

**CAPITAL A BERHAD (“CAPITAL A” OR “COMPANY”)
EXECUTION OF CONDITIONAL TERM SHEET WITH PT GARUDA MAINTENANCE
FACILITY AERO ASIATBK FOR THE PROPOSED INVESTMENT IN LANDING GEAR
MAINTENANCE, REPAIR AND OVERHAUL (“MRO”)**

1. INTRODUCTION

The Board of Directors of the Company wishes to announce that the Asia Digital Engineering Sdn. Bhd (“**ADE**”), a wholly-owned subsidiary of Capital A, has on 18 September 2024 entered into conditional term sheet (“**Term Sheet**”) with PT Garuda Maintenance Facility Aero Asia Tbk (“**GMF**”) on the proposed investment in relation to a landing gear MRO to be operated by an entity jointly owned by ADE and GMF (“**Proposed Transaction**”).

ADE and GMF shall hereinafter be collectively referred to as the “**Parties**” and individually referred to as “**Party**”.

2. INFORMATION ON ADE AND GMF

ADE

ADE is a wholly owned subsidiary of Capital A and was incorporated in Malaysia on 23 April 2020. ADE is principally engaged in aircraft maintenance, repair and overhaul.

GMF

GMF is a company incorporated in Indonesia on 26 April 2002 and is a subsidiary of PT GarudaIndonesia (Persero) Tbk. GMF specialises in aircraft maintenance, repair and overhaul.

3. SALIENT TERMS OF THE TERM SHEET

- 3.1 The Proposed Transaction will be subjected to a satisfactory outcome of the due diligence to be conducted by ADE, finalised investment negotiations, and other conditions being met by the Parties.
- 3.2 Subject to a definitive agreement for the Proposed Transaction being executed by the Parties, ADE shall invest in the jointly owned entity under the Proposed Transaction an amount equivalent to its forty-nine percent (49%) shareholding in cash based on a value to be agreed upon by both GMF and ADE in accordance with the agreed valuation criteria.

4. RATIONALE AND PROSPECT

The Proposed Transaction would enable ADE to support the AirAsia Group’s maintenance requirements for its own aircraft fleet, generating additional revenue whilst creating new business offerings through its joint investment with GMF. There is also a potential for future business expansion and new opportunities to cater third party customers from the APAC region.

5. RISK FACTORS

The execution of the conditional Term Sheet is not expected to expose the Company to any new business risk save for the cost of conducting the due diligence exercise.

6. FINANCIAL EFFECTS

The Term Sheet is not expected to have any effects on the issued share capital and substantialshareholders' shareholdings of Capital A, as well as the net assets, gearing, earnings and earnings per share of the Capital A Group for the financial year ending 31 December 2024.

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

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

8. DIRECTORS' STATEMENT

The Board of Directors of the Company, having considered all aspects of the Term Sheet, is of the opinion that the Term Sheet is in the best interest of the Company.

9. APPROVALS REQUIRED

The execution of the Term Sheet does not require the approval of shareholders of the Company or any relevant authority.

10. FURTHER ANNOUNCEMENT

The Company shall make subsequent announcements if GMF and ADE proceed to finalise and execute a definitive agreement for the Proposed Transaction.

11. DOCUMENTS AVAILABLE FOR INSPECTION

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

This announcement is dated 18 September 2024.