

**CAPITAL A BERHAD (“CAPITAL A” OR “COMPANY”)  
MEMORANDUMS OF UNDERSTANDING BETWEEN CAPITAL A AND PT GARUDA INDONESIA  
(PERSERO) TBK AND CAPITAL A’S SUBSIDIARY, AIRASIA AVIATION GROUP LIMITED AND PT  
GARUDA INDONESIA (PERSERO) TBK’S SUBSIDIARY, PT CITILINK INDONESIA**

---

**1. INTRODUCTION**

The Board of Directors of the Company wishes to announce that the Company and its subsidiary, AirAsia Aviation Group Limited (“AAAGL”), had on 27 September 2023 entered into Memorandums of Understanding (“MOUs”) with PT Garuda Indonesia (Persero) Tbk (“Garuda”) and PT Citilink Indonesia (“Citilink”) respectively to collaborate for an extensive partnership that is expected to redefine travel and logistics within the ASEAN region.

The Company, AAAGL, Garuda and Citilink shall hereinafter be collectively referred to as the “Parties” and individually referred to as “Party”.

**2. INFORMATION OF THE MOU PARTIES**

Information on AAAGL

AAAGL is a wholly owned subsidiary of Capital A incorporated in Federal Territory of Labuan, Malaysia on 11 September 2003. Its registered office is located at Level 5(A), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia. AAAGL is principally engaged in investment holding activities and is the holding company, under Capital A, for its group of airlines and airline investments portfolio companies.

Information on Garuda

Dedicated as the national flag carrier airline of Indonesia for more than seven decades, Garuda Indonesia is committed to continuously connecting the archipelago while proudly representing the nation worldwide. With its top-notch fleets and service concept that emphasizes Indonesian hospitality, Garuda Indonesia offers a range of integrated aviation services, including the full-service segments, Garuda Indonesia, the low-cost carrier, Citilink, the maintenance, repair, and overhaul (MRO) services, GMF AeroAsia, hospitality and travel services provided by Aerowisata and GIH France, as well as IT and digitalization services through Aero System Indonesia (Asyst) and Sabre Travel Network Indonesia.

Information on Citilink

PT Citilink Indonesia has become the fastest growing airline in Indonesia since 2011 at the time when it took the first Airbus A320 aircraft and accelerated growth as part of Garuda Group’s effort to compete aggressively in the budget traveler segment. PT Citilink Indonesia is a subsidiary of Garuda Indonesia which is based on the Natakusumah Notarial Deed No. 01 dated January 6th, 2009 in Sidoarjo, East Java. Since May 2011, Citilink Indonesia’s flight operations have been managed by Garuda Indonesia’s Strategic Business Unit (SBU) which operates under Garuda’s AOC and uses the Garuda flight number.

**3. SALIENT TERMS OF THE MOU**

The MOUs are not legally binding and do not constitute agreements. The MOUs have no commercial value and are executed by the Parties in good faith. The MOUs provide for collaboration and strategic partnership travel services within the ASEAN region to passengers traveling to Indonesian cities through the combined power of the Company, Garuda and Citilink.

#### **4. RATIONALE FOR THE MOUs**

The interline MOU enables the provision to travelers with unparalleled access to a multitude of underserved third and fourth-tier cities in Indonesia. This marks the first bilateral interline agreement for AAAGL. The partnership will leverage on the depth of the domestic network of Citilink, which includes Palembang, Pontianak, Semarang, Banjarmasin, and Jambi, and the breadth of AAAGL's international routes, which stretch to Hong Kong, Taipei, Tokyo, Seoul, Ho Chi Minh City and more. Once the infrastructure interline is ready for operations by the first quarter of 2024, travelers would be able to check through baggage from origin to destination, on a single boarding pass, for seamless transfer through integrated services.

The interline partnership agreement between Capital A's cargo logistics business under Teleport Everywhere Pte Ltd ("Teleport") and Garuda's Cargo operation, will allow customers of both Garuda Cargo and Teleport to move their goods across Teleport's network of 160 destinations across Asia Pacific and Garuda's connectivity of more than 90 destinations worldwide seamlessly, under a single airway bill. Teleport will leverage Garuda's strong domestic connectivity as well as added skidded capacity they bring into high-demand sectors, such as Singapore, Shenzhen and Hong Kong bound flights. While Garuda will tap into Teleport's strong network connectivity across Southeast Asia and Greater China network with extended connectivity into key Asia Pacific cities such as Taipei, Sydney, Auckland and Delhi, among others.

#### **5. RISK FACTORS**

The execution of the MOUs is not expected to expose the Company to any new business risk as the MOUs do not create any binding contractual obligations and in the event the Company enters into the relevant definitive agreements, the Company will exercise due diligence in considering the risks and benefits associated with the proposals.

#### **6. FINANCIAL EFFECTS**

The MOUs are not expected to have any effects on the issued share capital and substantial shareholders' shareholdings of Capital A, as well as the net assets, gearing, earnings and earnings per share of the Capital A Group.

#### **7. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED WITH THEM**

None of the directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the MOU.

#### **8. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the MOUs, is of the opinion that the MOUs are in the best interest of the Company.

#### **9. APPROVALS REQUIRED**

The execution of the MOUs do not require the approval of shareholders of the Company or any relevant authority.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the MOUs will be made available for inspection at the registered office of Capital A at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia, during regular office hours from Monday to Friday (excluding public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 27 September 2023.