	(13,826)	(32,317)	(4,861)	(84,954)	(22,455)	(16,867)	(319,266)	70,029	(249,237)
Other income	264,754	2,300	7,650	(896)	820	726	32,410	307,764	(35,106)	272,658
EBITDA	385,105	(3,651)	44,643	42,781	11,726	(22,153)	1,089	459,540	(11,553)	447,987
Depreciation & amortisation	(356,978)	(232)	(561)	(7,624)	(3,781)	(2,072)	175	(371,073)	(1,511)	(372,584)
Interest expense	(271,617)	(899)	(28)	(4,021)	(8,894)	(5,211)	(12,967)	(303,637)	19,844	(283,793)
Interest income	27,619	129	3	7	2,102	-	16,488	46,348	(19,556)	26,792
Segment results	(215,871)	(4,653)	44,057	31,143	1,153	(29,436)	4,785	(168,822)	(12,776)	(181,598)
Non-operating aircraft depreciation	(115,960)	-	-	-	-	-	-	(115,960)	-	(115,960)
Non-operating aircraft interest expense	(84,405)	-	-	-	-	-	-	(84,405)	-	(84,405)
Derivative loss	2,317	-	-	-	-	-	-	2,317	-	2,317
Share of results of associates/joint venture	(1,050)	5	-	-	-	-	-	(1,045)	700	(345)
Foreign exchange gain/(loss)	(86,994)	(1,550)	(55)	(4)	(1,282)	6,432	490	(82,963)	(10,954)	(93,917)
Profit/(Loss) before taxation	(501,963)	(6,198)	44,002	31,139	(129)	(23,004)	5,275	(450,878)	(23,030)	(473,908)
Taxation	87,706	601	(258)	(2,864)	(614)	-	92	84,663	(3,418)	81,245
Profit/(Loss) after taxation	(414,257)	(5,597)	43,744	28,275	(743)	(23,004)	5,367	(366,215)	(26,448)	(392,663)

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

Consolidated Group Performance

Driven by the revival of air travel during the period, the Group reported a revenue of RM4,932.2 million for 3Q2024, registering a growth of 17% versus the same period in 2023. The increase was mainly attributed to the recovery in demand from both domestic and international travel.

In the third quarter, 85% of the Group's revenue was attributed to the aviation segment while the logistics, digital and other businesses contributed the remaining 15% to the Group.

The Group reported a positive EBITDA of RM639.8 million in 3Q2024 as compared to an EBITDA of RM448.0 million in 3Q2023. The Group reported a net profit of RM2,013.3 million in 3Q2024 as compared to a net loss of RM392.7 million in 3Q2023 mainly due to the foreign exchange gain of RM 2,269.8 million from the appreciation of local currencies against the USD during the quarter.

About 23% of the fleet (170 operating aircraft as at end of quarter) was not in operation during the quarter. Depreciation and finance costs for non-operating aircrafts were presented below net operating profit in the consolidated income statement. The net operating profit of the Group is RM9.9 million, before accounting for depreciation and finance cost for non-operating aircraft.

Cashflow commentary for current period against corresponding period

Net Cash Flow	Period ended 30/9/2024 RM million	Period ended 30/9/2023 RM million
Cash from/(to) Operating activities	2,162.7	1,505.1
Cash from/(to) Investing activities	(325.7)	54.6
Cash from/(to) Financing activities	(1,594.7)	(1,471.0)
Net cash flow for the period	242.3	88.7

Operating Cash flow was positive due to overall improvement in the business. Cash flow from investing activities included the purchase of property, plant and equipment and deposits paid for leased aircraft and engines. Cash flow from financing activities for the current year are proceeds from borrowings and net of payment of debt and aircraft leases.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

(a) Aviation

Performance indicators

	Jul to Sep 2024	Jul to Sep 2023	Change %	YTD 2024	YTD 2023	Change %
Passengers Carried	15,855,155	14,705,446	8%	46,918,217	34,370,437	37%
Capacity	17,837,844	16,487,059	8%	52,268,726	39,007,905	34%
Seat Load Factor	89%	89%	0%	90%	88%	2%
RPK (million)	18,894	17,550	8%	55,296	40,147	38%
ASK (million)	21,491	19,973	8%	62,276	46,202	35%
Average Fare (RM)	231	216	7%	245	211	16%
Unit Passenger Revenue (RM)	283	266	6%	299	261	14%
Revenue / ASK (sen)	20.89	19.60	7%	22.49	19.35	16%
Revenue / ASK (US cents)	4.79	4.35	10%	4.89	4.27	14%
Cost / ASK (sen)	21.70	22.71	-4%	22.74	21.82	4%
Cost / ASK (US cents)	4.98	5.04	-1%	4.94	4.82	3%
Cost / ASK-ex Fuel (sen)	13.76	13.82	0%	14.08	13.46	5%
Cost / ASK-ex Fuel (US cents)	3.16	3.07	3%	3.06	2.97	3%
Aircraft (end of period)	221	211	5%	221	211	5%
Average Stage Length (km)	1,200	1,148	5%	1,187	1,306	-9%
Number of Flights	97,406	90,315	8%	286,434	213,478	34%
Fuel Consumed (Barrels)	3,599,008	3,254,421	11%	10,301,321	7,498,871	37%
Average Fuel Price (US\$ / Barrel)	109	121	-10%	114	114	0%

Note: Jul-Sep 2024 / YTD 2024 includes results of AirAsia Cambodia, YTD 2023 includes 4 months results of Thai AirAsia.

The Aviation Group reported a revenue of RM4,531.0 million for 3Q2024, up 15% compared to the same period last year, in tandem with the upsurge of domestic and international travel.

Overall, the Aviation Group reported an EBITDA of RM577.8 million compared to RM385.1 million in the same period last year. Increase in revenue, backed by higher number of passengers/average fare, was partly offset by higher maintenance and user charges.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

(b) Teleport

	Jul to Sep 2024	Jul to Sep 2023	change %
Teleport			
Tonnage (tonnes)	71,869	57,309	25%
Yield (RM/kg)	2.67	2.65	1%
No. of Delivery ('000)	15,688	7,356	113%

Teleport's revenue increased 52% year-on-year to RM286.7 million (USD 61 million) in 3Q2024, driven mainly by a 31% year-on-year increase in tonnage as well as a 113% growth year-on-year on delivery parcels moved. Over 15.7 million parcels were delivered this quarter, bringing our year-on-year total to over 47 million parcels. Teleport delivered positive EBITDA of RM21.9 million (USD 4.8 million) in the quarter. A reversal of RM14.8 million relating to Teleport's freighter wet lease was included to arrive at the EBITDA. Normalised Q3's EBITDA would have been RM7.3 million, an RM3.6 million year-on-year increase from 3Q2023's negative EBITDA of RM3.7 million.

(c) Capital Aviation Services Sdn Bhd (CAPAS)

CAPAS reported a total revenue of RM105.4 million and an EBITDA of RM25.7 million for 3Q2024. The revenue was mainly from Santan and AirAsia SEA Sdn. Bhd.

(i) Santan

Santan reported a quarterly segmental revenue of RM50.5 million, reflecting a 20% year-on-year growth. This increase was primarily driven by higher sales of inflight products, boosted by the rise in AirAsia's flight frequencies and the initiation of contracts with AirAsia Philippines and AirAsia Indonesia. The reduction in growth rate was due to internal reorganisation to transfer Duty free and Merchandise business to a related company, MOVE Duty Free, starting July 2024.

Santan recorded 4.6 million units sold in 3Q2024, slightly decreasing by 5% year-on-year. Santan also achieved a positive EBITDA of RM4.8 million.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

(d) Asia Digital Engineering (ADE)

In 3Q2024 ADE achieved a total revenue of RM184.2 million, a 12% or RM19.6 million increase compared to last year. This was due to the increasing number of hangar checks and the number of aircraft checks. The number of headcount also increased to support the increase of number hangar lines. In the meantime, the interest for year-on-year increased by RM13 million due to finance cost of tranche 2 loan and lease liabilities.

(e) AirAsia Move

	Jul to Sep 2024	Jul to Sep 2023	change %
SuperApp			
Monthly Active Users (MAU)('000)	13,090	15,425	-15%
No. of Transactions ('000)	3,423	8,304	-59%
Gross Booking Value (RMmil)	2,396	3,431	-30%

AirAsia Move reported a total revenue of RM128.6 million and an EBITDA of RM19.4 million for 3Q2024.

AirAsia MOVE continues to transition and build as a travel app. It aims to be Asean's favourite travel companion, creating an inclusive and delightful journey for all travellers. The key travel verticals include flights and hotels, with cross-sell focus on flight ancillary, airport rides and duty free.

Flights: AirAsia flights overall bookings were down by 20% year-on-year due to pricing challenges as well as impact of the Crowdstrike incident. However, other airline bookings (non-AirAsia) grew by 50% year-on-year on the back of improved user experience and content.

Hotels: On the back of improved assortment and personalisation offers, hotel bookings grew 35% year-on-year and the strong momentum is expected to continue in the following quarters.

Ride Hailing: Airport ride bookings experienced a moderate decrease of 20% year-on-year, but there has been a positive 3% improvement in completion rate, reflecting enhanced operational performance. The focus moving forward is on boosting demand and improving the airport transfer experience, with a target of reaching an 80% completion rate by Q4, paving the way for stronger outcomes and greater customer satisfaction

Rewards: Rewards gross billing grew by 6% year-on-year driven by higher points issuance and improved redemption rates. This growth was fueled by successful onboarding of more external partners, offering more avenues for our members to earn loyalty points. Moving forward, airasia Move will focus on getting more external partners to join the rewards program.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

29. Review of Group Performance (cont'd.)

(f) BigPay

	Apr to Jun 2024	Apr to Jun 2023	change %
BigPay			
Total Users (cumulative)	4,312,289	3,929,620	10%
Carded Users (cumulative)	1,549,144	1,414,013	10%

BigPay reported a total revenue of RM8.7 million and a negative EBITDA of RM21.8 million for 3Q2024.

BigPay continues its efforts to achieve EBITDA profitability, building and nudging users towards features with positive unit economics.

BigPay's year-on-year revenue dropped by 21.5% as the usage of unprofitable features declined.

Staff cost has reduced by 26% from headcount rationalisation efforts. An increase in other operating expenses includes a RM10.7 million provision for operational losses.

As a result, the 3Q2024 negative EBITDA has improved by 2%.

(g) Capital A International (CAPI) and others

CAPI reported a total revenue of RM57.4 million and an EBITDA of RM15.2 million for 3Q2024. The revenue of CAPI was driven mainly by brand licensing fees from Aviation and related parties, while the operating expenses were mainly related to staff cost and other operating expenses of CAPI, Capital A Berhad and RedBeat Academy. Included in the interest expense is a one-off unwinding finance cost of RM41 million arising from a loan assumed by Capital A Berhad from its subsidiary during the quarter.

30. Variation of results against preceding quarter

The Group recorded a positive EBITDA of RM639.8 million for the quarter under review, against the EBITDA of RM735.2 million in the preceding quarter ended 30 June 2024. The Group recorded a net profit of RM2,013.3 million for the quarter under review, against the net loss of RM542.5 million in the immediately preceding quarter mainly due to foreign exchange gain in the current quarter.

31. Profit forecast

No profit forecast has been issued.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

32. Commentary on prospects

Capital A has exceeded expectations in what is traditionally our weakest quarter, as reflected in the latest results. The Group has maintained strong travel demand throughout the third quarter, and the non-aviation businesses within Capital A companies have actively broadened their customer base and partnerships beyond the Group. These strategic moves are starting to deliver significant benefits, demonstrating an impressive performance overall.

Aviation Group Outlook

As we enter the fourth quarter of the year, which historically marks the strongest performance period, we expect high fares and load factors exceeding 85%, driven by festive seasonal demand. We anticipate recovery of 84% of our pre-covid capacity.

This fourth quarter, the Aviation Group will further expand its fleet with the introduction of four new A321neo aircraft in Malaysia and one in Thailand, increasing our total active aircraft to 205 out of 224. This expansion will substantially boost our operational capacity. Additionally, we are excited to launch 18 new routes, driving double-digit increases in capacity both domestically in Malaysia and Thailand, and on international sectors in Indonesia. This expansion is well-timed to capture the strong, sustained travel demand during peak periods in China and India, as well as the global year-end festivities, positioning us to capitalise on these market opportunities and fuel our growth trajectory.

Capital A Companies Outlook

As the disposal of the aviation business nears completion, Capital A's non-aviation businesses are actively reorganising efforts to broaden their relationships beyond AirAsia, with third-party clients. This strategic move is aimed at diversifying revenue streams and solidifying our presence across all sectors.

At **Capital A Aviation Services (CAPAS)**, the engineering arm **ADE** is expected to operationalise eight remaining hangar lines recently constructed in KLIA, following the launch of six lines in September 2024. In a strategic move to enhance its operational capabilities, ADE is transforming the existing two lines in Senai into a specialised paint hangar. This adjustment brings the total to 16 active lines by the end of the year. Concurrently, ADE has secured an additional plot of land with the capacity for 4 lines from Malaysia Airports Holdings Berhad (MAHB), with construction set to begin in the first quarter of next year. To enhance its marketplace, Aerotrade, ADE will continue to onboard more buyers and sellers, increasing its platform's diversity and reach, enabling clients access to a wider selection of high-quality, authentic parts directly from the manufacturers. The inflight catering arm, Santan, is prioritising two key objectives before the year ends: securing an inflight license to serve third-party airlines in Malaysia, and engaging local prominent brands through collaborative product development to attract an in-store customer base, leveraging mutual brand strengths to maximise market presence.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

32. Commentary on prospects (cont'd.)

Teleport expects to grow 2024 full-year revenue 50% YoY, driven by continued business acceleration in both cargo volumes and eCommerce parcels through the Teleport Network, and deliver higher operating profit through increasing returns to scale. Teleport expects 2024 to generate north of MYR1 billion in total revenues, a record milestone from its inception seven years ago. The success of 2024 so far has been delivering on four core strategies: First, growing wallet share with existing customers, by delivering greater market reach and improved service reliability from China to key markets including Asean, Oceania and the Middle East. Second, winning direct volumes from the top five eCommerce marketplaces in China by offering value-added end-to-end services, facilitating more parcel movements out of China to and through Asean and beyond. Thirdly, with the reliability of Teleport's three freighters resolved in early Q32024, building The Teleport Network by securing more belly and freighter capacity from over 40 partner airlines, especially to cater to the high peak demand to Oceania and the Middle East. Lastly, optimising end-to-end costs in areas including cargo terminals, and last-mile operations to ensure Teleport sustainably maintains its asset-light, low-cost structure operating model.

AirAsia MOVE under **Move Digital** aims to significantly extend its customer base beyond traditional AirAsia travelers and improve booking volumes, by launching high-impact regional campaigns in collaborations with AirAsia, and broadening partnerships with external airlines (Flybeyond). Additionally, the company is refining its integrated service offerings, such as linking hotel accommodations directly with flight bookings to boost awareness of the Flight and Hotel bundle savings. In the Rides segment, the aim is to increase the completion rate to 80%. Meanwhile, the Rewards business will further establish its stature in the travel and lifestyle domains, enriching its loyalty program by forging new partnerships. **BigPay's** main priority is developing and promoting features that improve unit economics, aiming to accelerate the journey to profitability, while continuing its partnership with AirAsia MOVE to boost user acquisition.

Capital A International (CAPI) through **AirAsia Brand Co. (Abc.)** will continue to amplify the AirAsia brand across Asia Pacific through a series of strategic initiatives. Key among these is a vibrant collaboration with SEGA, feature themed aircraft liveries and inflight experiences centered around iconic gaming characters like Sonic the Hedgehog and Persona 5, complete with exclusive merchandise. This is part of a broader effort to reposition AirAsia as a lifestyle brand, aimed at increasing visibility, deepening customer relationships, and driving growth across diverse demographic segments as we move towards 2025.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

32. Commentary on prospects (cont'd.)

Corporate Exercises

Our two major corporate exercises are approaching completion. The proposal to dispose of our aviation business has received shareholders' approval at the Extraordinary General Meeting (EGM) and RCUIDS holder meeting in mid-October. The Group is now in its final stages where it needs to fulfil the conditions precedents set forth in the proposal, while waiting for approval from the high court. Simultaneously, we have released the requisite announcement for the PN17 regularisation plan and will soon submit the EGM circular to Bursa Malaysia. Our goal is to complete the aviation business disposal by January 2025 and aim to exit the PN17 status by the first quarter of 2025, subject to the necessary waiver and approvals from Bursa Malaysia and other regulatory authorities.

Driven by these positive developments, the Board remains optimistic about the Company's prospects for 2024 and is committed to delivering a robust financial performance.

33. Material litigation

As at 28 November 2024, there was no material litigation against the Group.

34. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL		CUMULATIVE	
	QUARTER		Period ended 30/9/2024	Period ended 30/9/2023
	Quarter ended 30/9/2024	Quarter ended 30/9/2023		
Net (loss)/profit attributable to owners of the Company (RM'000)	1,640,515	Restated (102,750)	1,094,781	Restated 600,629
Weighted average number of ordinary shares in issue ('000)	4,306,666	4,193,222	4,274,701	4,170,975
Basic earnings per share (sen)	38.1	(2.5)	25.6	14.4

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

35. Prior period adjustment

The following error affecting the results of the prior period has been adjusted retrospectively in accordance with the requirements of MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors.

In the prior financial period, the Group had accounted for certain foreign exchange gains or losses arising from intra-group transactions in the statement of other comprehensive income, rather than in the statement of profit or loss.

The financial effects of the above mentioned prior period adjustment and the change in certain comparative amounts to conform to the current period's financial statements presentation of the Group are as follows:

Unaudited condensed consolidated statement of financial position
As at 30 September 2023

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Capital and reserve			
Foreign exchange reserve	(1,562,337)	1,727,505	165,168
Accumulated losses	(10,330,633)	(1,727,505)	(12,058,138)

Unaudited condensed consolidated income statement and statement of comprehensive income
For the period ended 30 September 2023

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Foreign exchange loss	(283,803)	(395,924)	(679,727)
Profit before tax	417,014	(395,924)	21,090
Taxation	69,626	-	69,626
Loss for the period	486,640	(395,924)	90,716
Other comprehensive loss			
Foreign currency translation reserve	(1,409,116)	395,924	(1,013,192)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(1,409,116)	395,924	(1,013,192)

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

35. Prior period adjustment (cont'd.)

For the quarter ended 30 September 2023

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Foreign exchange loss	(169,990)	76,073	(93,917)
Profit before tax	(549,981)	76,073	(473,908)
Taxation	81,245	-	81,245
Loss for the period	(468,736)	76,073	(392,663)
Other comprehensive loss			
Foreign currency translation reserve	167,734	(76,073)	91,661
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	167,734	(76,073)	91,661

Unaudited condensed consolidated cash flow statements

For the period ended 30 September 2023

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Cash flows from operating activities			
Profit before taxation	417,014	(395,924)	21,090
Adjustment for:			
Net unrealised foreign exchange loss	250,606	395,924	646,530

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

36. Status of corporate proposal announced

On 14 October 2024, the non-interested shareholders of Capital A Berhad had approved the Company to undertake the following corporate proposals:

- (a) the proposed disposal of our 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 (“**AAX Shares**”) at an issue price of RM1.30 each (“**Proposed AAAGL Disposal**”);
- (b) the proposed disposal of our Company of our 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 our Company to AAB (“**Proposed AAB Disposal**”); and
- (c) the proposed distribution of new ordinary shares in AAX (“**AAX Shares**”) to be received as consideration shares for the Proposed AAAGL Disposal of approximately RM2,200.0 million in value (“**Distribution Shares**”), to the entitled shareholders of our Company (“**Entitled Shareholders**”) based on their respective shareholdings in our Company on an entitlement date to be determined later (“**Entitlement Date**”) by way of distribution-in-specie via a reduction and repayment of our Company’s share capital pursuant to Section 116 of the Companies Act 2016 (“**Proposed Distribution**”).

The Proposed AAAGL Disposal and Proposed AAB Disposal shall collectively be referred to as “**Proposed Disposals**”.

The Proposed Disposals are intended to be undertaken by our Company to streamline our Group’s core business activities to focus on aviation services and digital businesses which are essential and complementary to the passenger airlines business. The Entitled Shareholders will be able to continue participating in the business of the enlarged aviation group comprising AAX, AAAGL, AAB and their respective subsidiaries via AAX Shares held pursuant to the Proposed Distribution.

The Proposed Disposals are also expected to result in greater clarity of investment which would facilitate business-centric valuation of the separate entities. Additionally, our Company is expected to record a gain on remeasurement of remaining interest in AAAGL and gain on disposal of AAB and is thereby expected to improve the shareholders’ equity of our Group in our effort to regularise our financial conditions.

CAPITAL A BERHAD
201701030323 (1244493-V)
THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2024

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

36. Status of corporate proposal announced (cont'd.)

The Proposed Distribution to be undertaken in conjunction with the Proposed AAAGL Disposal is intended to reward the Entitled Shareholders for their continuous support by providing them with an opportunity to invest directly in AAX, while allowing clarity of investment in two distinct entities with different business activities, namely aviation businesses and aviation services and digital businesses, as well as enable the Entitled Shareholders to potentially benefit directly from the future performance of AAX.

On 23 October 2024, RHB Investment Bank had, on behalf of the Board, announced that the Company has issued a Notice of Termination dated 22 October 2024 to GMFI on 23 October 2024 to unilaterally terminate the BCA dated 28 February 2024 entered into between the Parties for the Proposed Business Combination.

On 23 October 2024, RHB Investment Bank Berhad had, on behalf of the Board, announced that the Company is proposing to undertake the following corporate proposal to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Regularisation Plan"):

(a) proposed reduction of the issued share capital of the Company of up to RM6,000.0 million pursuant to Section 116 of the Companies Act 2016 to set-off the accumulated losses of the Group ("Proposed Capital Reduction").

37. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

CYNTHIA GLORIA LOUIS
(SSM PC NO. 201908003061) (MAICSA 7008306)
COMPANY SECRETARY
28 November 2024