
REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)



REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm also applies Malaysia Approved Standard on Quality Management and International Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibilities is to express an opinion, as required under Chapter 10 of the Main Market Listing Requirements issued by Bursa Malaysia, about whether the pro forma consolidated statement of financial position has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with Malaysian Approved Standards on Assurance Engagements and International Standard on Assurance Engagements, ISAE 3420: *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants and International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statement of financial position on the basis of the Applicable Criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the pro forma consolidated statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statement of financial position.

The purpose of the pro forma consolidated statement of financial position included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)



REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Our responsibilities (contd.)

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma consolidated statement of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statement of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regards to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statement of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria as set out in Note 1 and Note 2 of Attachment A.

Emphasis of matter

We draw attention to Note (e) to Proforma 1 and Notes (a) and (b) to Pro Forma 2 in Attachment A.

Proposed Internal Reorganisation

Note (e) to Proforma 1 describes that, as part of the Proposed Internal Reorganisation, AAB would distribute a total dividend of RM3,468,557,013 to CAB. Such dividend distribution is subject to Lenders' consent which has not been obtained as at the date of this report. For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, it is assumed that AAB obtained consent from its lenders to distribute dividend of RM3,468,557,013 to CAB. However, in the actual event consent is not provided by the lenders, the dividend cannot be paid and the amount owing by CAB to AAB will increase by RM3,468,557,013 upon the completion of Proposed Disposal of AAB to AAX. Consequentially, the shareholders' funds of CAB would be reduced by RM3,468,557,013.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)



REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Emphasis of matter (contd.)**Proposed Disposal of AirAsia Aviation Group Limited**

Note (a) to Pro Forma 2 describes that purchase consideration for the Proposed AirAsia Aviation Group Limited Disposal ("Proposed Disposal of AAAGL") will be settled via the issuance of 2,307,692,307 new shares by AirAsia X Berhad ("AAX"). At the point of the signing of the original conditional share sale and purchase agreement ("SSPA"), AAX Shares have been assigned a price of RM1.30 per share (based on 5-day volume weighted average price ("VWAP") of AAX Share price up to and including the latest practical date ("LPD") on 15 April 2024) giving a total purchase consideration of RM3,000,000,000. Subsequently on 26 July 2024, CAB, AAG and AAX signed a conditional supplemental share sale and purchase agreement ("SSSPA") whereby AAG novates the acquisition of AAAGL to AAX. All terms and conditions stated in the original SSPA dated 25 April 2024 between CAB and AAG remain consistent with the SSSPA except for the removal of the AAX's internal restructuring in its entirety in relation to the share exchange between AAX and AAG.

For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, the purchase consideration was illustrated at RM3,046,153,845 based on the issue price of AAX Shares of RM1.32 per share, which was determined based on the 5-day VWAP of AAX Share price up to and including the LPD on 30 August 2024 as a proxy. However, in the event the market price of AAX Shares falls below RM1.32 per share on the completion date of the Proposed Disposal of AAAGL, the fair value of the purchase consideration for the Proposed Disposal of AAAGL will fall below RM3,046,153,845. Similarly, should the market price of AAX Shares increased above RM1.32 per share on the completion date of the Proposed Disposal of AAAGL, the fair value of the purchase consideration for the Proposed Disposal of AAAGL will be higher than RM3,046,153,845.

As such, the actual gain or loss on the Proposed Disposal of AAAGL will depend on the market price of AAX Shares at date of completion of the Proposed Disposal of AAAGL and may be materially different from what is envisaged in the Pro Forma Consolidated Statement of Financial Position.

Note (b) to Pro Forma 2 further describes that the Proposed Distribution of AAX Shares to the entitled shareholders of the Company will entail a distribution of fixed number of 1,692,307,692 AAX Shares. At the point of the signing of the original SSPA, AAX Shares have been assigned a price of RM1.30 per share (based on 5-day VWAP of AAX Share price up to and including the LPD on 15 April 2024) resulting in a total distribution to shareholders of the Company of approximately RM2,200,000,000. Subsequently on 26 July 2024, CAB, AAG and AAX signed a conditional SSSPA whereby AAG novates the acquisition of AAAGL to AAX. All terms and conditions stated in the original SSPA dated 25 April 2024 between CAB and AAG remain consistent with the SSSPA except for the removal of the AAX's internal restructuring in its entirety in relation to the share exchange between AAX and AAG.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)



REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Emphasis of matter (contd.)**Proposed Disposal of AirAsia Aviation Group Limited (contd.)**

For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, the Proposed Distribution is calculated based on RM1.32 per share, using the 5-day VWAP of AAX Share price up to and including the LPD on 30 August 2024 as a proxy. Accordingly, the Proposed Distribution is illustrated at RM2,233,846,153. Any increase or decrease in market share price of AAX Shares above or below RM1.32 per share will affect the amount of the Proposed Distribution to the entitled shareholders of the Company on the entitlement date.

Therefore, the actual amount to be distributed pursuant to the Proposed Distribution will depend on the market price of AAX Shares on entitlement date and may be materially different from what is envisaged in the Pro Forma Consolidated Statement of Financial Position.

Due to the significance of these matters, it is in our judgment that these matters are of such importance that it is fundamental to users' understanding of the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023. Our opinion is not modified in respect of this matter.

Other matters

This report is issued for the sole purpose of complying with Chapter 10 of the Main Market Listing Requirements issued by Bursa Malaysia in connection with the Proposed Transactions. Our work had been carried out in accordance with Malaysia Approved Standards on Assurance Engagements, International Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposed Transactions as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the Proposed Transactions.

Yours faithfully,

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Low Khung Leong
02697/01/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
19 September 2024

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Capital A Berhad

Notes to the pro forma consolidated statement of financial position as at 31 December 2023

1. Introduction

The pro forma consolidated statement of financial position as at 31 December 2023 of Capital A Berhad (the "Company" or "CAB") and its subsidiaries (collectively known as the "Group"), for which the Directors are solely responsible, has been prepared for illustration purposes only in accordance with Chapter 10 of the Main Market Listing Requirements issued by Bursa Malaysia for inclusion in the Circular to shareholders of CAB. The pro forma consolidated statement of financial position has considered the effects of the following matters/transactions:

a) Proposed Internal Reorganisation

The Proposed Internal Reorganisation encompasses the following:

- (i) Proposed assignment of debts totaling RM1,730,000,000 between AAB, AAAGL, AAI, IAA and CAB. Arising from the assignment of debts, the following effects are illustrated:
 - a) Assignment of the amount due to AAB by AAI and IAA of RM1,730,000,000 to AAAGL;
 - b) Assignment of the debts due from AAAGL arising from (a) above of RM1,730,000,000 to CAB;
 - c) Waiver by CAB of the amount due from AAAGL of RM2,378,000,000. Resulting from this, AAAGL will recognise the waiver by CAB as capital contribution; and
 - d) Declaration of dividend of RM2,378,000,000 by AAB from its 2023 profits. Pursuant to the loan agreements entered into between AAB and its lenders, AAB shall not declare, make or pay any dividend if there are still outstanding amounts owing by AAB to the lenders. AAB intends to obtain consent from its lenders to distribute these dividends. As at the date of this Pro Forma Consolidated Statement of Financial Position, AAB has not obtained the required consent from its lenders. For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, it is assumed that AAB obtained the consent from its lenders to distribute dividend of RM2,378,000,000 to CAB. However, in the actual event consent is not provided by the lenders, the dividend cannot be paid and an amount owing by CAB to AAB will increase by RM2,378,000,000 upon the completion of Proposed Disposal of AAB to AAX. Consequentially, the shareholders' funds of CAB would be reduced by RM2,378,000,000.
- (ii) Proposed acquisition of 57,072,850 shares in AirAsia X Berhad ("AAX") by CAB from AAB based on the fair value of AAX Shares ("Proposed Acquisition of AAX Shares by CAB");

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A**1. Introduction (contd.)****a) Proposed Internal Reorganisation (cont'd.)**

The Proposed Internal Reorganisation encompasses the following (cont'd.):

- (iii) Acquisition of 100% equity interest in AA Com Travel Philippines Inc ("AA COM Philippines") by AAAGL for a cash consideration of RM872,000 (equivalent to approximately Peso 10.5 million) from CAB which was completed on 27 March 2024; and
- (iv) Proposed novation of investment in perpetual capital securities from AAB to AAAGL for a consideration of RM1,090,577,013. Arising from the novation, the following effects are illustrated:
 - a) Assignment of the amount due from AAAGL arising from the novation of the investment in perpetual capital securities of RM1,090,577,013 to CAB;
 - b) Waiver by CAB of the amount due from AAAGL of RM1,090,577,013. Resulting from this, AAAGL will recognise the waiver by CAB as capital contribution;
 - c) Declaration of dividend of RM1,090,577,013 by AAB from its 2023 profits. Pursuant to the loan agreements entered into between AAB and its lenders, AAB shall not declare, make or pay any dividend if there are still outstanding amounts owing by AAB to the lenders. AAB intends to obtain consent from its lenders to distribute these dividends. As at the date of this Pro Forma Consolidated Statement of Financial Position, AAB has not obtained the required consent from its lenders. For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, it is assumed that AAB obtained the consent from its lenders to distribute dividend of RM1,090,577,013 to CAB. However, in the actual event consent is not provided by the lenders, the dividend cannot be paid and an amount owing by CAB to AAB will increase by RM1,090,577,013 upon the completion of Proposed Disposal of AAB to AAX. Consequentially, the shareholders' funds of CAB would be reduced by RM1,090,577,013.

b) Proposed Disposal of AAAGL

The Proposed Disposal of 100% equity interest in AAAGL and its subsidiaries ("AAAGL group") to AirAsia X Berhad ("AAX") to be satisfied by issuance of 2,307,692,307 new shares ("Consideration Shares") in AAX ("Proposed Disposal of AAAGL").

c) Proposed Distribution

CAB proposes a capital distribution of its share capital via the distribution of 1,692,307,692 Consideration Shares in AAX to the shareholders of CAB on an entitlement date to be determined later.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A**1. Introduction (contd.)****d) Proposed Disposal of AAB**

The Proposed Disposal of 100% equity interest in AAB and its subsidiaries ("AAB group") to AAX for a cash consideration of RM3,800,000,000.

The Proposed Disposal of AAAGL, Proposed Distribution and Proposed Disposal of AAB are collectively known as the "Proposed Transactions".

2. Basis of preparation

The pro forma consolidated statement of financial position as at 31 December 2023 have been compiled based on the audited financial statements of the Group for the financial year ended 31 December 2023 and in a manner consistent with the format of the financial statements and the accounting policies adopted by the Group. The audited financial statements of the Group for the financial year ended 31 December 2023 were prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The pro forma consolidated statement of financial position as at 31 December 2023 have been prepared for illustrative purposes to show the effects of the Proposed Transactions as described above, with the assumption that these transactions were completed on 31 December 2023. The pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been attained had the Proposed Transactions actually occurred on that date. Accordingly, such information, because of its nature, may not be reflective of the actual financial position of the Group and does not purport to predict the future financial position of the Group.

The pro forma consolidated statement of financial position as at 31 December 2023 is presented in RM and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The pro forma consolidated statement of financial position as at 31 December 2023 of CAB were adopted and approved by the Board of Directors on 19 September 2024.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Pro forma consolidated statement of financial position

	Audited as at 31.12.2023 RM'000	Adjustment for Proposed Internal Reorganisation RM'000	Pro Forma 1 RM'000	Adjustment for Proposed Disposal of AAAGL RM'000	Adjustment for Proposed Distribution RM'000	Pro Forma 2 RM'000	Adjustment for Proposed Disposal of AAB RM'000	Pro Forma 3 RM'000
Non-current assets								
Property, plant and equipment	1,574,711	-	1,574,711	(819,066)	-	755,645	(263,044)	492,601
Right of use assets	12,460,280	-	12,460,280	(5,398,005)	-	7,062,275	(6,768,547)	293,728
Finance lease receivables	158,000	-	158,000	-	-	158,000	(158,000)	-
Investment in associates	435,760	-	435,760	-	-	435,760	(435,760)	-
Investment securities	189,984	(31,390)	158,594	3,040,384	(2,233,846)	965,132	(132)	965,000
Intangible assets	4,624,514	-	4,624,514	(4,371,862)	-	252,652	-	252,652
Deferred tax assets	1,407,161	-	1,407,161	(268,225)	-	1,138,936	(1,134,167)	4,769
Receivables and prepayments	4,409,803	-	4,409,803	(611,065)	-	3,798,738	(3,798,738)	-
Investment property	67,311	-	67,311	(67,311)	-	-	-	-
Deposits on aircraft purchase	617,412	-	617,412	-	-	617,412	(617,412)	-
Derivative financial instruments	11,383	-	11,383	-	-	11,383	-	11,383
	<u>25,956,819</u>	<u>(31,390)</u>	<u>25,924,929</u>	<u>(8,495,150)</u>	<u>(2,233,846)</u>	<u>15,195,933</u>	<u>(13,175,800)</u>	<u>2,020,133</u>
Current assets								
Inventories	294,590	-	294,590	(137,473)	-	157,117	(18,757)	138,360
Receivables and prepayments	1,266,665	-	1,266,665	3,436,452	-	4,703,117	(4,504,328)	198,789
Finance lease receivables	-	-	-	-	-	-	-	-
Amounts due from associates	25,440	-	25,440	(1,638)	-	23,802	(1,135)	22,667
Amounts due from related parties	130,129	-	130,129	(1)	-	130,128	(7,584)	122,544
Amounts due from AAAGL Group	24,511	-	24,511	576,602	-	601,113	(370,045)	231,068
Deposits, bank and cash balances	702,818	-	702,818	(213,278)	-	489,540	(176,250)	313,290
Tax recoverable	8,334	-	8,334	35,389	-	43,723	(8,255)	35,468
	<u>2,498,882</u>	<u>-</u>	<u>2,498,882</u>	<u>3,696,053</u>	<u>-</u>	<u>6,194,853</u>	<u>(5,132,699)</u>	<u>1,062,154</u>
Less: Current liabilities								
Trade and other payables	4,206,264	-	4,206,264	(1,650,728)	-	2,555,536	(1,685,410)	870,126
Current portion of long term debentures	190,800	-	190,800	(190,800)	-	-	-	-
Aircraft maintenance provisions and liabilities	1,782,717	-	1,782,717	(402,436)	-	1,380,281	(1,380,281)	-
Sales in advance	2,025,298	-	2,025,298	(1,205,688)	-	819,610	(809,091)	10,519
Amounts due to associates	7,327	-	7,327	(5,762)	-	1,565	(1,565)	-
Amounts due to related parties	147,907	-	147,907	(56,839)	-	91,068	(91,068)	-
Amounts due to AAAGL Group	422,650	-	422,650	(75,970)	-	346,680	(346,680)	-
Borrowings	862,308	-	862,308	(430,101)	-	432,207	(147,024)	285,183
Lease liabilities	5,438,692	-	5,438,692	(1,285,766)	-	3,849,006	(3,842,987)	6,019
Provision of taxation	83,641	-	83,641	(83,641)	-	-	-	-
Derivative financial instruments	467	-	467	(467)	-	-	-	-
	<u>15,168,071</u>	<u>-</u>	<u>15,168,071</u>	<u>(5,891,218)</u>	<u>-</u>	<u>9,276,853</u>	<u>(8,304,106)</u>	<u>972,747</u>
Net current (liabilities)/assets	<u>(12,669,289)</u>	<u>-</u>	<u>(12,669,289)</u>	<u>9,587,271</u>	<u>-</u>	<u>(3,081,968)</u>	<u>3,171,407</u>	<u>89,439</u>
Non-current liabilities								
Trade and other payables	66,094	-	66,094	(21,372)	-	44,722	(38,761)	5,961
Non-current portion of long term debentures	357,510	-	357,510	(357,510)	-	-	-	-
Aircraft maintenance provisions and liabilities	5,410,700	-	5,410,700	(230,154)	-	5,180,546	(5,180,546)	-
Deferred tax liabilities	547,107	-	547,107	(110,346)	-	436,761	(400,082)	36,679
Borrowings	3,580,599	-	3,580,599	(400,007)	-	3,080,592	(2,082,798)	1,057,794
Lease liabilities	13,750,088	-	13,750,088	(3,336,698)	-	10,413,390	(10,027,140)	384,250
Provision for retirement benefits	199,719	-	199,719	(199,534)	-	185	-	185
	<u>23,911,817</u>	<u>-</u>	<u>23,911,817</u>	<u>(4,747,621)</u>	<u>-</u>	<u>19,164,196</u>	<u>(17,679,327)</u>	<u>1,484,869</u>
	<u>(10,624,737)</u>	<u>(31,390)</u>	<u>(10,656,127)</u>	<u>5,839,742</u>	<u>(2,233,846)</u>	<u>(7,050,231)</u>	<u>7,674,934</u>	<u>624,703</u>
Capital and reserves								
Share capital	8,711,742	-	8,711,742	-	(2,233,846)	6,477,896	-	6,477,896
Merger deficit	(5,507,594)	-	(5,507,594)	-	-	(5,507,594)	5,507,594	-
Other reserves	138,642	(31,390)	107,252	107,252	-	128,334	(18,258)	110,076
Foreign exchange reserve	217,047	-	217,047	(58,893)	-	158,154	(223,091)	(59,877)
(Accumulated losses)/Retained earnings	(12,321,978)	-	(12,321,978)	4,034,233	-	(8,287,745)	2,408,689	(5,878,656)
Total shareholders' (deficit)/funds	(8,762,141)	(31,390)	(8,793,531)	4,001,842	(2,233,846)	(7,025,535)	7,674,934	649,359
Non-controlling interests	(1,862,586)	-	(1,862,586)	1,837,900	-	(24,686)	-	(24,686)
Total equity	<u>(10,624,727)</u>	<u>(31,390)</u>	<u>(10,656,117)</u>	<u>5,839,742</u>	<u>(2,233,846)</u>	<u>(7,050,231)</u>	<u>7,674,934</u>	<u>624,703</u>

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Effects on the pro forma consolidated statement of financial position (contd.)**Pro Forma 1:**

The Pro Forma 1 incorporates the effects of the Proposed Internal Reorganisation.

As part of the Proposed Internal Reorganisation, CAB intends to acquire 57,072,850 shares in AAX from AAB. For illustrative purposes, the acquisition of AAX Shares by CAB is presented at the market price of AAX Shares as of 31 December 2023, amounting to RM106,726,230.

Subsequent to the Proposed Acquisition of AAX Shares, a fair value loss of RM31,390,068 is recognised in the statement of other comprehensive income. This is to align the value of AAX Shares to the same value ascribed to AAX Shares pursuant to the Proposed Disposal of AAAGL at RM1.32 per share, determined using the 5-day volume weighted average price (VWAP) of AAX Shares up to and including the latest practicable date (LPD) on 30 August 2024.

For illustrative purposes, the pro forma consolidated statement of financial positions of AAAGL group and AAB group have incorporated the following effects from the Proposed Internal Reorganisation:

- a) Assignment of amount due to AAB by AAI and IAA of RM1,730,000,000 to AAAGL;
- b) Novation of perpetual capital securities from AAB to AAAGL for a consideration of RM1,090,577,013;
- c) Assignment of the debts due from AAAGL arising from (a) and (b) above of RM2,820,577,013 to CAB;
- d) Waiver by CAB of the amount due from AAAGL RM3,468,577,013. Resulting from this, AAAGL will recognise the waiver by CAB as capital contribution; and
- e) Declaration of dividend of RM3,468,577,013 by AAB from its 2023 profits. Pursuant to the loan agreements entered into between AAB and its lenders, AAB shall not declare, make or pay any dividend if there are still outstanding amounts owing by AAB to the lenders. AAB intends to obtain consent from its lenders to distribute these dividends. As at the date of this Pro Forma Consolidated Statement of Financial Position, AAB has not obtained the required consent from its lenders. For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, it is assumed that AAB obtained the consent from its lenders to distribute dividend of RM3,468,577,013 to CAB. However, in the actual event consent is not provided by the lenders, the dividend cannot be paid and the amount owing by CAB to AAB will increase by RM3,468,577,013 upon the completion of Proposed Disposal of AAB to AAX. Consequentially, the shareholders' funds of CAB would be reduced by RM3,468,577,013.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Effects on the pro forma consolidated statement of financial position (contd.)

Pro Forma 1 (contd.):

For illustrative purposes, the pro forma consolidated statement of financial position of AAB group after incorporating the effects of the Proposed Internal Reorganisation are as follows (contd.):

The Pro Forma 1 incorporates the effects of the Proposed Internal Reorganisation (contd.).

(a) AAAGL group

The adjusted net liabilities of AAAGL group after incorporating the effects of the Proposed Internal Reorganisation are as follows:

	RM'000
Net liabilities of AAAGL group as per accountants report as at 31 December 2023	(5,187,037)
Add: Net assets adjustment arising from acquisition of AA COM Philippines	356
Adjustments relating to the Proposed Internal Reorganisation (Pro Forma 1):	
Capital contribution from CAB	3,468,577
Elimination of perpetual capital securities	(1,090,577)
Net liabilities of AAAGL group as at 31 December 2023 after incorporating effects of Proposed Internal Reorganisation	(2,808,681)

(b) AAB group

The adjusted net liabilities of AAB group after incorporating the effects of the Proposed Internal Reorganisation are as follows:

	RM'000
Net liabilities of AAB group as per accountants report as at 31 December 2023	(1,504,694)
Adjustments relating to the Material Subsequent Events (Pro Forma 1):	
Adjustment relating to Proposed Internal Reorganisation	
Reversal of impairment of perpetual capital securities	1,090,577
Proposed dividend to CAB from 2023 profits	(3,468,577)
Net liabilities of AAB group as at 31 December 2023 after incorporating effects of Proposed Internal Reorganisation	(3,882,694)

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Effects on the pro forma consolidated statement of financial position (contd.)**Pro Forma 2:**

The Pro Forma 2 incorporates the effects of Pro Forma 1 and the effect of the Proposed Disposal of AAAGL and Proposed Distribution.

- a) Based on the conditional share sale purchase agreement ("SSPA") dated 25 April 2024, the Group intends to dispose 100% equity interest in AAAGL to AirAsia Group Sdn Bhd ("AAG") for a consideration to be satisfied via the issuance of 2,307,692,307 AAG shares ("Consideration Shares"). At the point of the signing of the original conditional SSPA, AAX Shares have been assigned a price of RM1.30 per share (based on 5-day volume weighted average price ("VWAP") of AAX Share price up to and including the latest practical date ("LPD") on 15 April 2024) giving a total purchase consideration of RM3,000,000,000. Subsequently on 26 July 2024, CAB, AAG and AAX signed a conditional supplemental share sale and purchase agreement ("SSSPA") whereby AAG novates the acquisition of AAAGL to AAX. All terms and conditions stated in the original SSPA dated 25 April 2024 between CAB and AAG remain consistent with the SSSPA except for the removal of the AAX's internal restructuring in its entirety in relation to the share exchange between AAX and AAG.

For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, the purchase consideration was illustrated at RM3,046,153,845 based on the issue price of AAX Shares of RM1.32 per share, which was determined based on the 5-day volume weighted average price ("VWAP") of AAX Share price up to and including the latest practical date ("LPD") on 30 August 2024 as a proxy. However, in the event the market price of AAX Shares falls below RM1.32 per share on the completion date of the Proposed Disposal of AAAGL, the fair value of the purchase consideration for the Proposed Disposal of AAAGL will fall below RM3,046,153,845. Similarly, should the market price of AAX Shares increased above RM1.32 per share on the completion date of the Proposed Disposal of AAAGL, the fair value of the purchase consideration for the Proposed Disposal of AAAGL will be higher than RM3,046,153,845.

There is no assurance that the market price of the AAX Shares will maintain at RM1.32 per share on the completion date of the Proposed Disposal of AAAGL. The market price of the AAX Shares is influenced by, among others, the prevailing market sentiments, the volatility of the equity market, the liquidity of the AAX Shares, the outlook and prospects of the industries in which AAX operates, changes in regulatory requirements or market conditions. In addition, the performance of the Malaysian share market (where the AAX Shares is listed) is dependent on the economic and political conditions in Malaysia as well as external factors such as, among others, the performance of the world bourses and flows of foreign funds.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A**3. Effects on the pro forma consolidated statement of financial position (contd.)****Pro Forma 2 (contd.):**

The Pro Forma 2 incorporates the effects of Pro Forma 1 and the effect of the Proposed Disposal of AAAGL and Proposed Distribution (contd.).

a) (contd.)

As such, the actual gain or loss on the Proposed Disposal of AAAGL will depend on the market price of AAX Shares at date of completion of the Proposed Disposal of AAAGL and may be materially different from what is envisaged in the Pro Forma Consolidated Statement of Financial Position.

- b) The Company proposes to reduce its issued and paid-up share capital via a distribution of fixed number of 1,692,307,692 AAX Shares to the shareholders of the Company. The Proposed Distribution will result in the deconsolidation of AAAGL and its subsidiaries as the Group's interest in AAX will be diluted from 64.97% to 18.48%. It is assumed that the Group will not be able to exercise significant influence in AAX and therefore recognises AAX as an investment in securities (under fair value through other comprehensive income).

At the point of the signing of the original SSPA, AAX Shares have been assigned a price of RM1.30 per share (based on 5-day VWAP of AAX Share price up to and including the LPD on 15 April 2024) resulting in a total distribution to shareholders of the Company of approximately RM2,200,000,000. Subsequently on 26 July 2024, CAB, AAG and AAX signed a conditional SSSPA whereby AAG novates the acquisition of AAAGL to AAX. All terms and conditions stated in the original SSPA dated 25 April 2024 between CAB and AAG remain consistent with the SSSPA except for the removal of the AAX's internal restructuring in its entirety in relation to the share exchange between AAX and AAG.

For the purpose of illustration in the Pro Forma Consolidated Statement of Financial Position as at 31 December 2023, the Proposed Distribution is calculated based on RM1.32 per share, using the 5-day VWAP of AAX Share price up to and including the LPD on 30 August 2024 as a proxy. Accordingly, the Proposed Distribution is illustrated at RM2,233,846,153. Any increase or decrease in market share price of AAX Shares above or below RM1.32 per share will affect the amount of the Proposed Distribution to the entitled shareholders of the Company on the entitlement date. Therefore, the actual amount to be distributed pursuant to the Proposed Distribution will depend on the market price of AAX Shares on entitlement date and may be materially different from what is envisaged in the Pro Forma Consolidated Statement of Financial Position.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Effects on the pro forma consolidated statement of financial position (contd.)

Pro Forma 2 (cont'd.):

The Pro Forma 2 incorporates the effects of Pro Forma 1 and the effect of the Proposed Disposals of AAAGL group and Proposed Distribution (cont'd.)

The effect from the Proposed Distribution to CAB's investment in AAX is as follows:

	No. of AAX Shares	RM'000
AAX Shares owned by CAB after the Proposed Acquisition of AAX Shares by CAB	57,072,850	75,336
Fair value of purchase consideration to be received from the Proposed Disposal of AAAGL	2,307,692,307	3,046,154
Total AAX Shares after the Proposed Disposal of AAAGL	2,364,765,157	3,121,490
Less: Proposed Distribution	(1,692,307,692)	(2,233,846)
Remaining AAX Shares retained by CAB	672,457,465	887,644

It is assumed that CAB will obtain all relevant approvals for the capital reduction arising from the Proposed Distribution.

The Proposed Disposal of AAAGL and the Proposed Distribution will have the following effect to CAB's shareholder equity:

	RM'000
Fair value of purchase consideration for the Proposed Disposal of AAAGL	3,046,154
Add: Net liabilities of AAAGL and its subsidiaries	2,808,681
Less: Derecognition of goodwill in AAAGL in CAB	(7,334)
Less: Transaction costs	(7,759)
Net effect from disposal of AAAGL prior to Proposed Distribution	5,839,742
Less: Proposed Distribution	(2,233,846)
Net effect from disposal of AAAGL after the Proposed Distribution	3,605,896

The transaction costs in relation to the Proposed Disposal of AAAGL are estimated at RM7,759,000, which shall be charged out to the profit or loss of the Group accordingly.

The balances outstanding after the Proposals between AAX and CAB will be as follows:

	RM'000
Net balance due to AAX from CAB as at Pro forma 1	(398,139)
Crystallisation of amount due to CAB from AAAGL subsequent to the Proposed Disposal of AAAGL	652,572
Net balance due from AAX to CAB as at Pro forma 2	254,433

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2023 (CONT'D)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 OF CAPITAL A BERHAD AND THE NOTES THEREON

Attachment A

3. Effects on the pro forma consolidated statement of financial position (contd.)

Pro Forma 3:

The Pro Forma 3 incorporates the effects of Pro Forma 2 and the Proposed Disposal of AAB group.

Based on the conditional share sale purchase agreement dated 25 April 2024 (as supplemented by SSSPA dated 26 July 2024), the Group intends to dispose AAB and its subsidiaries to AAX for a cash consideration of RM3,800,000,000.

The effect of the Proposed Disposal of AAB is as follows:

	RM'000
Cash consideration for the Proposed Disposal of AAB	3,800,000
Add: Net liabilities of AAB	3,882,694
Less: Transaction cost	(7,759)
Gain on Proposed Disposal of AAB	7,674,935

The Proposed Disposal of AAB will result in the realisation of the merger deficit of RM5,507,594 that arose from the acquisition of AAB by CAB in prior years. Accordingly, the entire merger deficit will be reclassified to accumulated losses in CAB.

The balances outstanding after the Proposals between AAX and CAB will be as follows:

	RM'000
Net balance due from AAX to CAB as at Pro forma 2	254,433
Crystallisation of amount due to AAB from CAB subsequent to the Proposed Disposal of AAB	(3,823,365)
Amount due from AAX for the Proposed Disposal of AAB	3,800,000
Net balance due from AAX to CAB as at Pro forma 3	231,068

DCAS' VALUATION LETTER



25 July 2024

Capital A Berhad

RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA2)
64000 KLIA
Selangor Darul Ehsan
Malaysia

Attention: Ms. Pattra Boosarawongse, Group Chief Financial Officer

AirAsia X Berhad

RedQ, Jalan Pekeliling 5
Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA2)
64000 KLIA
Selangor Darul Ehsan
Malaysia

Attention: Encik Benyamin Ismail, Chief Executive Officer

**Deloitte Corporate Advisory
Services Sdn. Bhd.
(199901012610)**
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

P.O. Box 11151
50736 Kuala Lumpur
Malaysia

Tel: +60 3 7610 8888

Fax: +60 3 7726 8986

www.deloitte.com/my

VALUATION LETTER – INDEPENDENT VALUATION OF 100% EQUITY INTERESTS IN AIRASIA BERHAD, AIRASIA AVIATION GROUP LIMITED AND ITS SUBSIDIARIES

1.0 Introduction

Deloitte Corporate Advisory Services Sdn. Bhd. (“DCAS”) has been engaged by Capital A Berhad (“Capital A”) and AirAsia X Berhad (“AAX”) (hereinafter referred to as the “Clients”) to perform an independent valuation (“Services”) on AirAsia Berhad (“AAB”), AirAsia Aviation Group Limited (“AAAGL”) and its subsidiaries (“AAAGL Group”) (collectively known as the “Targets”) in connection with a proposed internal restructuring of Capital A and its subsidiaries, and AAX (“Proposed Transaction”) in accordance with the terms of the engagement letter dated 21 October 2022 (“Engagement Letter”), the addendums dated 29 March 2023 and 01 April 2024 (“Addendums”) and a letter of representation on the assumption dated 24 July 2024. The proposed internal restructuring entails the acquisition by AAX of 100% equity interests in AAAGL and AAB held by Capital A.

For the purposes of this valuation letter (“Valuation Letter” or “Letter”), the AAAGL Group comprises AAAGL, PT AirAsia Indonesia TBK (“AAID”), PT Indonesia AirAsia (“IAA”), AirAsia Inc. (“AAI”), Philippines AirAsia Inc. (“PAA”), Asia Aviation Public Company Limited (“AAV”) and Thai AirAsia Company Limited (“TAA”).

2.0 Terms of Reference

DCAS has been appointed to conduct an independent valuation of the Targets in connection with the Proposed Transaction.

This Valuation Letter is prepared for inclusion in the circular to the shareholders of Capital A and AAX for the Proposed Transaction (“Purpose” or “Circular”), which has been updated subsequent to the initial valuation letter dated 15 April 2024 to consider the audited financial statements of the Targets and the latest plan for the internal reorganisation and capitalisation of debts.

The financial year end (“FY”) of the Targets is 31 December and the agreed valuation date is 31 December 2023 (“Valuation Date”). The latest financial statements used for the Services are the audited financial statements (“AFS”) for the financial year ended 31 December 2023 provided by the management of the Clients (“Management”).

1

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

DCAS' VALUATION LETTER (CONT'D)

**2.0 Terms of Reference (cont'd)**

Save and except for the Purpose stated above, this Valuation Letter cannot be used or relied upon for any other purpose and/or by any other person including, without limitation, any of the shareholders, employees, directors as individuals, investors or any other person.

For the avoidance of doubt, the Clients are solely responsible for determining the ultimate price to be paid with respect to the Proposed Transaction. DCAS will not render any advice as to whether, or at what price the Proposed Transaction should be entered into.

This Valuation Letter and the data herein are not intended to form the only basis of any decisions in relation to the Proposed Transaction. Furthermore, this Letter does not contain all the information necessary to fully evaluate the Proposed Transaction.

In addition to the Services, other Deloitte network firms in Malaysia are also providing advisory services to Capital A and AAX, and we are not aware of any conflicts to the Services. Other than the existing relationship as set out above, DCAS was not involved in any other aspects pertaining to the Proposed Transaction. DCAS does not, by this Letter or otherwise, advise, recommend, evaluate, comment or form any judgment or opinion on the legal, commercial or financial rationale, merits or risks in relation to the Proposed Transaction or the relative merits of the Proposed Transaction as compared to any alternative transactions previously considered by the Clients or that otherwise may be available to the Clients in the future or on the future growth prospects or earnings potential of the Targets. Such advice, recommendations, evaluations, comments, judgements or opinions are and remain the sole responsibility of the Board of Directors of both Capital A and AAX, and other advisors engaged for the Proposed Transaction.

The Clients have confirmed that to the best of their knowledge and belief, the information in relation to the financials, operations and any other information of the Targets provided to DCAS are accurate in all material respects, that the Clients have made available to DCAS all significant information relevant to the Services of which the Clients have knowledge and that they are not aware of any material matters relevant to DCAS' terms of reference which have been excluded. The Clients have read this Valuation Letter and agreed to DCAS' key bases and assumptions in connection with the Services.

DCAS does not guarantee or warrant the achievability of the financial projections provided by the Targets. Financial projections are inherently uncertain and are based on estimations of future events that cannot be assured and could be based on certain assumptions that may not materialise. Accordingly, actual results can be significantly different from those projected. Hence, the Services may be materially or adversely affected should the actual results differ from the bases and assumptions which the Services were based upon.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)

Deloitte.

3.0 Background Information of the Targets and AAX

The proposed internal restructuring entails the acquisition by AAX of 100% equity interests in AAAGL and AAB held by Capital A.

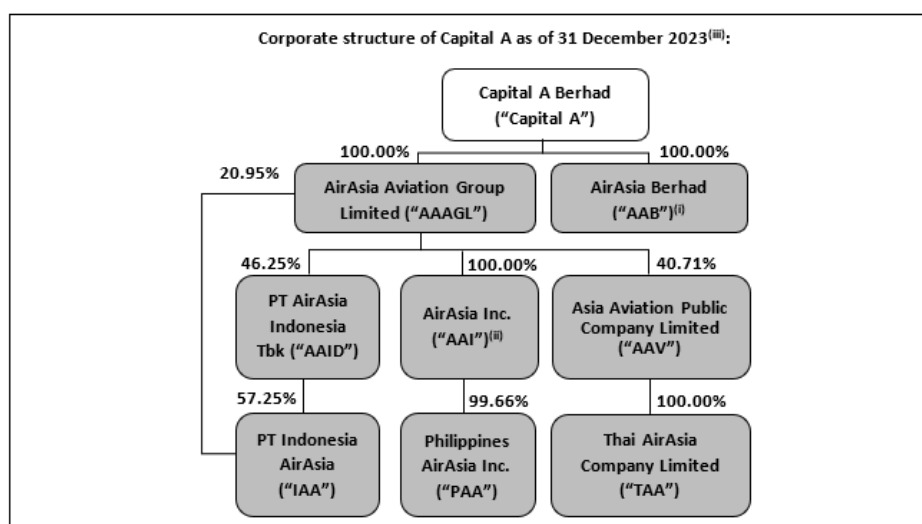
Capital A is an investment holding company with a portfolio of synergistic travel and lifestyle businesses; AAX is a medium to long-haul airline operating primarily in the Asia-Pacific region.

For the purposes of the Proposed Transaction, DCAS has been engaged to perform an independent valuation of AAAGL and AAB, which represents the aviation business of Capital A. AAAGL has equity ownership in three investment holding companies, namely AAID, AAI and AAV. The intermediate holding companies in turn are invested in IAA, PAA and TAA. These companies are collectively known as the Targets.

IAA, PAA, TAA and AAB are low-cost carriers which provide air transportation services spanning domestic and international routes, mainly focusing on short-haul flights (hereafter also referred to as airline operating companies or AOC).

The corporate structure of the Targets as of the Valuation Date are as outlined in Diagram 1 below.

Diagram 1 – Group structure of companies subject to valuation for the Proposed Transaction



Source: Management information, DCAS analysis

Note:

- (i) The subsidiaries and associates held by AAB are mostly dormant in nature. As such, their carrying amounts based on the audited financial statements as of the Valuation Date have been considered as surplus assets in the valuation of AAB.
- (ii) On 5 June 2023, AA Com Travel Philippines Inc., entered into a sale and purchase agreement to acquire 60% of the issued share capital of AAI, translating to a post-acquisition ownership of 100% in AAI (40% direct ownership in AAI and 60% indirect ownership via AA Com Travel Philippines Inc.). Management represented that AA Com Travel Philippines Inc. will be transferred to AAAGL prior to the Proposed Transaction. For the purposes of this Letter, DCAS has been instructed to consider the net assets of AA Com Travel Philippines Inc. in valuing AirAsia Aviation Group Limited. As of the date of this Letter, the transfer of AA Com Travel Philippines Inc. to AAAGL has been completed.
- (iii) The corporate structure is a simplified structure and only illustrates the companies that are relevant to the valuation exercise. Grey highlights denote valuation subjects.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)

Deloitte.

4.0 Valuation Bases and Approaches

4.1 Subject of Valuation

The subject of valuation covers 100% equity value of the following entities on marketable and control basis:

- i. The AOC which include AAB, IAA, PAA and TAA; and
- ii. The holding companies which include AAAGL, AAID, AAI and AAV.

The valuation has been undertaken on an "as-is" basis, assuming the Targets to be going concern as standalone entities.

4.2 Date of Valuation

The valuation is based on an agreed valuation date of 31 December 2023.

Events which take place post Valuation Date have not been considered, except those specifically mentioned in this Letter.

As of the date of this Letter, DCAS is not aware of any event or fact that will materially affect the valuation of the Targets.

4.3 Standard of Value

The standard of value that has been applied is market value, which is defined by International Valuation Standards effective 31 January 2022, as an estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



4.4 Valuation Currencies

The valuation of each of the entities has been performed based on the reporting currencies of the respective entities.

For presentation purposes, the resulting valuation of entities with respective reporting currency will be converted to United States Dollar ("USD") and Ringgit Malaysia ("RM") based on the applicable exchange rates as at the Valuation Date in Table 1 below.

Table 1 – Exchange rate as of the Valuation Date

Entity	Country of incorporation	Reporting currency	Exchange rate to USD	Exchange rate to RM
AOC				
AAB	Malaysia	RM	0.2180	1.0000
IAA	Indonesia	Indonesian Rupiah ("IDR")	0.0001	0.0003
PAA	Philippines	Philippines Peso ("PHP")	0.0181	0.0828
TAA	Thailand	Thai Baht ("THB")	0.0291	0.1334
Holding companies				
AAAGL	Malaysia	USD	1.0000	4.5875
AAID	Indonesia	IDR	0.0001	0.0003
AAI	Philippines	PHP	0.0181	0.0828
AAV	Thailand	THB	0.0291	0.1334

Source: Management information, Capital IQ, DCAS analysis

Note: The exchange rates above have been rounded to the nearest 4 decimal points for presentation purposes.

4.5 Methods of Valuation

The following valuation methods have been considered in deriving the range of market value of the Targets:

- i. Income approach – The income approach bases value on the estimated future cash flows which an entity is expected to generate. Discounted cash flows are estimated based on discussions and projections by the Management and other publicly available information.
- ii. Market approach – The market approach estimates value based on market prices of comparable companies, adjusted for differences between the subject company and comparable companies. Guideline Public Company Method ("GPCM") is used to estimate value based on comparable listed companies. The enterprise value ("BEV") over earnings before interest, tax, depreciation, amortisation and rental ("EBITDAR") ("BEV/EBITDAR") multiple of the guideline public companies ("GPC") are considered as key valuation metrics to form the ranges of values; and
- iii. Adjusted book value approach – The adjusted book value approach measures the net value of an enterprise after its assets and liabilities have been adjusted to its market value as at the Valuation Date.

The AOC are income-generating companies with active operations, as such the income approach has been adopted as the primary approach to determine the market value of the AOC whilst the market approach has been used for cross-checking purposes. The adjusted book value approach has not been applied given that the net assets of the AOC may not be reflective of their future earning capabilities.

DCAS' VALUATION LETTER (CONT'D)



4.5 Methods of Valuation (Cont'd)

The adjusted book value approach has been principally applied in valuing for the holding companies given that their respective net assets as at the Valuation Date would be reflective of their market values as holding companies.

4.6 Key Bases

The key bases adopted in the valuation of the Targets are as follows:

- i. The Services are based on generally accepted valuation procedures and practices that rely on the use of assumptions and considerations of uncertainties that cannot be easily quantified or ascertained;
- ii. The analysis leading to DCAS' valuation presents an assessment based on DCAS' best professional judgment and experience. The Clients should note that there would usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected and these differences may be material;
- iii. By its very nature, DCAS' valuation work cannot be regarded as an exact science and the conclusions arrived in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. Whilst DCAS consider the valuation to be both reasonable and defensible based on the information available to DCAS, others may place a different value on the Targets;
- iv. In arriving at the valuation of the Targets, DCAS has relied on the information and data supplied by the Management. DCAS is not required to and has not carried out an audit on the financial statements or the underlying assumptions to the projections;
- v. DCAS has made necessary enquiries on the information provided including the Targets' projections. DCAS has not verified the information or materials provided during the performance of the Services;
- vi. The detailed historical financial information of the Targets for the FY2018 to FY2023 provide a true and fair view of the Targets' financial positions and financial performances;
- vii. The findings and assumptions of the valuations have been discussed with the Management prior to finalisation, we understand that the Management is agreeable to and responsible for the assumptions the projection relied on;
- viii. The Services have assumed that the Targets are and will continue as a going concern;
- ix. There are no undisclosed actual or contingent assets or liabilities which would have a material effect on the financial positions of the Targets;
- x. There will be no material changes in the present legislation, government regulations, inflation rates, interest rates, foreign exchange rates, bases and rates of taxation and other lending guidelines which will affect the activities of the Targets;
- xi. For presentation purposes, DCAS has rounded the disclosed percentages and whole numbers to the nearest unit. Due to rounding, the numbers presented throughout this Valuation Letter may not add up precisely to the totals provided; and

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



4.6 Key Bases (Cont'd)

xii. The principal sources of information from the Management which have been considered in the Services include, but is not limited to, the following:

- Audited financial statements of the Targets from FY2018 to FY2023;
- Detailed historical financial information of the Targets from FY2018 to FY2023;
- Capital A's plan for reorganisation and capitalisation of debts;
- Annual reports of Capital A from FY2017 to FY2023;
- Quarterly operating statistics provided by the Management from FY2018 to FY2023;
- Fleet details provided by Management for FY2019 to FY2023;
- Historical jet fuel (Mean of Platts Singapore) prices from January 2017 to December 2023;
- Forecast projections of the Targets from FY2024 to FY2028; and
- Published market information from the public domain.

5.0 Valuation of the Targets

5.1 Key assumptions applied in the income approach for the AOC

The AOC include AAB, IAA, PAA, and TAA. Where applicable, DCAS will make a reference to FY2019 as a base year in analysing the projections of each AOC, as FY2019 represents the financial performance of the AOC prior to the COVID-19 pandemic.

5.1.1 AAB

Revenue

- AAB is a low-cost passenger airline which provides air transportation services out of Malaysia. As at the Valuation Date, AAB has more than 100 leased aircraft and serves around 50 destinations with more than 80 routes.
- AAB's revenue streams mainly consist of:
 - i. Passenger revenues which relate to scheduled passenger flight, chartered flight income and ancillary revenue including insurance charge and baggage fee etc. It is expected to contribute circa ("c.") 99.0% of the total projected revenue between FY2024 and FY2028; and
 - ii. Revenue from freight services which relate to shipment of goods through air carrier. It is expected to contribute c. 1.0% of the total revenue between FY2024 and FY2028.
- The total revenue is expected to grow at a compound annual growth rate ("CAGR") of c. 13.0% between FY2024 and FY2028 and c. 6.0% between FY2019 and FY2028.

Operating expenditure

- The operating expenditure includes fuel costs, operating leases, maintenance and overhaul expenses, user charges, staff costs and other costs.

Others

- Unutilised tax losses of AAB are expected to be utilised and offset against its projected Earnings Before Interest and Tax ("EBIT") between FY2024 to FY2028. Tax expenses are assumed in the terminal period at Malaysia statutory tax rate of 24.0%.
- Capital expenditure for non-aircraft operating assets is projected at c. 1.0% of the total projected revenue between FY2024 and FY2028.

DCAS' VALUATION LETTER (CONT'D)

Others (cont'd)

- The working capital requirements of AAB have been assumed as follows:
 - i. Trade receivable turnover days of less than 2 weeks;
 - ii. Trade payable turnover days between 30 and 45 days; and
 - iii. Other working capital requirements are based on historical trends and discussions with Management.
- The cash flows are projected to grow in perpetuity after FY2028, using a terminal year growth rate of c. 2.0%, being the 20-year long-term inflation rate in Malaysia sourced from Economist Intelligence Unit ("EIU").

5.1.2 IAARevenue

- IAA is a low-cost passenger airline which provides air transportation services out of Indonesia. As at the Valuation Date, it has more than 30 leased aircraft and serves around 20 destinations with more than 30 routes.
- Its revenue streams mainly consist of:
 - i. Passenger revenues which relate to scheduled passenger flights, chartered flight income and ancillary revenue including insurance charge and baggage fee etc. It is expected to contribute c. 98.0% of the total projected revenue between FY2024 and FY2028; and
 - ii. Revenue from freight services which relate to shipment of goods through air carrier. It is expected to contribute c. 2.0% of the total revenue between FY2024 and FY2028.
- The total revenue is expected to grow at a CAGR of c. 21.0% between FY2024 and FY2028 and c. 14.0% between FY2019 and FY2028.

Operating expenditure

- The operating expenditure includes fuel costs, operating leases, maintenance and overhaul expenses, user charges, staff costs and other costs.

Others

- Unutilised tax losses of IAA are expected to be utilised and offset against its projected EBIT between FY2024 to FY2027. Tax expenses have been assumed from FY2028 onwards at Indonesia statutory tax rate of 22.0%.
- Capital expenditure for non-aircraft operating assets is projected at c. 1.0% of the total projected revenue between FY2024 and FY2028.
- The working capital requirements of IAA have been assumed as follows:
 - i. Trade receivable turnover days of less than 1 week;
 - ii. Trade payable turnover days between 30 and 45 days; and
 - iii. Other working capital requirements based on historical trends and discussions with Management.
- The cash flows are projected to grow in perpetuity after FY2028, using a terminal year growth rate of c. 3.0%, being the 20-year long-term inflation rate in Indonesia sourced from EIU.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



5.1.3 PAA

Revenue

- PAA is a low-cost passenger airline which provides air transportation services out of Philippines. As at the Valuation Date, it has more than 20 leased aircraft and serves more than 20 destinations with more than 20 routes.
- Its revenue streams mainly consist of:
 - i. Passenger revenues which relate to scheduled passenger flight, chartered flight income and ancillary revenue including insurance charge and baggage fee etc. It is expected to contribute c. 99.0% of the total projected revenue between FY2024 and FY2028; and
 - ii. Revenue from freight services which relate to shipment of goods through air carrier. It is expected to contribute c. 1.0% of the total revenue between FY2024 and FY2028.
- The total revenue is expected to grow at a CAGR of c. 15.0% between FY2024 and FY2028 and c. 11.0% between FY2019 and FY2028.

Operating expenditure

- The operating expenditure includes fuel costs, operating leases, maintenance and overhaul expenses, user charges, staff costs and other costs.

Others

- Unutilised tax losses of PAA are expected to be utilised and offset against its projected EBIT in FY2024 and FY2025. Tax expenses are assumed from FY2026 onwards at Philippines statutory tax rate of 25.0%.
- Capital expenditure for non-aircraft operating assets is projected at c. 2.0% of the total projected revenue for FY2024 and FY2028.
- The working capital requirements of PAA have been assumed as follows:
 - i. Trade receivable turnover days of less than 1 week;
 - ii. Trade payable turnover days between 30 and 70 days; and
 - iii. Other working capital requirements are based on historical trends and discussions with Management.
- The cash flows are projected to grow in perpetuity after FY2028, using the terminal year growth rate of c. 3.0%, being the 20-year long-term inflation rate in Philippines sourced from EIU.

5.1.4 TAA

Revenue

- TAA is a low-cost passenger airline which provides air transportation services out of Thailand. As at the Valuation Date, it has more than 50 leased aircraft and serves around 50 destinations with more than 60 routes.
- Its revenue streams mainly consist of:
 - i. Passenger revenues which relate to scheduled passenger flight, chartered flight income and ancillary revenue including insurance charge and baggage fee etc. It is expected to contribute c. 99.0% of the total projected revenue between FY2024 and FY2028; and
 - ii. Revenue from freight services which relate to shipment of goods through air carrier. It is expected to contribute c. 1.0% of the total revenue between FY2024 and FY2028.

DCAS' VALUATION LETTER (CONT'D)



5.1.4 TAA (Cont'd)

- The total revenue is expected to grow at a CAGR of c. 11.0% between FY2024 and FY2028 and c. 5.0% between FY2019 and FY2028.

Operating expenditure

- The operating expenditure includes fuel costs, operating leases, maintenance and overhaul expenses, user charges, staff costs and other costs.

Others

- Unutilised tax losses of TAA are expected to be utilised and offset against its projected EBIT between FY2024 to FY2027. Tax expenses are assumed from FY2028 onwards at Thailand statutory tax rate of 20.0%.
- Capital expenditure for non-aircraft operating assets is projected at 0.2% of the total projected revenue between FY2024 and FY2028.
- The working capital requirements of TAA have been assumed as follows:
 - Trade receivable turnover days of less than 1 week;
 - Trade payable turnover days between 30 and 45 days; and
 - Other working capital requirements are based on historical trends and discussions with Management.
- The cash flows are projected to grow in perpetuity after FY2028, using a terminal year growth rate of c. 1.0%, being the 20-year long-term inflation rate in Thailand sourced from EIU.

5.1.5 Discount rates

- The discount rates adopted have been developed based on the weighted average cost of capital ("WACC"). Amongst others, the WACC are based on the following:
 - Cost of equity with reference to the respective markets which the AOC operate in using the international cost of capital ("ICOC") approach, which assumes adjustments for country risk factors and inflation differentials from a cost of capital benchmark based on a mature financial market. The United States ("US") have been applied as a benchmark, and a US equity risk premium of c. 5.0%, adjusted for country risk and inflation rate differentials ranging from c. 2.0% to 4.0% have been adopted;
 - Pre-tax cost of debt ranges from c. 6.0% to c. 9.0%;
 - Debt-to-capital ratio of c. 30.0%; and
 - Additional risk premiums, as appropriate, to consider uncertainties and risks attributable to the cash flow projections of the respective AOC.
- The adopted WACC for the respective AOC are summarised as below:
 - AAB: 12.5% to 14.5%;
 - IAA: 17.5% to 19.0%;
 - PAA: 17.0% to 19.0%; and
 - TAA: 12.0% to 14.5%.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)

**5.2 Key assumptions applied in the market approach for the AOC**

- Forward EBITDAR has been considered given that the AOC operations are expected to recover to pre COVID-19 levels in the projection period, consistent with general market consensus of the recovery of the overall airline industry.
- Low-cost carriers which mainly provide air transportation services within the Asia Pacific region have been selected as comparable companies. The GPC are enclosed in the Appendix of this Letter.

5.3 Key assumptions applied in the adjusted book value approach for the holding companies

- The holding companies which include AAAGL, AAID, AAI and AAV have been valued based on their adjusted book value.
- The audited net book value of the respective holding companies as of the Valuation Date has been adopted.
- Adjustments to the book value will mainly pertain to the fair value upliftment of their investments in subsidiaries based on the market values of the AOC derived in the preceding section of this Valuation Letter.
- The carrying amount of other assets and liabilities have been assumed to approximate their market value.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



5.4 Income approach

Under the income approach, the 100% equity value of the AOC including AAB, IAA, PAA, and TAA on marketable and control basis are as follows:

Table 2 – Indicative value of the Targets based on income approach

	AAB		IAA		PAA		TAA	
	Low range (RM'mil)	High range (RM'mil)	Low range (IDR'bil)	High range (IDR'bil)	Low range (PHP'mil)	High range (PHP'mil)	Low range (THB'mil)	High range (THB'mil)
Discount rates	14.5%	12.5%	19.0%	17.5%	19.0%	17.0%	14.5%	12.0%
BEV	2,278	3,158	3,683	4,345	17,020	21,679	25,757	31,889
<u>Adjustment for:</u>								
Net (debt) / cash	1,444	1,444	(3,031)	(3,031)	(10,997)	(10,997)	(1,792)	(1,792)
Equity value	3,721	4,602	652	1,314	6,023	10,683	23,966	30,098
Equity value (USD'mil)	811	1,003	42	85	109	193	697	875
Equity value (RM'mil)	3,721	4,602	196	394	499	885	3,198	4,016

Source: Audited financial statements, Management information, DCAS analysis

Note:

- Mil denotes millions and bil denotes billions.

- Due to rounding, the numbers presented in the table may not add up precisely to the totals provided.

DCAS has cross-checked the valuation ranges from the income approach to market approach and the outcomes support the value ranges above.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



5.5 Adjusted book value approach

Under the adjusted book value approach, the 100% equity value of AAAGL, AAV, AAI and AAID are as follows:

Table 3 – Indicative value of AAAGL, AAV, AAI and AAID based on adjusted book value approach

	AAAGL		AAV		AAI		AAID	
	Low range (USD'mil)	High range (USD'mil)	Low range (THB'mil)	High range (THB'mil)	Low range (PHP'mil)	High range (PHP'mil)	Low range (IDR'bil)	High range (IDR'bil)
Audited book value	183	183	17,015	17,015	6,176	6,176	2,567	2,567
Adjustments:								
(1) Upliftment in fair value of investments	(61)	116	7,081	13,213	6,003	10,646	(2,228)	(1,849)
(2) Capital contribution from Capital A arising from the capitalisation of the intercompany debts.	505	505	n/a	n/a	n/a	n/a	n/a	n/a
(3) Cost of investment for the acquisition of 100% equity interest in AA Com Travel Philippines Inc.	(0.2)	(0.2)	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted book value	628	805	24,095	30,227	12,178	16,822	339	718
Equity value (USD'mil)	628	805	701	879	220	304	22	47
Equity value (RM'mil)	2,880	3,691	3,215	4,034	1,008	1,393	102	215

Source: Audited financial statements, Management information, DCAS analysis

Note:

- Mil denotes millions and bil denotes billions.
- Due to rounding, the numbers presented in the table may not add up precisely to the totals provided.
- Audited book values have been adjusted to reflect the latest plan for internal reorganisation and capitalisation of debts to be completed prior to the Proposed Transaction.

DCAS' VALUATION LETTER (CONT'D)



5.5 Adjusted book value approach (Cont'd)

Note: Upliftment in fair value of AAAGL's investments are shown as below:

	Low range (USD'mil)	High range (USD'mil)
• 20.95% equity interest in IAA	9	18
• 40.71% equity interest in AAV	285	358
• 100.00% equity interest in AA Com Travel Philippines Inc	116	166
• 40.00% equity interest in AAI	88	121
• Investment in convertible bond issued by AAI	25	25
• 46.25% equity interest in AAID	10	22
Total	533	710
Less: Adjusted carrying amount of AAAGL's investments as at 31 December 2023	(594)	(594)
Upliftment in fair value of AAAGL's investments	(61)	116

Note: Carrying amount of AAAGL's investments have been adjusted to reflect the proposed novation of perpetual capital securities from AAB to AAAGL, to be completed prior to the Proposed Transaction.

6.0 Key risk factors

This section highlights some of the inherent key risk factors in the financial projections adopted in the valuation of the AOC including AAB, IAA, PAA, and TAA.

Correspondingly, the holding companies including AAAGL, AAID, AAI and AAV would also be subject to the same risk factors due to their shareholdings in the underlying AOC.

i. Recovery of demands for the AOC's air transportation services

The AOC are expected to recover to its pre-pandemic revenue in FY2024 which is in line with the overall increase in demands for air transportation services post-pandemic. However, there is no certainty that the speed of recovery would be in line with the projection by the AOC.

ii. Ability to achieve planned capacity expansion

The projected growth in revenue of the AOC is expected to be contributed by the growth in the number of stages and expansion of new routes.

This is dependent on the timely delivery of aircraft from suppliers to be utilised in servicing the increased capacity, which is inherently uncertain given the current backlog prevalent in the aircraft supply industry. Further, there are also uncertainties in securing the necessary approvals to fly the new routes.

iii. Ability to achieve projected improvement in profitability margins

The AOC are expected to achieve improvement in margins between FY2024 and FY2028 due to economies of scale and cost optimization initiatives by the Management. However, there is no guarantee of the achievability of the projected growths and margins.

iv. Fluctuations of exchange rate and movement in crude oil prices

Fuel cost is a major cost component in the AOC operations, price of which is closely related to movement in crude oil prices. Most of the AOC's costs, including fuel costs are also denominated in USD. Fluctuations in fuel prices and exchange rates will therefore potentially contribute to uncertainties in the projected cash flows of the AOC.

DCAS' VALUATION LETTER (CONT'D)



7.0 Conclusion

Based upon and subject to the foregoing and other information used in the preparation of this Letter, DCAS has estimated the values of 100% equity interests in the Targets on a marketable and control basis, as shown below:

Table 4 – Summary of indicative value of the Targets in their respective reporting currencies and USD

Entity	Country of incorporation	Reporting currency	Reporting currency		USD'mil		RM'mil	
			Low range	High range	Low range	High range	Low range	High range
AOC								
AAB	Malaysia	RM'mil	3,721	4,602	811	1,003	3,721	4,602
IAA	Indonesia	IDR'bil	652	1,314	42	85	196	394
PAA	Philippines	PHP'mil	6,023	10,683	109	193	499	885
TAA	Thailand	THB'mil	23,966	30,098	697	875	3,198	4,016
Holding companies								
AAAGL	Malaysia	USD'mil	628	805	628	805	2,880	3,691
AAID	Indonesia	IDR'bil	339	718	22	47	102	215
AAI	Philippines	PHP'mil	12,178	16,822	220	304	1,008	1,393
AAV	Thailand	THB'mil	24,095	30,227	701	879	3,215	4,034

Source: Audited financial statements, Management information, DCAS analysis

The equity values of the Targets above are based on several assumptions set out in the previous sections. As with all assumptions, there are inherent uncertainties and there can be no guarantee that the assumptions will be achieved. The valuation ranges should be considered together with the key bases and assumptions adopted.

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)

Deloitte.

8.0 Restriction

This Valuation Letter is prepared strictly and solely for inclusion in the Circular. The valuation of 100% equity interest in the Targets should be considered in the context of the entirety of this Letter. Save for the purpose of public inspection in relation to the Proposed Transaction and other public documents to be made in accordance with the rules and regulations set out by the relevant authorities, this Letter may not be reproduced, disseminated or quoted for any other purpose without DCAS' prior written consent.

This Letter is governed by, and should be construed in accordance with, the laws of Malaysia, and are strictly limited to the matters stated herein. DCAS reserves the right to amend this Letter in terms of its format and contents before providing our consent.

Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part, contrary to the provision set out in this Letter and our Engagement Letter.

Neither DCAS nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

We are under no obligation to update this Letter in respect of events or information that came to our attention subsequent to the date of this Letter.

Yours faithfully,

DELOITTE CORPORATE ADVISORY SERVICES SDN. BHD.



Leonard Woo
Executive Director



Yap Kong Meng
Executive Director

encl.
Appendix: Guideline Public Companies

- The rest of this page has been intentionally left blank -

DCAS' VALUATION LETTER (CONT'D)



Appendix – Guideline Public Companies

No.	Name	Country	Business description
1	Air Busan Co., Ltd.	South Korea	Air Busan Co., Ltd. provides passenger airline services. It offers domestic and international flight services.
2	AirAsia X Berhad	Malaysia	AirAsia X Berhad, together with its subsidiaries, provides long haul air transportation services under the AirAsia X brand in Malaysia, Thailand, and Indonesia. The company also offers logistical Management and marketing services; and leases aircraft facilities.
3	Asia Aviation Public Company Limited	Thailand	Asia Aviation Public Company Limited, through its subsidiary, provides airline services in Thailand. The company operates through Scheduled Flight Operations and Charter Flight Operations segments.
4	Capital A Berhad	Malaysia	Capital A Berhad, an investment holding company, provides air transportation services internationally under the AirAsia brand. It also offers management, engineering, tour operating, consultancy services, inflight services as well as provides logistic and payment services for cross border e-commerce marketing.
5	Cebu Air, Inc.	Philippines	Cebu Air, Inc., an airline, provides international and domestic air transportation services. It offers scheduled air travel services and ancillary services to passengers, as well as airport-to-airport cargo services on its domestic and international routes. Cebu Air, Inc. operates as a subsidiary of CP Air Holdings, Inc.
6	InterGlobe Aviation Limited	India	InterGlobe Aviation Limited provides air transportation services in India and internationally. The company primarily operates IndiGo passenger airline. It also offers ancillary products and services comprising cargo, service requests, ticket modification and cancellation, in-flight sales, ground handling, and tour services.
7	Jeju Air Co., Ltd.	South Korea	Jeju Air Co., Ltd. provides airline services in South Korea, Japan, China, Taiwan, the Philippines, Vietnam, Thailand, and Guam. It also offers in-flight, airport, and other additional services. Jeju Air Co., Ltd. is a subsidiary of AK Holdings, Inc.
8	Nok Airlines Public Company Limited	Thailand	Nok Airlines Public Company Limited, together with its subsidiaries, provides air transport services for passengers, and parcels and parcel posts in Thailand.
9	PT AirAsia Indonesia Tbk	Indonesia	PT AirAsia Indonesia Tbk, through its subsidiary, PT Indonesia AirAsia, provides scheduled commercial air transport services in Indonesia.
10	SpiceJet Limited	India	SpiceJet Limited offers passengers and cargo air transportation services under the SpiceJet brand name. It operates 98 fleets covering 250 routes, which include 212 domestic and 38 international destinations.
11	Spring Airlines Co., Ltd.	China	Spring Airlines Co., Ltd. engages in the air passenger and cargo transportation business in China. The company also provides services related to air transportation. Spring Airlines Co., Ltd. is a subsidiary of Shanghai Spring International Travel Services Ltd.

DCAS' VALUATION LETTER (CONT'D)



Source: Capital IQ, DCAS analysis

Appendix – Guideline Public Companies (cont'd)

No.	Name	Country	Business description
12	T'Way Air Co., Ltd.	South Korea	T'Way Air Co., Ltd. provides air transportation services. The company was formerly known as Hansung Airlines Co. Ltd. and changed its name to T'Way Air Co., Ltd. in August 2010.
13	Tigerair Taiwan Co., Ltd.	Taiwan	Tigerair Taiwan Co., Ltd. provides airline services. It offers air transportation services for passengers and cargo, and ground handling services. Tigerair Taiwan Co., Ltd. is a subsidiary of China Airlines Co., Ltd.
14	VietJet Aviation Joint Stock Company	Vietnam	VietJet Aviation Joint Stock Company provides passenger and cargo air transportation services, and airline-related support services. It also provides aircraft rental and in-flight advertising services; and trades in and leases aircraft and aircraft components, as well as offers ancillary and payment services.

Source: Capital IQ, DCAS analysis

- The rest of this page has been intentionally left blank -