

**CAPITAL A BERHAD**  
**201701030323 (1244493-V)**  
**THIRD QUARTER REPORT ENDED 30 SEPTEMBER 2023**

**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 2023.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		30/9/2023 RM'000	30/9/2022 RM'000	30/9/2023 RM'000	30/9/2022 RM'000
Revenue:	<b>10</b>				
- Aviation		3,920,596	1,725,802	8,963,063	3,618,773
- Logistic		188,859	110,255	506,434	356,041
- Digital and others		121,992	124,795	442,794	263,257
		4,231,447	1,960,851	9,912,291	4,238,070
Operating expenses:					
- Staff costs		(603,498)	(333,581)	(1,505,625)	(883,674)
- Aircraft fuel expenses		(1,774,691)	(943,803)	(3,861,455)	(1,992,970)
- Maintenance and overhaul		(660,050)	(345,686)	(1,208,814)	(668,944)
- User charges and other related expenses		(616,887)	(273,301)	(1,406,494)	(535,964)
- Logistic expenses		(151,755)	(84,886)	(400,238)	(324,189)
- Technology and IT related expenses		(77,666)	(63,321)	(207,432)	(163,377)
- Other operating expenses	<b>11(i)</b>	(171,571)	132,211	(345,129)	159,973
Other income	<b>11(ii)</b>	272,658	23,768	435,057	43,357
<b>EBITDA</b>		<b>447,987</b>	<b>72,252</b>	<b>1,412,161</b>	<b>(127,719)</b>
Depreciation and amortisation		(44,140)	(40,893)	(112,673)	(104,718)
Depreciation on right of use asset	<b>12(i)</b>	(444,404)	(346,001)	(1,124,591)	(1,035,010)
Finance income	<b>13</b>	26,792	15,238	84,940	48,039
Finance costs - lease liabilities	<b>12(ii)</b>	(251,274)	(165,754)	(656,333)	(497,357)
Finance costs	<b>13</b>	(116,924)	(98,731)	(249,378)	(249,652)
<b>Net operating profit/(loss)</b>		<b>(381,963)</b>	<b>(563,889)</b>	<b>(645,874)</b>	<b>(1,966,417)</b>
Foreign exchange loss	<b>13</b>	(169,990)	(363,873)	(283,803)	(761,998)
Fair value gain on derivatives		2,317	708	(11,214)	45,021
Gain on remeasurement of previously held interest in associate	<b>17</b>	-	-	1,369,258	-
Share of results of associates/joint venture		(345)	(226,770)	(11,353)	(661,367)
<b>Profit/(loss) before taxation</b>		<b>(549,981)</b>	<b>(1,153,824)</b>	<b>417,014</b>	<b>(3,344,761)</b>
Tax expense	<b>14</b>	(8,109)	(4,239)	(23,647)	(11,361)
Deferred taxation	<b>14</b>	89,354	14,682	93,273	14,682
<b>Net profit/(loss) for the financial period</b>		<b>(468,736)</b>	<b>(1,143,381)</b>	<b>486,640</b>	<b>(3,341,440)</b>
Attributable to:					
- Owners of the company		(178,823)	(901,313)	996,553	(2,736,329)
- Non-controlling interests		(289,913)	(242,068)	(509,913)	(605,111)
		<b>(468,736)</b>	<b>(1,143,381)</b>	<b>486,640</b>	<b>(3,341,440)</b>

*The Condensed Income Statement in compliance with MFRS 134.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Period ended	Period ended
	30/9/2023 RM'000	30/9/2022 RM'000	30/9/2023 RM'000	30/9/2022 RM'000
<b>Net profit/(loss) for the financial period</b>	(468,736)	(1,143,381)	486,640	(3,341,440)
Other comprehensive expense				
Remeasurement loss on employee benefits liability, net of tax	65	63	5,034	3,893
Fair value reserve	45,747	(16,351)	84,040	(31,269)
Cash flow hedges	-	1	-	(3,861)
Foreign currency translation differences	167,734	(682,141)	(1,409,116)	(1,215,606)
<b>Total comprehensive expense</b>	<b>(255,190)</b>	<b>(1,841,809)</b>	<b>(833,402)</b>	<b>(4,588,283)</b>
Total comprehensive expense attributable to:				
Owners of the Company	63,949	(1,599,741)	(323,402)	(3,983,172)
Non-controlling interests	(319,139)	(242,068)	(510,000)	(605,111)
	<b>(255,190)</b>	<b>(1,841,809)</b>	<b>(833,402)</b>	<b>(4,588,283)</b>

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		AS AT 30/9/2023 RM'000	AS AT 31/12/2022 RM'000
	Note		
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	1,484,379	882,893
Right of use assets	15	11,952,552	10,182,126
Investment property		65,101	-
Finance lease receivables	15	-	260,820
Investment in associates	17	406,448	924,312
Investment in joint venture		-	220
Investment securities	16	205,550	114,534
Intangible assets	25	4,599,169	748,350
Deferred tax assets		1,464,162	739,238
Receivables and prepayments	18	4,270,240	3,564,648
Deposits on aircraft purchase		635,363	576,034
Derivative financial instruments	23	16,166	165,397
		25,099,130	18,158,572
<b>CURRENT ASSETS</b>			
Inventories		293,395	204,459
Receivables and prepayments	18	1,053,487	650,972
Finance lease receivables	15	-	114,975
Amounts due from associates		35,117	166,437
Amounts due from related parties		103,390	154,921
Derivative financial instruments	23	35	-
Tax recoverable		8,091	7,208
Deposits, bank and cash balances		578,492	469,985
		2,072,007	1,768,957
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	4,275,669	2,878,562
Aircraft maintenance provisions and liabilities	20	1,698,856	599,895
Sales in advance		2,000,092	1,428,011
Amounts due to associates		3,869	266,126
Amounts due to related parties		498,427	230,291
Borrowings	21	762,613	530,958
Current portion of long term debentures	24	183,200	-
Lease liabilities	22	5,149,616	4,340,844
Derivative financial instruments		644	-
Provision of taxation		26,884	3,336
		14,599,870	10,278,023
<b>NET CURRENT LIABILITIES</b>		<b>(12,527,863)</b>	<b>(8,509,066)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT 30/9/2023 RM'000	AS AT 31/12/2022 RM'000
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	19	62,082	280,801
Aircraft maintenance provisions and liabilities	20	5,168,833	5,538,224
Borrowings	21	3,007,507	2,405,756
Non-current portion of long term debentures	24	343,200	-
Lease liabilities	22	13,795,265	10,717,036
Deferred tax liabilities		531,543	154,905
Provision for retirement benefits		191,893	69,742
Derivative financial instruments		24	-
		23,100,347	19,166,464
		<b>(10,529,080)</b>	<b>(9,516,958)</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		8,678,621	8,654,977
Merger deficit		(5,507,594)	(5,507,594)
Other reserves		294,788	204,020
Foreign exchange reserve		(1,562,337)	(153,308)
Accumulated losses		(10,330,633)	(8,923,188)
		(8,427,155)	(5,725,093)
Non-controlling interests		(2,101,925)	(3,791,865)
Total equity		<b>(10,529,080)</b>	<b>(9,516,958)</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<b>(2.00)</b>	<b>(1.47)</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**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	Cash flow hedge reserve RM'000	Fair value and other reserves RM'000	Convertible debentures equity component RM'000	Remeasurement loss on employee benefits liability RM'000	Accumulated losses RM'000			Total RM'000
<b>At 1 January 2023</b>	4,161,793	8,654,977	(5,507,594)	(153,308)	16,614	126,831	112,736	-	(45,673)	-	(6,488)	(8,923,188)	(5,725,093)	(3,791,865)	(9,516,958)
Net profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	996,553	996,553	(509,913)	486,640
Gain on remeasurement of previously held interest in associate	-	-	-	-	-	-	-	-	-	159,251	-	-	159,251	(128,333)	30,917
Acquisition of a non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,403,998)	(2,403,998)	2,328,274	(75,725)
Other comprehensive income	-	-	-	(1,409,029)	-	-	-	-	84,040	-	5,034	-	(1,319,955)	(87)	(1,320,042)
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
<b>At 30 September 2023</b>	<b>4,214,011</b>	<b>8,678,621</b>	<b>(5,507,594)</b>	<b>(1,562,337)</b>	<b>20,292</b>	<b>23,323</b>	<b>55,009</b>	<b>-</b>	<b>38,367</b>	<b>159,251</b>	<b>(1,454)</b>	<b>(10,330,633)</b>	<b>(8,427,155)</b>	<b>(2,101,925)</b>	<b>(10,529,080)</b>
<b>At 1 January 2022</b>	3,898,053	8,457,172	(5,507,594)	(118,439)	5,968	154,360	112,736	(68,499)	(29,914)	-	(13,330)	(6,374,760)	(3,382,300)	(3,040,603)	(6,422,903)
Net loss for the financial year	-	-	-	-	-	-	-	-	-	-	-	(2,736,329)	(2,736,329)	(605,111)	(3,341,440)
Other comprehensive income	-	-	-	(1,215,606)	-	-	-	(3,861)	(31,269)	-	3,893	-	(1,246,843)	-	(1,246,843)
Issuance of new shares	263,740	197,805	-	-	-	-	-	-	-	-	-	-	197,805	-	197,805
Dilution of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	88,597	88,597	(84,081)	4,516
Share-based payment expensed	-	-	-	-	7,850	-	-	-	-	-	-	-	7,850	-	7,850
<b>At 30 September 2022</b>	<b>4,161,793</b>	<b>8,654,977</b>	<b>(5,507,594)</b>	<b>(1,334,045)</b>	<b>13,818</b>	<b>154,360</b>	<b>112,736</b>	<b>(72,360)</b>	<b>(61,183)</b>	<b>-</b>	<b>(9,437)</b>	<b>(9,022,492)</b>	<b>(7,071,220)</b>	<b>(3,729,795)</b>	<b>(10,801,015)</b>

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	PERIOD ENDED	PERIOD ENDED
	30/9/2023	30/9/2022
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	417,014	(3,344,761)
Adjustments:		
Property, plant and equipment		
- Depreciation	111,656	102,863
- Gain on disposal	3,324	(159)
- Write Off	1,221	1,223
Rights of Use Asset		
- Depreciation	1,124,591	1,035,010
Intangible assets		
- Amortisation	1,017	1,855
Provision for retirement benefit	12,317	14,648
Aircraft maintenance provisions	-	282,697
Impairment/(reversal of impairment) of receivables, related parties, joint ventures and investment securities	18,311	(52,599)
Reversal of impairment loss on right of use asset	-	(390,738)
Fair value loss/(gain) on derivative financial instruments	11,214	(45,021)
Share of results of associates and joint venture	11,353	661,367
Gain on remeasurement of previously held interest in associate	(1,369,258)	-
Net unrealised foreign exchange losses	250,606	729,093
Share-based payments	3,678	7,850
Interest expense	249,378	170,202
Interest on lease liabilities	656,333	497,357
Interest income	(84,940)	(48,039)
	<b>1,417,815</b>	<b>(377,152)</b>
<b>Changes in working capital</b>		
Inventories	(44,310)	(36,364)
Receivables and prepayments	(202,131)	(68,741)
Trade and other payables and provisions	74,500	(69,178)
Sales in advance	43,028	403,448
Intercompany balances	413,573	196,339
<b>Cash generated from operations</b>	<b>1,702,475</b>	<b>48,353</b>
Interest paid	(190,717)	(141,504)
Interest received	3,255	1,932
Tax paid, net	(6,790)	(4,467)
Retirement benefit paid	(3,117)	(5,848)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,505,106</b>	<b>(101,534)</b>

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	PERIOD ENDED 30/9/2023 RM'000	PERIOD ENDED 30/9/2022 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- Additions	(149,683)	(30,740)
- Proceeds from disposal	405	1,040
Subsidiary, net of cash acquired	228,428	-
Additional investment in an associate	-	(176,280)
Acquisition of other investments	(4,620)	(4,402)
Deposits paid for aircraft purchase/leased engines	(20,834)	(15,332)
<b>Net cash generated from/(used in) investing activities</b>	<b>53,696</b>	<b>(225,714)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	440,983	944,396
Repayment of borrowings and lease liabilities	(1,836,208)	(1,439,911)
Acquisition of non-controlling interests	(75,725)	-
<b>Net cash used in financing activities</b>	<b>(1,470,950)</b>	<b>(495,515)</b>
<b>NET INCREASE/(DECREASE) FOR THE FINANCIAL PERIOD</b>	<b>87,852</b>	<b>(822,763)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>469,985</b>	<b>1,256,753</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>	<b>20,655</b>	<b>(18,587)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>578,492</b>	<b>415,403</b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**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 2022. 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 2022.

**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 2022. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2022 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 2022. 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 2023, 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 2022 in their report dated 28 April 2023.

**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 except for that from the Covid-19 outbreak.



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**6. Changes in composition of the Group**

- (a) On 20 September 2023, Asia Digital Engineering Sdn Bhd (“ADE”), wholly-owned subsidiary of the Group, has entered into a Shareholders Agreement (“SHA”) with Sivilai Asia Co., Ltd (“Sivilai Asia”) for the subscription of 60% of the issued and paid-up capital of a Cambodian joint venture company incorporated under the name “ADE (Cambodia) Co., Ltd” (“ADE Cambodia”) to establish a Maintenance Repair And Overhaul (“MRO”) business in Cambodia. The SHA also records the rights and obligations of each party relating to the operation and management as well as their shareholding in ADE Cambodia.

**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 2023, the Company issued 45,619,298 new ordinary shares at a total value of RM23.6 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 2023.

**9. Dividends paid and proposed**

No dividend has been proposed during the period ended 30 September 2023.

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**10. Revenue**

	<b>Quarter ended 30/9/2023 RM million</b>	<b>Quarter ended 30/9/2022 RM million</b>
<u>Aviation revenue</u>		
Passenger revenue		
- seat sales	3,170.8	1,453.3
- others	702.5	259.5
Aircraft operating lease income	47.3	13.0
	3,920.6	1,725.8
Engineering	8.0	4.0
Logistic	188.9	110.4
<u>Digital &amp; Others revenue</u>		
- airasia Superapp	87.4	67.7
- BigPay	11.1	8.5
- Others	15.5	44.5
	4,231.5	1,960.9

**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.

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**12. (i) Depreciation on right of use asset**

	Quarter ended 30/9/2023 RM million	Quarter ended 30/9/2022 RM million
Operating aircraft	323.2	185.7
Non-operating aircraft	116.0	158.7
Others	5.2	1.6
	<u>444.4</u>	<u>346.0</u>

**(ii) Finance costs - lease liabilities**

	Quarter ended 30/9/2023 RM million	Quarter ended 30/9/2022 RM million
Operating aircraft	166.9	85.8
Non-operating aircraft	84.4	80.0
	<u>251.3</u>	<u>165.8</u>

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

	Quarter ended 30/9/2023 RM million	Quarter ended 30/9/2022 RM million	Period ended 30/9/2023 RM million	Period ended 30/9/2022 RM million
<b>(a) Finance income</b>				
Interest income from:				
- deposits with licensed banks	0.8	0.5	2.8	1.3
- from associates	3.2	-	3.6	3.0
- finance lease receivables	21.9	14.7	60.5	43.1
Discounting effect on financial instruments and others	0.9	-	18.1	0.7
	<u>26.8</u>	<u>15.2</u>	<u>84.9</u>	<u>48.1</u>
<b>(b) Finance costs</b>				
Bank borrowings	(49.6)	(24.7)	(118.6)	(80.9)
RCUIDS profit payment	(19.2)	(15.7)	(50.1)	(46.4)
Discounting effect on financial instruments, bank facilities and other charges	(48.1)	(58.4)	(80.8)	(122.4)
	<u>(116.9)</u>	<u>(98.8)</u>	<u>(249.4)</u>	<u>(249.7)</u>
<b>(c) Foreign exchange gain/(loss)</b>				
- realized	61.8	(14.7)	(33.2)	(32.9)
- unrealized	(231.8)	(349.2)	(250.6)	(729.1)
	<u>(170.0)</u>	<u>(363.9)</u>	<u>(283.8)</u>	<u>(762.0)</u>

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**14. 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**

RM93,273,000 deferred taxation has been recognised for the period ended 30 September 2023.

**15. Property, plant and equipment, ROU and Finance Lease receivables**

(a) acquisition and disposals

During the period ended 30 September 2023, the Group acquired property, plant and equipment with a total cost of RM149.7 million (period ended 30 September 2022: RM30.7 million). The acquisition is mainly for the expansion of hangars of ADE.

During the period ended 30 September 2023, the Group received proceeds from the disposal of property, plant and equipment of RM0.4 million (period ended 30 September 2022: RM1.0 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.

During the period ended 30 September 2022, there was a reversal of impairment on ROU assets previously provided of RM390.7 million.

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**16. Quoted investments and properties**

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

**17. Investments in associates**

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
<b>Cost</b>		
Investment	576.4	1,850.4
Share of results and reserves	(110.7)	(866.9)
Impairment loss	(59.2)	(59.2)
	406.5	924.3

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 2023, the Group has recognised all losses in these associates.

During the quarter, investment in associates of the Group at cost of RM759.8 million and accumulated share of losses of RM254.8 million was deemed acquired as a subsidiary of the Group.

Deemed acquisition of a subsidiary

On 31 May 2023, AAGL entered into a Master Brand Licensing Agreement (“MBLA”) with AirAsia Berhad (“AAB”) and also a Brand Sub Licensing Agreement (“SBLA”) with Thai AirAsia Co., Ltd (“TAA”) and Asia Aviation Public Company Limited (“AAV”), the parent company of TAA. Effective from 1 Jan 2023, the effective date specified in the SBLA, TAA has to comply with the branding and operation requirements and recommendations made by AAGL under the SBLA. Pursuant to this, in accordance with MFRS 10, AAV, as a parent company of TAA, is therefore, deemed as a subsidiary of AAGL for accounting consolidation purpose effective from 1 June 2023.

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**17. Investments in associates (cont'd.)**

The gain on remeasurement of previously held interest in associate immediately before obtaining control are as follows:

	<b>RM million</b>
Fair value of previously held interest	1,874.3
Less: Carrying amount of previously held interest	(505.0)
Gain on remeasurement of previously held interest	1,369.3

Details of the assets, liabilities and net cash outflow arising from the deemed acquisition of AAV are as follows:

	<b>Fair value recognised on acquisition RM million</b>	<b>Carrying amount RM million</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	549.9	549.9
Investment property	67.7	67.7
Right of use assets	3,255.2	3,255.2
Intangible assets	1,971.9	3,143.0
Investment securities	2.3	2.3
Derivative assets	0.1	0.1
Deferred tax assets	652.4	652.4
	6,499.4	7,670.5

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**17. Investments in associates (cont'd.)**

	<b>Fair value recognised on acquisition RM million</b>	<b>Carrying amount RM million</b>
<b>Current assets</b>		
Inventories	36.1	36.1
Receivables and prepayments	630.7	630.7
Amounts due from related parties	378.0	378.0
Tax recoverable	32.1	32.1
Derivative assets	0.1	0.1
Deposits, bank and cash balances	228.4	228.4
	<u>1,305.4</u>	<u>1,305.4</u>
<b>Total assets</b>	<u>7,804.9</u>	<u>8,976.0</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	435.4	435.4
Long-term debentures - net of current portion	333.3	333.3
Lease liabilities	3,521.7	3,521.7
Derivative liabilities	11.1	11.1
Provision for retirement benefits	103.3	103.3
Deferred tax liabilities	394.3	394.3
	<u>4,799.1</u>	<u>4,799.1</u>
<b>Current liabilities</b>		
Trade and other payables	1,121.1	1,121.1
Aircraft maintenance provisions and liabilities	340.4	340.4
Sales in advance	502.6	502.6
Borrowings	198.7	198.7
Current portion of long-term debentures	188.8	188.8
Short-term debentures	99.2	99.2
Derivative liabilities	0.2	0.2
Lease liabilities	779.9	779.9
	<u>3,230.9</u>	<u>3,230.9</u>
<b>Total liabilities</b>	<u>8,030.0</u>	<u>8,030.0</u>

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**17. Investments in associates (cont'd.)**

	<b>As at 31/5/2023 RM million</b>
Fair value of net identifiable liabilities	(225.1)
Less: Non-controlling interests' share of profit at 57%	128.3
Group's interest in fair value of net identifiable assets	(96.8)
Goodwill on acquisition	799.9
Deemed net assets acquired by the Group	703.1
	<b>As at 31/5/2023 RM million</b>
Cost of acquisition	-
Less: Cash and cash equivalents of subsidiary acquired	(228.4)
Net cash inflow on deemed acquisition of a subsidiary	(228.4)

\* The cost of acquisition is nil as this is a deemed acquisition of a subsidiary.

**18. Receivables and prepayments**

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
<u>Non-current</u>		
Prepayments	2,965.3	2,853.4
Deposits and other receivables	1,304.9	711.2
	4,270.2	3,564.6
<u>Current</u>		
Trade and other receivables	765.8	498.9
Prepayments	126.0	142.2
Deposits	161.7	9.8
	1,053.5	650.9

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



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**19. Trade and other payables**

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
<u>Non-current</u>		
Other payables	62.1	280.8
<u>Current</u>		
Trade payables	1,592.0	1,242.9
Other payables	875.1	410.8
Accruals for fuel	354.2	127.0
Others	1,454.4	1,097.9
	<u>4,275.7</u>	<u>2,878.6</u>

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

**20. Aircraft maintenance provision and liabilities**

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
Aircraft maintenance provisions	1,779.4	1,913.1
Aircraft maintenance payables	2,191.7	2,235.7
Aircraft maintenance reserve funds	2,896.5	1,989.3
	<u>6,867.7</u>	<u>6,138.1</u>
Current	1,698.9	599.9
Non Current	5,168.8	5,538.2
	<u>6,867.7</u>	<u>6,138.1</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 18.

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**21. Borrowings**

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
<u>Short term</u>		
Term loans	464.8	233.6
Revolving credit	16.0	31.8
Convertible loan note	281.8	265.6
	<u>762.6</u>	<u>531.0</u>
<u>Long term</u>		
Term loans	1,725.0	1,302.4
Other facility	573.9	447.8
RCUIDS	708.6	655.5
	<u>3,007.5</u>	<u>2,405.7</u>
Total	<u>3,770.1</u>	<u>2,936.7</u>

The currency profile of borrowings are as follows:

	<b>As at 30/9/2023 RM million</b>	<b>As at 31/12/2022 RM million</b>
Ringgit Malaysia	945.1	901.8
US Dollar	1,940.8	1,735.1
Philippine Peso	83.3	83.1
Thai Baht	758.4	172.8
Indonesian Rupiah	42.5	43.9
	<u>3,770.1</u>	<u>2,936.7</u>

On 28 March 2023, Asia Digital Engineering (“ADE”), a wholly owned subsidiary of the Company, secured a senior secured loan facility of USD100 million from a non-financial institution. As of 30 September 2023, USD25 million has been drawn down.

On 26 June 2023, Thai AirAsia Co., Ltd (“TAA”), a wholly owned subsidiary of Asia Aviation Public Company Limited (“AAV”), entered into a long-term loan agreement with a financial institution for a floating interest rate loan facility of THB1,000 million. As of 30 September 2023, THB562.5 million has been drawn down.

On 25 September 2023, AirAsia Berhad (“AAB”), a wholly owned subsidiary of the Company obtained a RM30 million short term loan of 3 months from a financial institution.

As of 30 September 2023, a total of RM23.6 million RCUIDS converted into ordinary shares.

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**22. Lease liabilities**

The lease liabilities amounting to RM18.9 billion includes deferred aircraft leases of approximately RM2.4 billion. The lease liabilities are supported by ROU assets of RM11.9 billion.

The Group had completed the restructuring of a total of 160 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.

**23. 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) Forward Foreign Exchange Contracts

As at 30 September 2023, Group has foreign exchange forward contracts that were measured or disclosed at fair value.

(c) Interest Rate Hedging

As at 30 September 2023, the Group has interest rate swaps agreements that were measured or disclosed at fair value.

**24. Long-term debentures**

	<b>As at 30/9/2023 RM million</b>
Current portion of long-term debentures	184.1
Less: Front-end fee	<u>(0.9)</u>
Total current portion of long term debentures - net	<u>183.2</u>
Long term debentures - net of current portion	347.1
Less: Front-end fee	<u>(3.9)</u>
Total non-current portion of long term debentures - net	<u>343.2</u>
Total	<u>526.4</u>

On 28 September 2023, Thai AirAsia Co., Ltd (“TAA”), a wholly owned subsidiary of Asia Aviation Public Company Limited (“AAV”), issued long-term debentures of THB2.7 billion.

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**25. Intangible assets**

	Goodwill	Landing rights	Internally developed software	Total
	RM million	RM million	RM million	RM million
<u>Cost</u>				
At 1 January 2023	361.3	443.9	41.5	846.7
Acquisition of a subsidiary	1,971.1	1,971.9	-	3,943.0
Exchange differences	(35.0)	(61.4)	5.3	(91.1)
At 30 September 2023	2,297.4	2,354.4	46.8	4,698.6
<u>Accumulated Amortisation and Impairment</u>				
At 1 January 2023	87.8	-	10.5	98.3
Addition	-	-	1.0	1.0
Exchange differences	-	-	0.1	0.1
At 30 September 2023	87.8	-	11.6	99.4
Carrying amount as at:				
1 January 2023	273.5	443.9	31.0	748.4
30 September 2023	2,209.6	2,354.4	35.2	4,599.2

**26. Contingent assets**

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

**27. 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 2022.

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

Capital commitments for property, plant and equipment:

	As at 30/9/2023 RM million	As at 31/12/2022 RM million
Approved and contracted for	109,613	102,609

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**29. Material related party transactions**

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 30 September 2023 are set out below:

	<b>Quarter ended 30/9/2023 RM million</b>	<b>Quarter ended 30/9/2022 RM million</b>
1. Transaction of the Group with associates of a subsidiary		
a. Purchase of cargo transportation capacity		
- Thai AirAsia	-	2.2
b. Commission charged		
- Thai AirAsia	-	19.5
c. Management fees		
- Thai AirAsia	-	0.1
2. Transaction of the Group with companies with common directors and shareholders		
a. Purchase of cargo transportation capacity		
- AirAsia X	40.9	18.7
- Thai AirAsia X	20.2	0.9
b. Management fees income		
- AirAsia X	8.3	-
- Thai AirAsia X	4.7	-
c. Wet lease payment		
- AirAsia X	-	9.6
d. Commission charged income		
- AirAsia X	15.4	-
e. Aircraft maintenance service income		
- AirAsia X	7.0	-
- Thai AirAsia X	0.1	-

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**30. Review of Group Performance**

The segmental information for the reportable segments for the quarters ended 30 September 2023 and 30 September 2022 are as follows:

	<b>Aviation</b>	<b>ADE</b>	<b>Teleport</b>	<b>SuperApp</b>	<b>BigPay</b>	<b>Santan</b>	<b>Others</b>	<b>Total</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Segments</b>	<b>adjustments</b>	<b>RM'000</b>
<b>QTD</b>										
<b>30/09/2023</b>										
Revenue	3,948,895	164,555	188,860	171,395	11,061	42,023	72,081	4,598,870	(367,423)	4,231,447
Staff costs	(459,266)	(39,809)	(18,968)	(35,734)	(11,485)	(4,099)	(31,064)	(600,425)	(3,073)	(603,498)
Fuel costs	(1,775,874)	-	-	-	-	-	-	(1,775,874)	1,183	(1,774,691)
Maintenance and overhaul	(730,989)	(76,157)	(10,262)	(633)	-	(21)	-	(818,062)	158,012	(660,050)
User charges and other related expenses	(718,429)	(51)	(151,755)	(39,168)	-	(23,780)	(284)	(933,467)	164,825	(768,642)
Other operating expenses	(143,986)	(4,861)	(13,826)	(84,954)	(22,455)	(3,761)	(45,423)	(319,266)	70,029	(249,237)
Other income	264,754	(896)	2,300	820	726	(200)	40,260	307,764	(35,106)	272,658
<b>EBITDA</b>	<b>385,105</b>	<b>42,781</b>	<b>(3,651)</b>	<b>11,726</b>	<b>(22,153)</b>	<b>10,162</b>	<b>35,570</b>	<b>459,540</b>	<b>(11,553)</b>	<b>447,987</b>
Depreciation & amortisation										(488,544)
Interest expense										(368,198)
Interest income										26,792
Derivative gain										2,317
Share of results of associates/joint venture										(345)
<b>Segment results</b>										<b>(379,991)</b>
Foreign exchange loss										(169,990)
Loss before taxation										<b>(549,981)</b>

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**30. Review of Group Performance (cont'd.)**

The segmental information for the reportable segments for the periods ended 30 September 2023 and 30 September 2022 are as follows: (cont'd.)

	Aviation RM'000	ADE RM'000	Teleport RM'000	SuperApp RM'000	BigPay RM'000	Santan RM'000	Others RM'000	Total Segments RM'000	Elimination adjustments RM'000	Total RM'000
<b>QTD</b>										
<b>30/09/2022</b>										
Revenue	1,825,557	79,610	110,384	101,749	8,513	10,981	2,757	2,139,551	(178,700)	1,960,851
Staff costs	(225,312)	(29,034)	(13,449)	(35,600)	(16,263)	(2,387)	(11,322)	(333,367)	(214)	(333,581)
Fuel costs	(943,803)	-	-	-	-	-	-	(943,803)	-	(943,803)
Maintenance and overhaul	(416,346)	(22,522)	(224)	(793)	-	-	-	(439,885)	94,199	(345,686)
User charges and other related expenses	(299,355)	-	(84,886)	(31,751)	3,281	(7,674)	(29)	(420,414)	62,227	(358,187)
Other operating expenses	143,521	(8,347)	(6,722)	(17,914)	(28,585)	(1,152)	(6,776)	74,025	(5,135)	68,890
Other income	23,400	-	34	130	93	3	12	23,672	96	23,768
<b>EBITDA</b>	107,662	19,707	5,137	15,821	(32,961)	(229)	(15,358)	99,779	(27,527)	72,252
Depreciation & amortisation										(386,894)
Interest expense										(264,485)
Interest income										15,238
Derivative gain										708
Share of results of associates/joint venture										(226,770)
<b>Segment results</b>										(789,951)
Foreign exchange loss										(363,873)
Loss before taxation										(1,153,824)

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**30. 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 RM4,231.5 million for 3Q2023. The reported revenue was more than double the revenue in the same period of 2022. The increase was mainly attributed to the strong recovery in demand from both domestic and international travel.

In the third quarter, 86% of the Group's revenue was attributed to the aviation segment while the logistics, digital and other businesses contributed the remaining 14% to the Group.

The Group reported a positive EBITDA of RM448.0 million in 3Q2023 as compared to a EBITDA of RM72.3 million in 3Q2022 following the improvement in the overall performance of the aviation segment. The Group reported a net loss of RM468.7 million in 3Q2023 as compared to a net loss of RM1,143.4 million in 3Q2022. The current quarter recorded foreign exchange loss of RM169.3 million due to the appreciation of USD against the local currencies of the Group during the quarter.

**Cashflow commentary for current quarter against corresponding quarter**

<b>Net Cash Flow</b>	<b>Period ended 30/9/2023 RM million</b>	<b>Period ended 30/9/2022 RM million</b>
Cash from/(to) Operating activities	1,505.1	(101.5)
Cash from/(to) Investing activities	53.7	(225.7)
Cash from/(to) Financing activities	(1,470.9)	(495.5)
Net cash flow for the Period	87.9	(822.8)

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, net cash from acquisition of a subsidiary and deposits paid for leased aircraft and engines. Cash flow from financing activities for the current period are net of payment of debt and aircraft leases.



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**30. Review of Group Performance (cont'd.)**

**(a) Aviation**

**Performance indicators**

	Jul to Sep 2023	Jul to Sep 2022	Change %	YTD 2023	YTD 2022	Change %
Passengers Carried	14,705,446	7,128,274	106%	34,370,437	16,435,636	109%
Capacity	16,487,059	8,286,341	99%	39,007,905	19,820,425	97%
Seat Load Factor	89%	86%	3	88%	83%	5
RPK (million)	17,550	7,323	140%	40,147	15,831	154%
ASK (million)	19,973	8,554	133%	46,202	19,222	140%
Average Fare (RM)	216	233	-7%	211	203	4%
Unit Passenger Revenue (RM)	266	274	-3%	261	241	8%
Revenue / ASK (sen)	19.60	22.80	-14%	19.35	20.57	-6%
Revenue / ASK (US cents)	4.35	5.26	-17%	4.27	4.71	-9%
Cost / ASK (sen)	22.71	29.20	-22%	21.82	30.44	-28%
Cost / ASK (US cents)	5.04	6.73	-25%	4.82	6.97	-31%
Cost / ASK-ex Fuel (sen)	13.82	18.18	-24%	13.46	20.08	-33%
Cost / ASK-ex Fuel (US cents)	3.07	4.19	-27%	2.97	4.60	-35%
Aircraft (end of period)	211	153	38%	211	153	38%
Average Stage Length (km)	1,148	1,022	12%	1,306	962	36%
Number of Flights	90,315	44,786	102%	213,478	107,462	99%
Fuel Consumed (Barrels)	3,254,421	1,437,102	126%	7,498,871	3,227,433	132%
Average Fuel Price (US\$ / Barrel)	121	151	-20%	114	141	-19%

The Aviation Group reported a revenue of RM3,948.9 million for 3Q2023, up 116% compared to the same period last year, in tandem with the upsurge of domestic and international travel. The strong rebound catapulted revenue to the pre-covid period with 89% of current capacity and a positive EBITDA margin of 10% against an EBITDA margin of 6% in 3Q2022.

Overall, the Aviation Group reported an EBITDA of RM385.1 million compared to RM107.7 million in the same period last year, backed by higher passengers carried and capacity, consistent with the higher number of operational aircraft.

**(b) Asia Digital Engineering (ADE)**

Engineering	Jul to Sep 2023	Jul to Sep 2022	change %
No. of line	7	3	4
No. of hangar check	19	12	7

ADE reported a revenue of RM164.6 million for 3Q2023, an increase of 107% compared to the same period last year. ADE demonstrated continued strong growth, as a direct reflection of increased flight activity and the subsequently heightened demand for maintenance checks across the Aviation Group and other airlines that ADE services.

- Base maintenance: 58% increase in the number of checks completed in 3Q2023 compared to the corresponding period in the previous year.

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**30. Review of Group Performance (cont'd.)**

- Line maintenance: 44% YoY increase in line maintenance services in tandem with the surge in flight frequencies.

**(c) Digital**

	<b>Jul to Sep 2023</b>	<b>Jul to Sep 2022</b>	<b>change %</b>
<b>SuperApp</b>			
Monthly Active Users (MAU)('000)	15,425	9,607	61%
No. of Transactions ('000)	8,304	5,045	65%
Gross Booking Value (RM'mil)	3,431	2,127	61%
<b>BigPay</b>			
Total Users (cumulative)	4,041,278	3,535,886	14%
Carded Users (cumulative)	1,460,797	1,262,523	16%
<b>Teleport</b>			
Tonnage (tonnes)	57,309	26,667	115%
Yield (RM/kg)	2.74	2.96	-8%
No. of Delivery ('000)	7,356	2717	171%

**(i) airasia Superapp ( “airasia Move”)**

airasia Move’s revenue for the quarter was RM171.4 million, a significant 68% increase YoY driven by the continued increase in domestic and international travel in most regions. airasia Move’s other operating expense for the quarter was RM85 million mainly due to higher marketing expense which was in line with the increase in revenue. EBITDA for the quarter was RM11.7 million, which makes it the sixth consecutive quarter in which airasia Move recorded positive EBITDA.

airasia Move’s Online Travel Agency (OTA) platform recorded an increase YoY 65% in transactions in light of the resurgence of travel demand as it continues to strengthen its position as one of Asean’s top OTAs.

In terms of Monthly Active Users (“MAU”), airasia Move achieved 15.4 million average MAU during the quarter, an increase of 61% YoY. This was primarily due to the continued increase in travel demand and increased user acquisition on the mobile app. Additionally, the number of transactions increased 65% YoY, which was driven primarily by increased transactions from Flights, airasia ride, and FlyBeyond.

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**30. Review of Group Performance (cont'd.)**

**(ii) BigPay Group**

BigPay's YoY revenue increased by 30%, driven by introduction of cross border fee and credit card top up fee. Payments revenue increased by 30% and top up revenue improved by 157% with the initiatives. Remittance business showed a stable growth of 40% and lending business grew by 124%.

Overall, improved growth from respective businesses, increased activity, spending and growth of the user base have broadly contributed to the higher revenue for BigPay. On top of that, there was a huge impact from cost reduction coming from lower staff cost.

As a result, the quarter EBITDA loss narrowed by 33% YoY.

**(iii) Teleport**

Teleport posted a quarterly revenue of RM188.9 million, a 14% growth QoQ, on the back of overall increased volume delivered across the region, up 27% in cargo tonnage and 50% in e-commerce parcels. Ecommerce segment achieved an average of 80k daily deliveries, representing 171% YoY growth due to improved key internal processes. This unlocked its operational capabilities to better serve customers and further scale its operations for further growth in the coming quarters.

This was also attributed to the growing capacity made available across Teleport's extended network with the induction of its A321F freighter aircraft, added capacity via its partner airlines such as UPS and SF Airline, combined with its extensive belly capacity on all AirAsia passenger aircraft fleets.

The company recorded negative EBITDA of RM3.7 million largely due to higher operating cost of the freighter in its fleet mix.

**(iv) Santan**

Santan posted a quarterly revenue of RM42.0 million, a 283% growth compared to the same period last year due to the launch of the inflight catering business. The surge in demand for inflight products was in line with the recovery of AirAsia flight frequencies and strong spending growth of passengers. Santan recorded 5 million units sold in 3Q2023, up by 86% YoY. Cafe and restaurant also observed an increase in revenue by 184% due to the increase of footfall and change of locations. Santan also achieved a positive EBITDA of RM10.2 million, an increase of 4532% YoY.

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**31. Variation of results against preceding quarter**

The Group recorded a positive EBITDA of RM448.0 million for the quarter under review, against the EBITDA of RM461.9 million in the preceding quarter ended 30 June 2023. The Group recorded a net loss of RM468.7 million for the quarter under review, against the net profit of RM929.4 million in the immediately preceding quarter mainly due to the gain from consolidating AAV in June 2023 of RM 1,369.3 million.

**32. Profit forecast**

No profit forecast has been issued.

**33. Commentary on prospects**

Capital A (or “the Group”) has undergone significant transformation from an Asean airline to a low-cost, high value aviation and travel services group in a strategic response to the challenges of the pandemic. We have emerged from this period stronger and more diversified, with our operations extending across five dynamic business verticals: Aviation, Aviation Services (Asia Digital Engineering, Santan, Darts, and associate company Ground Team Red), Logistics (Teleport), Digital Ventures (airasia MOVE, BigPay and airasia rides) and Capital A International, to be incorporated and listed in the United States as an Asean’s leading branding and lifestyle company.

In aviation, we have strategically revamped our airlines by focusing on cost control and maximising revenue. Our goal is to bring 187 aircraft back into service by year-end, around 80% of our pre-pandemic levels, leveraging the high travel season and the newly established visa-free travel between China and Malaysia starting December 1, 2023. As we approach the final quarter, we are poised for a revenue upswing, exceeding pre-pandemic levels. This optimistic outlook is grounded in robust travel demand during the peak season, allowing us to command peak fares and boost ancillary income, expected to surge by 50% compared to pre-COVID levels. This upturn in ancillary income is fueled by dynamic pricing initiatives and the launch of innovative products such as ZoneUp and FastPass.

On the digital front, the newly appointed CEO of airasia MOVE Nadia Omer is implementing effective cost-cutting measures, particularly in removing non-strategic lines of business. The team is now focusing on expanding its hotel inventory and enhancing conversion rates to significantly strengthen our presence in the hospitality sector. Our fintech BigPay’s strategic initiatives to reduce operating costs and improve performance are yielding positive results, reflected in the narrowing of losses this quarter. Close collaborations with AirAsia and airasia MOVE are expected to further enhance sales in the upcoming quarters, along with its 2024 plans to expand its product offerings into new regional markets such as Indonesia, Thailand, and the Philippines.

On logistics, Teleport is strengthening its position in the cargo and e-commerce logistics sectors, particularly in the APAC and Intra-Asean regions, with the addition of its second freighter this past October. This expansion is indicative of Teleport’s ability to navigate

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industry downturns and seizing growing market shares, by demonstrating operational agility and strategic foresight.

On the financial front, the aviation business has drawn down the third tranche of a loan from Bangkok Bank, with final disbursement expected by the end of this quarter. Additionally, a USD 200 million revenue bond is underway, specifically earmarked for the growth of our aviation business. In parallel, we are actively exploring financing options for both our Indonesian and Philippines operations from banks of the respective countries, including potential IPO issuance for AirAsia Philippines in the near term and further equity raising from AirAsia Indonesia. In the meantime, airasia MOVE is in the final phase of its due diligence for an investment by a private equity, and Teleport has recently secured their approved loan to enhance its working capital.

A pivotal moment in our journey this year has been the announcement of a corporate exercise between Capital A International and Aetherium, a US-based SPAC. The decision to list on a US exchange is a strategic move aimed at strengthening our financial foundations by introducing the company to the world's largest capital market and enhancing our access to international liquidity. It is also to elevate the Group's visibility and credibility on a global scale. It represents a commitment to our existing shareholders, offering them expanded growth opportunities and potential for increased shareholder value through global partnerships and strategic initiatives.

We are in the last stretch of finalising the PN17 regularisation plan, aiming for a full submission to Bursa Malaysia in the near future. This careful planning ensures that our restructuring reviews and discussions are thorough, and reflect our dedication to long-term stability and strategic adaptability. As we navigate this final quarter, our strategic initiatives across corporate, aviation, logistics, engineering, and digital ventures are aligned to propel the Group towards a future of sustainable growth, operational excellence, and financial strength. The Board anticipates a strong final quarter to conclude 2023 and remains confident that the Group will deliver its true performance in the year 2024.

**34. Material Litigation**

As at 30 November 2023, there was no material litigation against the Group.

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**35. Earnings per share**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended 30/9/2023	Quarter ended 30/9/2022	Period ended 30/9/2023	Period ended 30/9/2022
Net profit/(loss) attributable to owners of the Company (RM'000)	(178,823)	(901,313)	996,553	(2,736,329)
Weighted average number of ordinary shares in issue ('000)	4,193,222	4,049,410	4,170,975	4,039,078
Basic earnings per share (sen)	(4.3)	(22.3)	23.9	(67.7)

**36. Authorisation for issue**

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

By order of the Board

HARMINDER SINGH A/L JAILA SINGH  
(P.C Reg No: 201908001591)(LS0009855)  
COMPANY SECRETARY  
30 NOVEMBER 2023