

**Abc.  
GTR  
ADE  
DARTS  
Santan  
BigPay  
Teleport  
AirAsia MOVE  
AirAsia Aviation  
Capital A Consultancy**

**capital** 

**Annual Report  
2023**



# THERE FOR YOU, AROUND THE CLOCK

Supporting energy price risk management for your peace of mind

**MITSUI BUSSAN  
COMMODITIES**



Mitsui Bussan Commodities is a commodity price market maker, delivering value-added services and hedging solutions. We support long-standing clients around the globe with 24-hour coverage to help them manage their specific business risks.

Mitsui Bussan Commodities Ltd is authorised and regulated by the Financial Conduct Authority to conduct designated investment business. Please see the firm's entry in the Financial Conduct Authority's Financial Services Register for details: <http://fca.org.uk/register/>.

# About This Report

Welcome to our Asean-themed Annual Report 2023, in which we seek to present a balanced and accurate narrative of Capital A's continued growth and influence in the region. In this report, we present both our financial and non-financial performance highlighting the risks and opportunities that we navigate in order to create short, mid and long-term value utilising our physical, digital and intellectual resources. This report is intended primarily for providers of financial capital, but is relevant to all stakeholders who would like to understand how we seek to accelerate our momentum of growth while creating positive environmental and social value, supported by best governance practices.

From the start, we have considered Asean our home ground, building sky bridges to connect not only major destinations but also second and third-tier cities that had no international connections before. We chose to do so because we realise the potential of tourism to stimulate economic growth. Today, as we grow our ecosystem into logistics, aviation services, a travel app and branding platform, we continue to champion Asean values, diversity and potential through partnerships, innovation and initiatives that promote regional unity, economic growth and cultural exchange. We seek to connect everyone in Asean to each other while bringing Asean to the world and the world to Asean.



## MATERIALITY

Contents of this report reflect matters that we have identified as being relevant or of material interest to our stakeholders. These material matters have been determined by extensive stakeholder engagement as well as internal evaluation. Together, they reflect existing and emerging risks and opportunities which could affect our ability to create value.

## REPORTING FRAMEWORK

In preparing this report, we have been guided by the principles and requirements of the following:

- Integrated Reporting Framework (IRF) issued by the International Financial Reporting Standards (IFRS) Foundation
- Main Market Listing Requirements issued by Bursa Malaysia
- Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia
- Malaysian Code on Corporate Governance (MCCG) 2021 issued by Securities Commission Malaysia
- Companies Act 2016
- Malaysian Financial Reporting Standards

## SCOPE AND BOUNDARY

Disclosures in this report relate primarily to key activities and events concerning Capital A and its subsidiaries covering the year from 1 January 2023 – 31 December 2023, unless stated otherwise. Material events that took place up to the Board's approval date of 25 April 2024 are also included.

## COMBINED ASSURANCE

Contents of this report have been approved by our Board of Directors, our internal auditors and Ernst & Young PLT in its capacity as our external auditor.

## FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of Capital A acknowledges responsibility for ensuring the integrity of this Annual Report 2023. In our opinion, the report presents a fair assessment of the Group's performance and addresses all key matters that are material to our ability to create value. This report was approved by the Board on 25 April 2024.

## FEEDBACK

We welcome all inquiries, comments and feedback on our Annual Report in order to clarify issues and to further improve our reporting. Please communicate with us through:

Tel: +603 8660 4333

Email: [capitala\\_ir@airasia.com](mailto:capitala_ir@airasia.com)

## OUR SUSTAINABILITY REPORT

This year, in line with intensifying commitment and focus on sustainability issues, we have also produced a standalone Sustainability Report, which provides a comprehensive and detailed account of our sustainability strategy and progress made in the Economic, Environmental and Social pillars. Our Sustainability Report 2023 can be accessed on our corporate website at [capitala.com/sustainability.html](http://capitala.com/sustainability.html).

# What's



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## SUSTAINABILITY STATEMENT

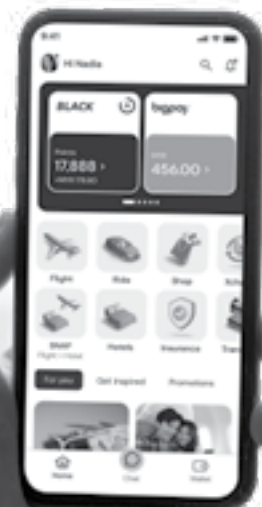
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# Who We Are

**Capital A** is an investment holding company with a portfolio of synergistic travel and lifestyle businesses that leverage data and technology. It comprises five verticals and a venture arm, RedBeat Capital.



The five verticals are:



AirAsia Aviation - the world's leading low-cost carrier AirAsia



Capital A Aviation Services - including our engineering company Asia Digital Engineering (ADE), ground handling services Ground Team Red (GTR), food services company Santan, consulting business AirAsia Consulting, and our shared services centre DARTS



Teleport, an integrated logistics solutions provider



Travel platform MOVE Digital (formerly known as airasia Digital) - including our super app, AirAsia MOVE (formerly airasia Superapp) and fintech, BigPay



Capital A International - newly set up global brand management platform specialising in the expansion, management and licensing of the AirAsia and other Asean brands, driven by AirAsia brand co. (Abc.)



**Capital A's vision is to create and deliver products and services that offer the best value at the lowest cost, underpinned by robust data accumulated over 20 years in operation and one of Asia's leading brands that remains committed to serving the underserved in Asean and beyond.**

# Our Vision and Our Mission

## Our Vision

To become a world leading aviation and travel services group serving the underserved, connecting communities and transforming lives in Asean and beyond

## Our Mission

- To become a globally recognised Asean brand focused on delivering sustainable value to the economy, society and environment.
- To provide the highest quality and great value services in aviation and travel services' products.
- To care for all of our external and internal stakeholders from guests, business partners, investors and Allstars to communities, regulators and governments.
- To continuously seek new growth opportunities which embrace technology to improve efficiency, reduce cost, and enhance service level.

## Allstar Values



# Corporate Information

## BOARD OF DIRECTORS

**Datuk Kamarudin bin Meranun**  
(Non-Independent Executive Chairman)

**Tan Sri Anthony Francis Fernandes**  
(widely known as Tan Sri Tony Fernandes)  
(Non-Independent Executive Director and Chief Executive Officer)

**Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar**  
(Non-Independent Non-Executive Director)

**Dato' Fam Lee Ee**  
(Senior Independent Non-Executive Director)

**Dato' Mohamed Khadar bin Merican**  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

Chairman  
**Dato' Mohamed Khadar bin Merican**

Members  
**Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar**

**Dato' Fam Lee Ee**

## NOMINATION AND REMUNERATION COMMITTEE

Chairman  
**Dato' Fam Lee Ee**

Member  
**Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar**

## RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman  
**Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar**

Member  
**Dato' Mohamed Khadar bin Merican**

## SAFETY REVIEW BOARD

Chairman  
**Dato' Fam Lee Ee**

Member  
**Dato' Mohamed Khadar bin Merican**

## COMPANY SECRETARIES

**Cynthia Gloria Louis**  
(SSM Practicing Certificate No.: 201908003061)  
(MAICSA No.: 7008306)

**Chew Mei Ling**  
(SSM Practicing Certificate No.: 201908003178)  
(MAICSA No.: 7019175)

## AUDITORS

**Ernst & Young PLT**  
[Registration No.: 202006000003  
(LLP0022760-LCA) & AF 0039]  
Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Wilayah Persekutuan

Tel : (603) 7495 8000  
Fax : (603) 2095 5332

## REGISTERED OFFICE

RedQ, Jalan Pekeliling 5  
Lapangan Terbang Antarabangsa Kuala Lumpur  
64000 KLIA  
Selangor Darul Ehsan

Tel : (603) 8660 4333  
Fax : (603) 8660 7711



## HEAD OFFICE & INVESTOR RELATIONS

RedQ, Jalan Pekeliling 5  
Lapangan Terbang Antarabangsa Kuala Lumpur  
64000 KLIA  
Selangor Darul Ehsan

Tel : (603) 8660 4333  
Fax : (603) 8660 7777

E-mail : [capitala\\_ir@airasia.com](mailto:capitala_ir@airasia.com)  
Website : [capitala.com](http://capitala.com)  
Social Media : **Twitter** ([twitter.com/airasia](https://twitter.com/airasia))  
: **Facebook** ([facebook.com/flyairasia](https://facebook.com/flyairasia))  
: **Instagram** ([instagram.com/airasiamove](https://instagram.com/airasiamove))  
: **Instagram** ([instagram.com/flyairasia](https://instagram.com/flyairasia))  
: **TikTok** ([tiktok.com/@flyairasia](https://tiktok.com/@flyairasia))  
: **TikTok** ([tiktok.com/@airasiamove](https://tiktok.com/@airasiamove))  
: **Youtube** ([youtube.com/@airasia](https://youtube.com/@airasia))



## SHARE REGISTRAR

### Tricor Investor & Issuing House Services Sdn. Bhd.

[Registration No.: 197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan

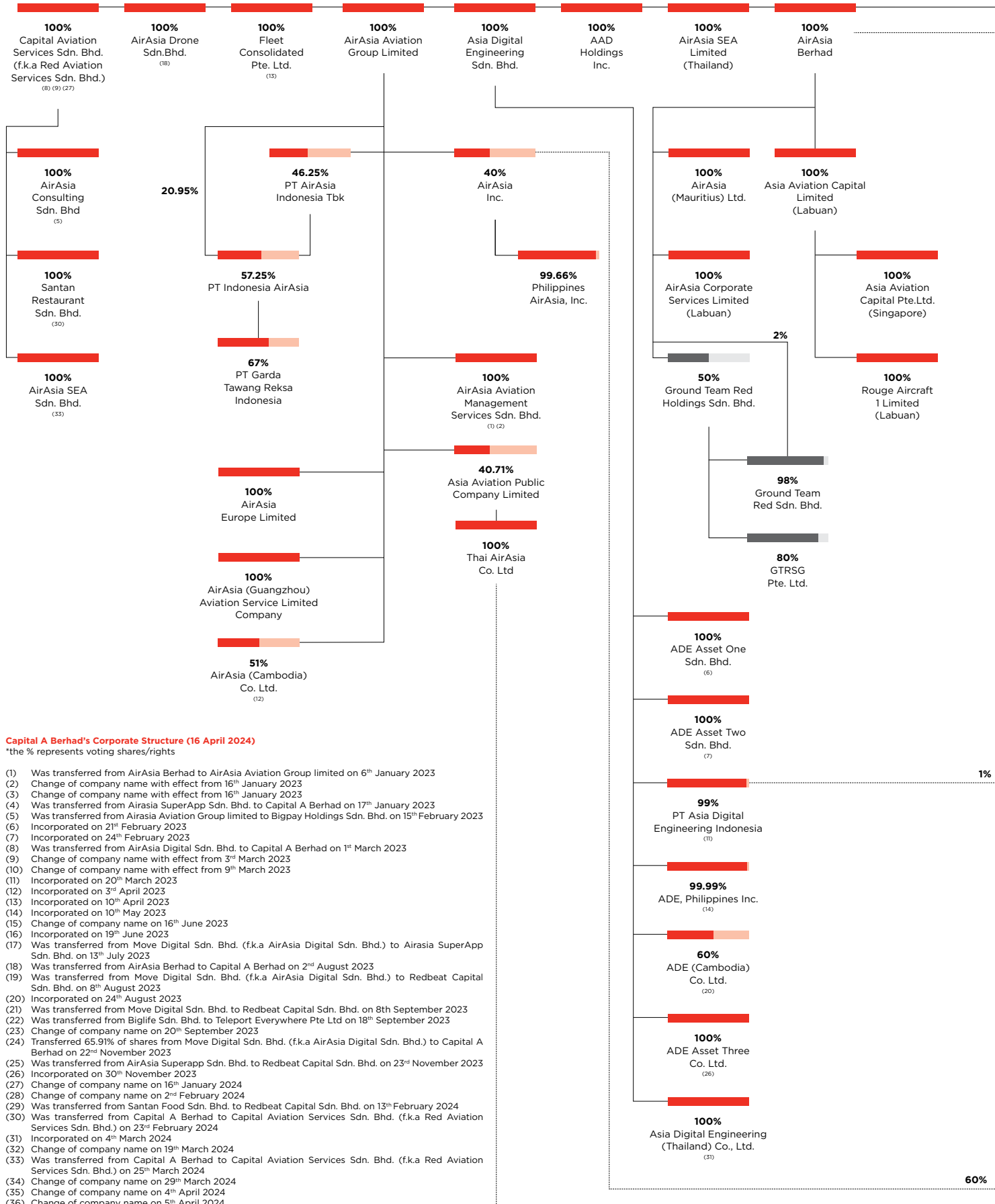
Tel : (603) 2783 9299  
Fax : (603) 2783 9222  
E-mail : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)  
Website : [www.tricorglobal.com](http://www.tricorglobal.com)

Tricor Customer Service Centre:  
Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Listing Date : 16 April 2018  
Stock Name : CAPITALA  
Stock Code : 5099

# Corporate Structure



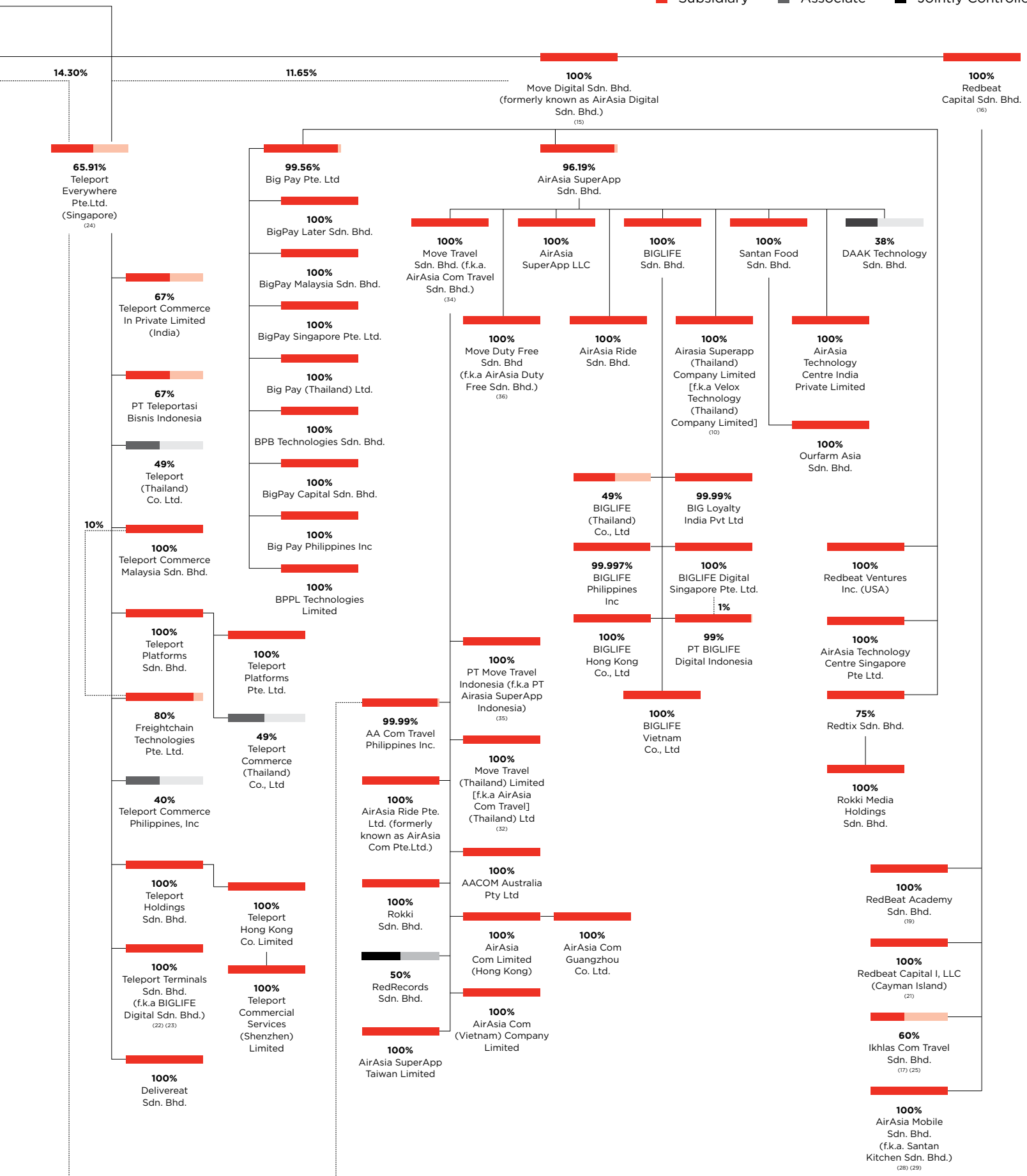
**Capital A Berhad's Corporate Structure (16 April 2024)**  
\*the % represents voting shares/rights

(1) Was transferred from AirAsia Berhad to AirAsia Aviation Group limited on 6<sup>th</sup> January 2023  
 (2) Change of company name with effect from 16<sup>th</sup> January 2023  
 (3) Change of company name with effect from 16<sup>th</sup> January 2023  
 (4) Was transferred from Airasia SuperApp Sdn. Bhd. to Capital A Berhad on 17<sup>th</sup> January 2023  
 (5) Was transferred from Airasia Aviation Group limited to Bigpay Holdings Sdn. Bhd. on 15<sup>th</sup> February 2023  
 (6) Incorporated on 21<sup>st</sup> February 2023  
 (7) Incorporated on 24<sup>th</sup> February 2023  
 (8) Was transferred from AirAsia Digital Sdn. Bhd. to Capital A Berhad on 1<sup>st</sup> March 2023  
 (9) Change of company name with effect from 3<sup>rd</sup> March 2023  
 (10) Change of company name with effect from 9<sup>th</sup> March 2023  
 (11) Incorporated on 20<sup>th</sup> March 2023  
 (12) Incorporated on 3<sup>rd</sup> April 2023  
 (13) Incorporated on 10<sup>th</sup> April 2023  
 (14) Incorporated on 10<sup>th</sup> May 2023  
 (15) Change of company name on 16<sup>th</sup> June 2023  
 (16) Incorporated on 19<sup>th</sup> June 2023  
 (17) Was transferred from Move Digital Sdn. Bhd. (f.k.a AirAsia Digital Sdn. Bhd.) to Airasia SuperApp Sdn. Bhd. on 13<sup>th</sup> July 2023  
 (18) Was transferred from AirAsia Berhad to Capital A Berhad on 2<sup>nd</sup> August 2023  
 (19) Was transferred from Move Digital Sdn. Bhd. (f.k.a AirAsia Digital Sdn. Bhd.) to Redbeat Capital Sdn. Bhd. on 8<sup>th</sup> August 2023  
 (20) Incorporated on 24<sup>th</sup> August 2023  
 (21) Was transferred from Move Digital Sdn. Bhd. to Redbeat Capital Sdn. Bhd. on 8<sup>th</sup> September 2023  
 (22) Was transferred from BigLife Sdn. Bhd. to Teleport Everywhere Pte Ltd on 18<sup>th</sup> September 2023  
 (23) Change of company name on 20<sup>th</sup> September 2023  
 (24) Transferred 65.91% of shares from Move Digital Sdn. Bhd. (f.k.a AirAsia Digital Sdn. Bhd.) to Capital A Berhad on 22<sup>nd</sup> November 2023  
 (25) Was transferred from AirAsia Superapp Sdn. Bhd. to Redbeat Capital Sdn. Bhd. on 23<sup>rd</sup> November 2023  
 (26) Incorporated on 30<sup>th</sup> November 2023  
 (27) Change of company name on 16<sup>th</sup> January 2024  
 (28) Change of company name on 2<sup>nd</sup> February 2024  
 (29) Was transferred from Santan Food Sdn. Bhd. to Redbeat Capital Sdn. Bhd. on 13<sup>th</sup> February 2024  
 (30) Was transferred from Capital A Berhad to Capital Aviation Services Sdn. Bhd. (f.k.a Red Aviation Services Sdn. Bhd.) on 23<sup>rd</sup> February 2024  
 (31) Incorporated on 4<sup>th</sup> March 2024  
 (32) Change of company name on 19<sup>th</sup> March 2024  
 (33) Was transferred from Capital A Berhad to Capital Aviation Services Sdn. Bhd. (f.k.a Red Aviation Services Sdn. Bhd.) on 25<sup>th</sup> March 2024  
 (34) Change of company name on 29<sup>th</sup> March 2024  
 (35) Change of company name on 4<sup>th</sup> April 2024  
 (36) Change of company name on 5<sup>th</sup> April 2024

1%

60%

■ Subsidiary ■ Associate ■ Jointly Controlled



# Flying High

## Our Aviation Group Network & Statistics

 **AirAsia Aviation Group**

**240**  
Routes

**22**  
Countries

**122**  
Destinations

**15**  
Hubs

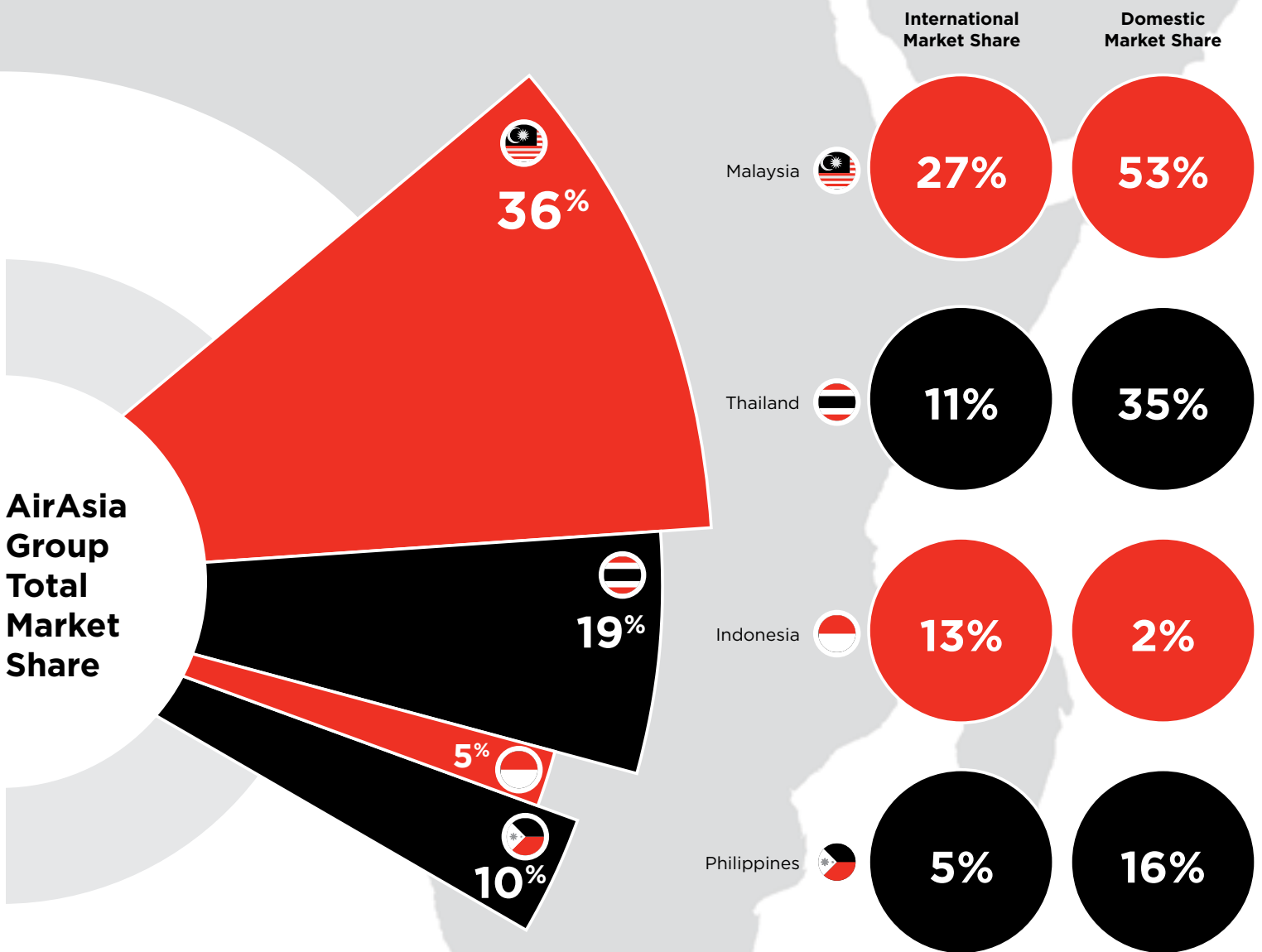
 **AirAsia X Group**  
(a sister company of Capital A)

**27**  
Routes

**10**  
Countries

**23**  
Destinations

**2**  
Hubs



**Legend**  
○ Hub    ▼ Destination



# A Digital Lifestyle Company

## Our Digital Statistics

### MOVE Digital



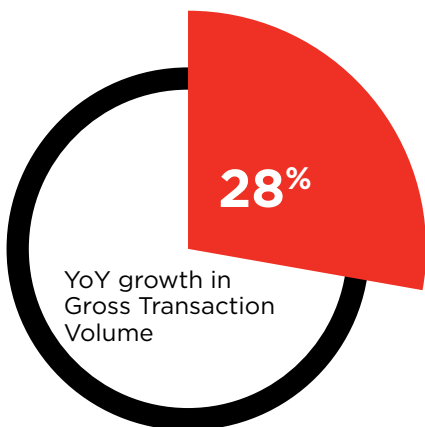
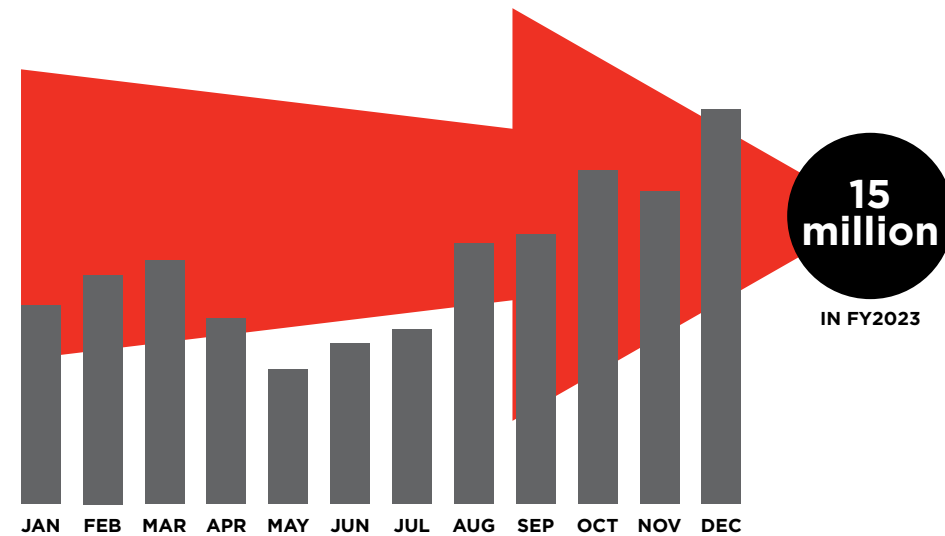
Gross Booking Value (GBV)

**15,143,786,276**

No. of transactions completed

**32,469,420**

Monthly Active Users (MAU)



**1.5 MILLION**  
carded users

### Logistics



Moved

**200,000**

tonnes of cargo

Delivered nearly

**30 million**

e-Commerce parcels

Moving

**130,000**

parcels daily in 4Q2023

### Aviation Services



ASIA DIGITAL ENGINEERING



**7 hangar**

lines available



**Over 10,000**

line maintenance services completed



AEROTRADE posted

**USD10 million**

in revenue

**santan**  
Good Food . Good Coffee . Good Value



Nearly

**20 million**

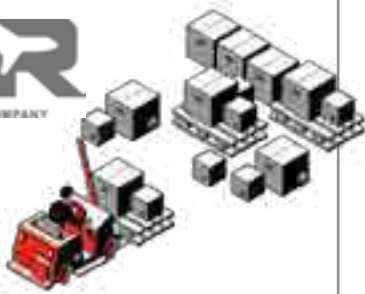
units of inflight  
products sold

Partnership  
with leading retailer sold over

**190,000 units**

of frozen meal within 2 months

**GTR**  
MALAYSIA & SATS COMPANY



Managed over

**22 million  
passengers**

across 144,000 flights

Handled

**>86,000**

tonnes of cargo

## Our Social Media Statistics



Facebook

**12,997,726**

followers



X (formerly known as Twitter)

**7,864,146**

followers



Instagram

**3,480,631**

followers



YouTube

**201,272**

followers



TikTok

**196,582**

followers



LinkedIn

**807,029**

followers



Douyin

**69,877**

followers



LINE

**27,873,142**

followers



Pinterest

**5,470**

followers



KakaoStory

**8,278**

followers



KakaoTalk

**54,356**

followers



WeChat

**1,789,457**

followers



XHS/Redbook

**18,987**

followers



Weibo

**1,302,883**

followers

# Our Performance at a Glance

## Business Performance



Recovered

**77%**

of our pre-Covid passenger volume on the back of a

**74%**

seat recovery.



Resumed

### Cadet Pilot Programme

after a two-year hiatus during the pandemic.

ADE completed

**100**

**C-Checks**

under 2.5 years, a record time frame since inception in September 2020.

ADE secured

**USD100 million**

funding from OCP Asia Ltd.



ADE received approval from the **European Union Aviation Safety Agency (EASA) Part 145 Organisation**,

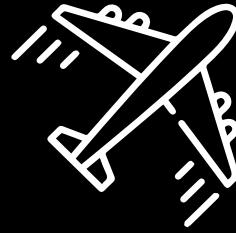
signifying the highest standards of safety and quality in aviation maintenance.



Santan's collaboration with a leading retailer resulted in the sale of nearly

**200,000** units

of frozen meals within three months of launch.



Induction of

**Teleport's first three Airbus A321 Freighter (A321F) aircraft, Awan, Pari and Bei Long,**

into its air logistics fleet.

Teleport saw **275% YoY** growth in eCommerce volume in 2023



**Delivered 30 million parcels in 2023**

Completed over

**5 million**

e-hailing rides booked through AirAsia MOVE.

**Launched**

**AirAsia brand co.**

to enhance the global presence and impact of the AirAsia brand.



# Sustainability Performance

## Environmental



Avoided **129,469 tonnes** of CO<sub>2</sub> emissions from fuel efficiency initiatives



Appointed to the **ICAO Committee** on Aviation Environmental Protection Experts' Working Group



Appointed as an adviser on the **national climate change advisory panel**



**64.4** gCO<sub>2</sub>/ASK



**49%** waste diverted from disposal

## Social



Introduced **Diversity Recruitment Guidelines**



**7% women pilots**, above the global average of 5.8%



**RM244,097** awarded to social enterprises in Asean through AirAsia Foundation



Received Safety Rating of **7/7 Stars**



**32%** women in leadership positions



**ZERO** fatalities

## Economic



NPS score of **52**



**99.9%** migration of data storage to **Google Cloud**



**42%** expenditure on local suppliers



**77%** on-time performance



**88%** load factor for short-haul flights

## We're Back: Our Diary 2023

The year 2023 marked a significant chapter in Capital A's journey as we remained focused on delivering the very best as a low-cost, high-value group of companies. Despite the challenging global economic landscape, Capital A has continued to demonstrate resilience and agility, achieving significant milestones across all facets of our operations. As we forge ahead with strong momentum in all that we do, we are pleased to present a timeline of major events that encapsulate our journey over the past year.



ADE opened its first aircraft maintenance facility in Johor, strengthening its position as the region's leading MRO service provider.

### JANUARY



Asia Digital Engineering (ADE) celebrated the inauguration of its new Maintenance, Repair and Overhaul (MRO) hangar facility in Senai, Johor Bahru, marking a significant milestone in the company's mission to deliver best-in-class MRO services across a broader range of locations to meet growing demand. The event was honoured by the presence of His Royal Highness Tunku Ismail Ibni Sultan Ibrahim, the Crown Prince of Johor, along with key state government officials.



**Listening to guests' feedback, we replaced our chatbot AVA with our new AI-powered AskBo underlining our commitment to being more transparent while enhancing the customer experience.**

**To boost domestic tourism, we partnered with the Ministry of Tourism, Arts & Culture to launch our first 5 million FREE SEATS campaign to popular domestic and international destinations.**

**AirAsia Indonesia collaborates on Lake Toba-themed aircraft liveries**

## FEBRUARY



Capital A introduced AskBo, an AI-powered concierge, replacing AirAsia Virtual Allstar (AVA), as part of the Group's commitment to deliver transparent communication and an enhanced customer experience with prompt resolution. The press conference was led by Tony Fernandes, CEO of Capital A, alongside Bo Lingam, GCEO of AirAsia Aviation Group Limited (AAGL), who is also the namesake of the latest virtual Allstar.



In a collaborative effort to stimulate tourism across Asean, AirAsia, in conjunction with the Ministry of Tourism, Arts & Culture, launched the first FREE SEATS\* campaign for 2023 offering five million free seats to numerous popular domestic and international destinations. This initiative, aimed at bolstering Malaysia's tourism sector and stimulating air travel, aligns with the nation's goal to attract 15.6 million tourist arrivals and generate RM47.6 billion in tourism receipts for 2023. The launch was officiated by the Minister of Tourism, Arts & Culture, YB Tiong King Sing.



AirAsia Indonesia collaborated with Tobatenun, BPODT, and InJourney to promote tourism through aircraft liveries themed around Lake Toba.

## We're Back: Our Diary 2023 (cont'd)



Following the devastating flash floods in Johor, our Allstars worked with the state government and NGO Southern Volunteers to undertake cleanup efforts, distribute aid, repair damaged infrastructure and support the families in need.

# MARCH



In response to the devastating flash floods in Johor, AirAsia Allstars, alongside the State Government of Johor and NGO Southern Volunteers, embarked on a series of relief missions to aid affected communities, particularly in Batu Pahat. Led by Johor Menteri Besar YB Datuk Onn Hafiz Ghazi, a convoy of 550 volunteers, including nearly 40 dedicated AirAsia Allstars from various departments, were deployed to some of the most affected areas. Working tirelessly in collaboration with local volunteers, they undertook cleanup efforts, distributed essential aid, repaired damaged infrastructure, and provided support to affected families in need.



**AirAsia announced its support of #BeyondTheGames in collaboration with the Union of Youth Federations of Cambodia to bolster the Kingdom's inaugural hosting of the Southeast Asian Games.**

## APRIL

AirAsia proudly announced support of the #BeyondTheGames initiative, in collaboration with the Union of Youth Federations of Cambodia (UYFC), to bolster the Kingdom's hosting of the Southeast Asian Games 2023, marking Cambodia's debut as host. Cementing their commitment, AirAsia signed a Memorandum of Understanding with #BeyondTheGames, solidifying a strategic partnership and commercial collaboration, including the unveiling of an exclusive #BeyondTheGames livery on an AirAsia Malaysia aircraft.



**Asia Digital Engineering (ADE) and AirAsia Drone took centre stage at the 16<sup>th</sup> Langkawi International Maritime & Aerospace Exhibition 2023 from 23-27 May in Langkawi, underscoring our commitment to shaping the future of the aviation and aerospace industry.**

## MAY

Two companies under Capital A, Asia Digital Engineering (ADE) and AirAsia Drone took centre stage at the 16th Langkawi International Maritime & Aerospace Exhibition 2023 (LIMA' 23) from 23-27 May 2023, in Langkawi, Malaysia. This prestigious event brought together leading minds in digital innovation and aviation development, underscoring our commitment to shaping the future of the aviation and aerospace industry.



We're Back: Our Diary 2023 (cont'd)



**AirAsia once again clinched the title of World's Best Low-Cost Airline at the annual Skytrax World Airline Awards 2023, marking an unprecedented 14<sup>th</sup> consecutive win.**



**AirAsia hosted its first ever Sustainability Day, signifying a pivotal step in fostering industry engagement and catalysing collaboration towards sustainable aviation.**



**Teleport inducted its first Airbus A321 Freighter (A321F) aircraft 'Awan' into its air logistics fleet in Kuala Lumpur, marking a significant milestone in its quest to fortify the largest air logistics network in Southeast Asia.**

## JUNE



AirAsia once again clinched the title of World's Best Low-Cost Airline at the esteemed annual Skytrax World Airline Awards 2023, marking an unprecedented 14th consecutive win. The recognition, based on the feedback of over 100 nationalities and 20.23 million eligible entries, underscores AirAsia's unwavering commitment to excellence and innovation, even amidst the challenges posed by the global pandemic.



AirAsia initiated its inaugural Sustainability Day, themed 'Doing More with Less', signifying a pivotal step in fostering industry engagement and catalysing collaboration towards sustainable aviation. Led by Chief Sustainability Officer Yap Mun Ching, the event convened stakeholders from diverse backgrounds to delve into AirAsia's strategies for decarbonisation and explore avenues for integrating robust environmental, social and governance (ESG) practices into its operations.

## JULY



Teleport, the logistics venture of Capital A, celebrated the induction of its first Airbus A321 Freighter (A321F) aircraft named 'AWAN' into its air logistics fleet in Kuala Lumpur, marking a significant milestone in its quest to fortify the largest air logistics network in Southeast Asia. The event, graced by the esteemed presence of His Majesty Seri Paduka Baginda Yang Di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, underscored Teleport's accelerated growth trajectory and market leadership in Southeast Asia by moving the most intra-Southeast Asia volume in the region.



**Capital A and Garuda Indonesia Group announced a strategic partnership spanning various business lines, including commercial airline services between AirAsia and Citilink, logistics services between Teleport and Garuda Indonesia Cargo, as well as MRO services between ADE and GMF AeroAsia.**



**Highlighting its dedication to consistent delivery of the best value in the travel sector in all core markets, airasia Digital - including our super app and BigPay - rebranded itself as MOVE Digital (MOVE).**



**International Civil Aviation Day had added significance for ADE, which celebrated the completion of its 100<sup>th</sup> C-Check within a record timeframe of 2.5 years since its inception in September 2020.**

## SEPTEMBER



Capital A and Garuda Indonesia Group, the national flag carrier of Indonesia, announced a strategic partnership aimed at bolstering the global aviation ecosystem post-pandemic. This collaboration spans various business lines, including commercial airline services between AirAsia and Citilink, logistics services with Teleport and Garuda Indonesia Cargo, as well as Maintenance Repair and Overhaul (MRO) services with Asia Digital Engineering (ADE) and GMF AeroAsia. The partnership involves an interlining agreement between AirAsia and Citilink, enabling more seamless travel between the combined extensive networks, and enhances air logistics capabilities. Discussions are also underway for a strategic partnership between ADE and GMF AeroAsia to provide a stronger breadth of leading low-cost MRO services in the region. This collaboration represents a significant milestone in strengthening ties between two leading Asean brands and bolstering aviation engineering services to meet strong growing demand.



In a strategic move highlighting its dedication to consistent delivery of the best value in the travel sector in all core markets, Capital A's digital arm, airasia Digital, has rebranded itself as MOVE Digital (MOVE). This transformation signifies a new phase of growth for both its businesses - airasia Superapp was then renamed as AirAsia MOVE, reflecting its focus on travel. The move underscores the company's commitment to enhancing the user experience and leverages the strong integration between travel and financial services within the airasia ecosystem.

## DECEMBER



In celebration of International Civil Aviation Day, ADE has achieved a significant milestone by completing its 100th C-Check within a record timeframe of 2.5 years since its inception in September 2020. This accomplishment underscores ADE's unwavering dedication to upholding top-notch safety and operational standards in aviation maintenance, underpinned by high quality/best cost, positioning itself as a leading MRO player in the region.

# Awards & Accolades 2023

Over the year, Capital A was the recipient of numerous awards and accolades, a strong testimony to our continuous pursuit of excellence across our group of companies.

## Branding and Marketing

### Skytrax World Airline Awards 2023

AirAsia

- World's Best Low-Cost Airline  
– 14<sup>th</sup> consecutive time



### World Travel Awards Asia & Oceania 2023

AirAsia & airasia Superapp (now known as AirAsia MOVE)



- Asia's Leading Low-Cost Airline
- Asia's Leading Low-Cost Airline Cabin Crew
- Asia's Leading Online Travel Agency

### World Travel Awards Grand Final 2023

AirAsia

- World's Leading Low-Cost Airline
- World's Leading Low-Cost Airline Cabin Crew

### World Travel Tech Awards 2023

airasia Superapp (now known as AirAsia MOVE)

- Asia's Best Travel Booking App
- Asia's Leading Online Travel Agency (OTA)
- World's Best Low-Cost Airline App & Website

### Putra Brand Awards 2023

AirAsia

- Transportation, Travel & Tourism – *Platinum*





**Rewards and Loyalty**

**Malaysia Technology Excellence Awards 2023**

AirAsia Rewards

- Malaysia Technology Excellence Awards for application programming interface (API) - *Airline*



**Talent and Capability**

**Malaysia Best Employer Brand Awards 2023**

airasia Superapp (now known as AirAsia MOVE)

- Best Employer Brand under Digital - *Internet Publishing*

**HR Asia's Best Companies to Work for in Asia Awards**

AirAsia MOVE

- Best Companies to Work for in Asia 2023 - *Malaysia Chapter*



**Leadership & Management**

**Airline Economics' Aviation 100 Asia Pacific Awards 2023**

Tony Fernandes, CEO of Capital A

- Asia Pacific CEO of The Year



**Sustainability**

**2023 CAPA-Envest Global Airline Sustainability Benchmarking Report**

- Gold in Environmental Sustainability



**London Stock Exchange Group's ESG scoring**

- ESG Score: 71/ 100  
- Ranked 15 out of 124 airlines

**FTSE4Good Bursa Malaysia Index**

- Score: 3.2/ 5

**S&P Global Corporate Sustainability Assessment (CSA)**

- Score: 40%

**Bloomberg Gender Equality Index (GEI)**

- Score: 64.65%

**Graduates' Choice Awards 2023**

Capital A

- Graduates' Choice of Employers to Work For - #2 in *airline*, #3 in *Food Delivery*, and #10 in *Shared Services*

**LinkedIn Talent Awards 2023**

AirAsia

- Best Talent Acquisition Team



**Bangkok Post CEO Of The Year 2023**

Santisuk Klongchaiya, CEO of AirAsia Thailand

- Best CEO in Resilient Leadership



**Technology and Innovation**

**2023 Ambitious Innovator Award**

AirAsia (Customer Happiness)

- Integrated Experience Award (AskBo) - *Inaugural*

**FTE APAC Airline Pioneer Awards 2023**

AirAsia

- Outstanding Achievement - *Digital Transformation*



**Stellar Workplace Awards 2023**

AirAsia Indonesia

- Top 5 Stellar Workplace in Social Era 5.0
- Top 5 Employer Branding for New Gen
- Stellar Workplace Recognition In Employee Commitment
- Stellar Workplace Recognition In Employee Satisfaction

**Airline Economics' 40 under 40 2023**

Mahesh Kumar, CEO of Asia Digital Engineering (ADE)



**ADE**

AIR TRAFFIC DIGITAL ANALYTICS

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# 2023 Financial & Investor Calendar

**26  
January**

4Q2022 Operating  
Statistics Release

**28  
February**

FY2022 Financial  
Results Announcement  
& Earnings Call

**14  
March**

Airport Tour with KAF  
Equities & clients

**17  
April**

Macquarie Virtual Talk  
with AirAsia MOVE on  
Asean Digitalisation

**26  
April**

1Q2023 Operating  
Statistics Release

**23-24  
May**

3<sup>rd</sup> Qatar  
Economic Forum

**25  
May**

CITI 4<sup>th</sup> Annual Pan-Asia  
Regional Investor  
Conference 2023

**30  
May**

1Q2023 Financial  
Results Announcement  
& Earnings Call

**15  
June**

Annual General  
Meeting

**26  
July**

2Q2023 Operating  
Statistics Release

**29  
August**

2Q2023 Financial  
Results Announcement  
& Earnings Call

**23  
October**

Company Visit to Teleport  
and ADE sites with Public  
Investment Bank

**23  
October**

3Q2023 Operating  
Statistics Release

**30  
November**

3Q2023 Financial  
Results Announcement  
& Earnings Call

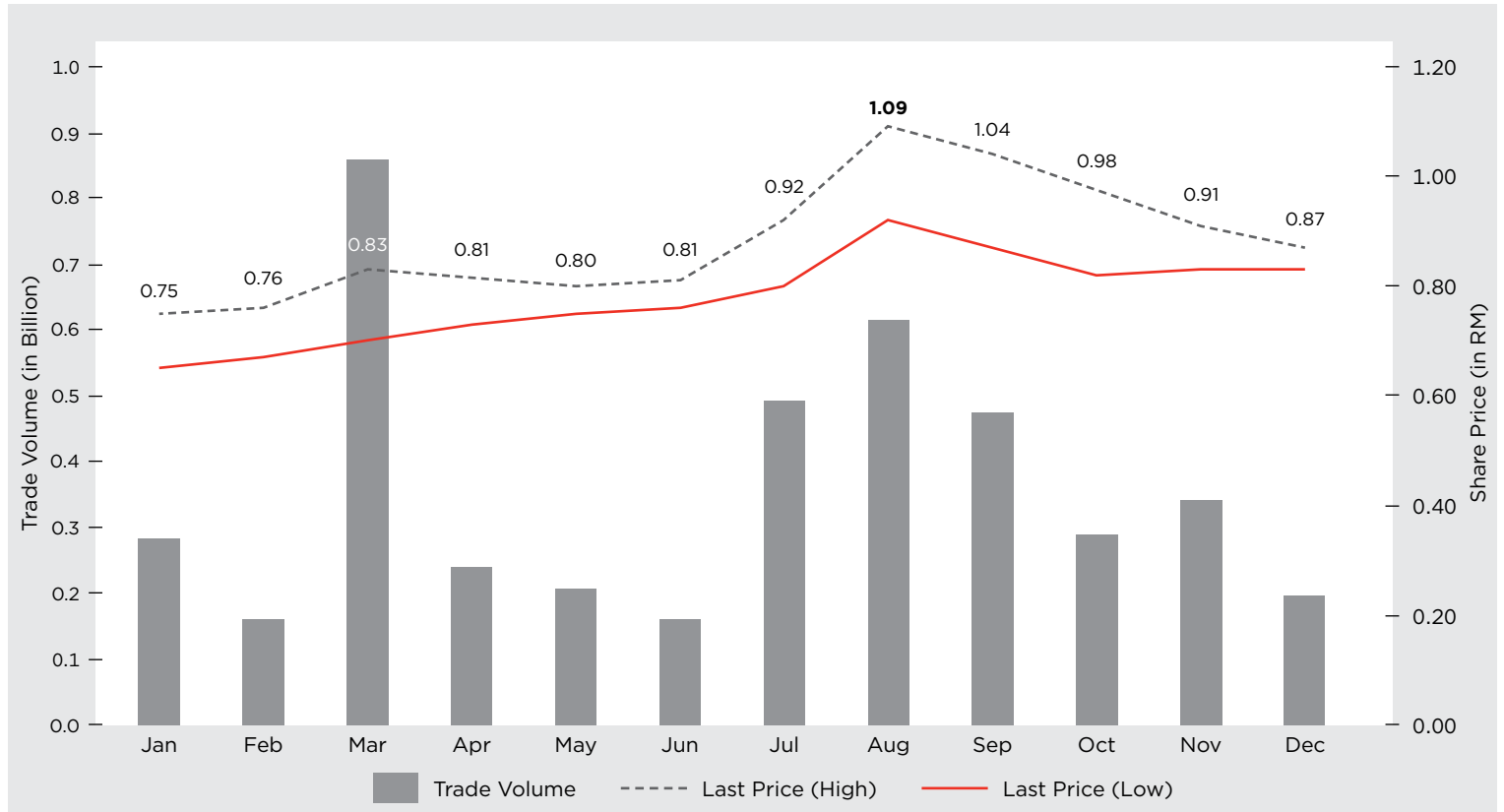
## Five-Year Financial & Operating Highlights

(RM million, unless otherwise stated)	2019	2020	2021	2022	2023
		<b>Restated</b>	<b>Restated</b>	<b>Restated</b>	
<b>INCOME STATEMENT</b>					
Revenue	11,860	3,274	1,683	6,437	14,693
Net total expenses	11,136	8,697	4,529	7,831	14,547
Operating profit/(loss)	725	-5,422	-2,846	-1,394	145
Profit/(loss) before taxation	-522	-5,551	-3,575	-3,915	-69
Taxation	238	-337	-146	-0.51	-28
<b>Net profit/(loss)</b>	<b>-283</b>	<b>-5,888</b>	<b>-3,721</b>	<b>-3,916</b>	<b>-96</b>
<b>BALANCE SHEET</b>					
Deposits, cash and bank balances	2,588	533	1,257	470	703
Total assets	25,595	19,866	20,030	19,928	28,455
Net debt (Total debt - Total cash)	-2,159	756	1,053	2,467	3,740
Total equity	2,911	-3,570	-6,423	-9,517	-10,625
<b>CASH FLOW STATEMENTS</b>					
Cash flow from operating activities	2,081	-2,168	-678	-283	1,413
Cash flow from investing activities	4,660	489	389	-210	-102
Cash flow from financing activities	-7,584	-412	1,070	-314	-1,170
<b>Net Cash Flow</b>	<b>-842</b>	<b>-2,091</b>	<b>781</b>	<b>-806</b>	<b>142</b>
<b>FINANCIAL PERFORMANCE (%)</b>					
Return on total assets	-1.1	-29.6	-18.6	-19.7	-0.3
Return on total equity	-9.7	N/A	N/A	N/A	N/A
R.O.C.E. (EBIT/(Net Debt + Equity))	34	N/A	N/A	N/A	N/A
Operating profit margin	6.1	-165.6	-169.1	-21.7	1.0
Net profit margin	-2.4	-179.8	-221.1	-60.8	-0.7
<b>OPERATING STATISTICS</b>					
Passengers carried	51,559,070	13,309,353	4,812,364	24,247,725	49,250,326
Capacity	60,884,616	17,941,988	6,500,182	28,931,734	55,907,707
Load factor (%)	85	74	74	84	88
RPK (million)	63,382	14,268	4,149	24,378	57,389
ASK (million)	74,642	19,121	5,723	29,196	66,164
Aircraft utilisation (hours per day)	13.0	9.6	6.2	12	12
Average fare (RM)	178	175	160	192	224
Revenue per ASK (sen)	15.60	15.06	16.67	19.04	20.27
Cost per ASK (sen)*	15.02	35.24	69.62	25.71	18.29
Cost per ASK - excluding fuel (sen)*	9.39	24.96	62.68	15.58	9.50
Revenue per ASK (USc)	3.77	3.61	4.00	4.41	4.41
Cost per ASK (USc)*	3.62	8.45	16.69	5.83	3.98
Cost per ASK - excluding fuel (USc)*	2.27	5.98	15.03	3.54	2.07
Number of stages	335,399	98,259	35,350	157,056	352,586
Average stage length (km)	1,225	1,070	882	1,002	1,160
Size of fleet at year end (Group)	246	247	213	209	216
Number of employees at year end (Group)	21,059	18,848	14,778	16,149	21,063
RM-USD average exchange rate	4.14	4.21	4.17	4.41	4.60
<b>Segmental revenue</b>					
a) Airlines	-	-	58	86%	91%
b) Digital	-	-	42	14%	9%

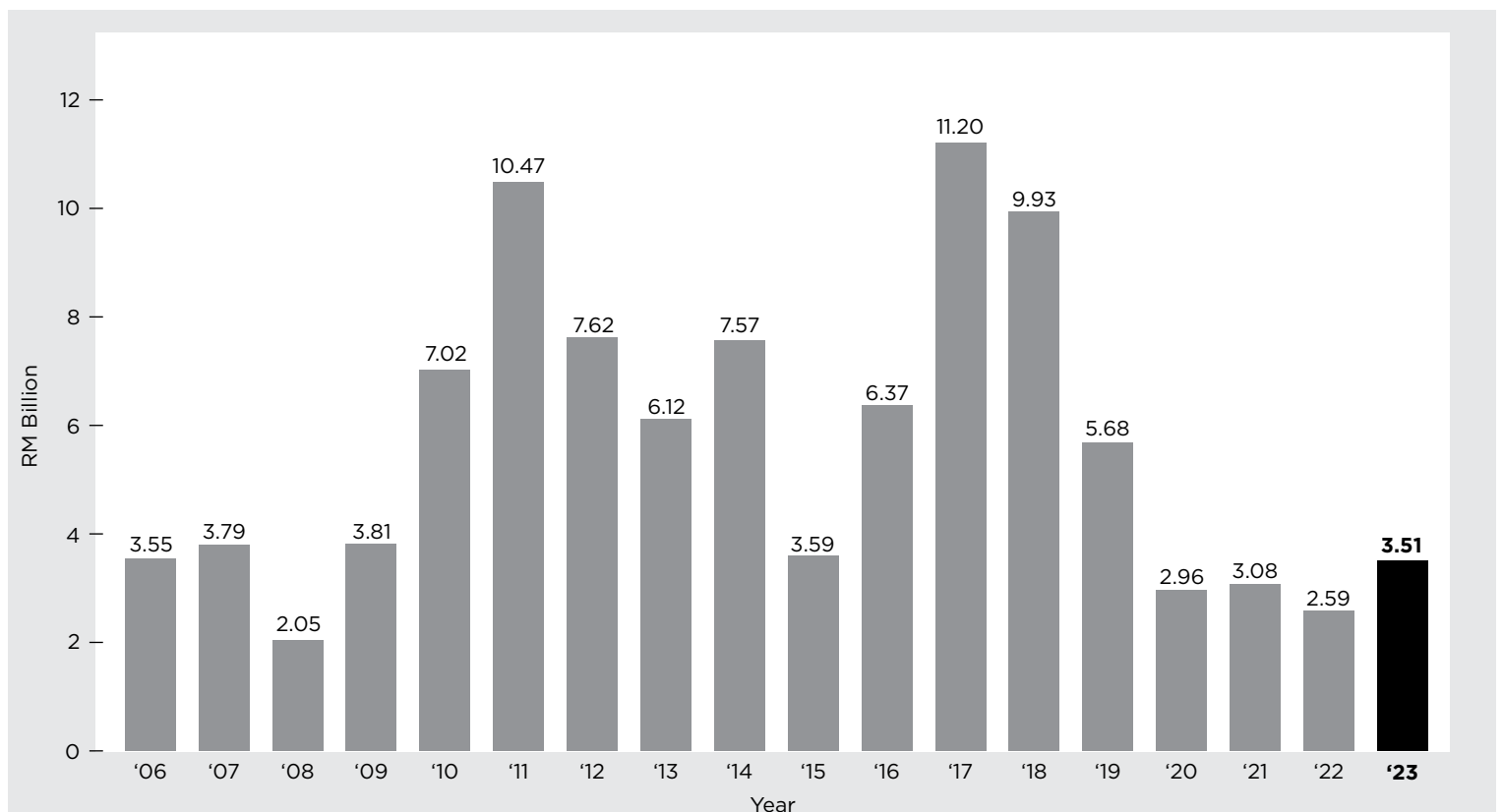
\* excluding one-off items

# Restated

## 2023 Share Performance



## Market Capitalisation (As at 31 December of Respective Years)



# Our Investment Case



We serve the underserved across a broad range of portfolio businesses which leverage off each other, including air travel; aviation services from digital aircraft maintenance, repair and overhaul (MRO) engineering, inflight catering and retail, to ground-handling; digital offerings including among the region's leading online travel agent (OTA) services and great-value fintech solutions; ride-hailing; logistics solutions; and brand management expertise, among others.

## AVIATION GROUP



- Biggest and youngest fleet among low-cost carriers in the region with an average age of six years.
- Transforming its mainly Airbus A320 aircraft family fleet to the higher-capacity, more fuel-efficient A321neo commencing 2024, followed by the A321LR and A321XLR which will truly revolutionise the industry in our core markets.
- Extensive network of over 130 destinations across the region.
- Recognised as the World's Best Low-Cost Airline by Skytrax 14 years in a row.
- Safety continues to be a key priority across the Group as acknowledged by the 7/7 rating by experts at Airline Ratings.com.

## AVIATION SERVICES



- Set to transform MRO engineering in the region.
- Workforce with over 20 years of engineering experience servicing the world's best low-cost carrier with the highest quality & safety standards at the best cost.
- Highly driven by big data and leveraging digital technologies, ADE dismantles silos within the operation, enhancing the customer experience.
- Excellent relationships with authorities, suppliers and key partners, together with expanded capabilities, has opened up many collaborative business opportunities.
- With various approvals and capabilities at strategic locations and a proven track record in managing the lowest operational costs, ADE offers the best customer experience and best value for money without compromising safety or quality of aircraft maintenance.
- State-of-the-art facilities with brand new hangars, warehouses and workshops, all leveraging big data.
- Strong presence in Asean, leveraging AirAsia's vast coverage of line maintenance infrastructure in Southeast Asia.
- Seamless integration with Capital A's extended entities for end-to-end service coverage from ground handling to cargo.
- A one-stop centre with a wide spectrum of capabilities from line and base maintenance, to components and tools, to technical support and digital solutions.
- Expanding third-party partnerships focused on becoming the leading MRO in the region.



- Offers comprehensive coverage of ground handling services.
- Embraces digitisation to enhance air cargo movements, communication exchanges and logistics processes.
- Expanding its range of services and capabilities to support the Group's ecosystem by working with AirAsia affiliate airlines.
- Growing its third-party airline customer base.



- Santan started in 2015 with the vision to create an unforgettable dining experience for AirAsia guests, with best value at the core of all it does.
- To date, Santan has shared Asean's culinary secrets with more than 600 million guests from around the world.
- In 2019, Santan introduced its inaugural ground-based restaurant to bring its highly sought-after culturally-infused meals to enthusiastic diners, delighting them with affordability and premium taste.
- Beyond meals, Santan offers duty-free and merchandise, featuring an enticing array of local and international products, ensuring guests enjoy the best offers during their travels.
- Looking ahead, Santan aspires to extend its reach beyond AirAsia to serve a wider range of airlines as well as on-ground catering.
- While providing greater job opportunities across the value chain, it seeks to support local communities and SMEs by selling locally-made and sourced products.



- Leveraging over 21 years of low-cost airline (LCC) expertise to offer tailored consulting services for global LCC airlines and investors, covering everything from airline start-up to managed services, turnaround plan, operations optimisation, business and strategic planning, fleet and network strategy, implementation of LCC best practices and beyond.
- Appointed by investors of Fly Dhaka, a low-cost carrier start up in Bangladesh, to provide end to end airline consulting services to launch the airline.
- Spearheaded key activities, including feasibility study and business plan creation, financial projection and capital requirement analysis, airport evaluation, and Joint Venture contract finalisation with shareholders, resulting in the successful launch of AirAsia Cambodia, AirAsia's fifth airline unit in Asean.

## MOVE DIGITAL



- AirAsia MOVE (formerly known as airasia Superapp) is one of Malaysia's three unicorns.
- Established in 2020, AirAsia MOVE is a rapidly growing all-in-one travel platform and app in Asean.
- The vision of AirAsia MOVE is to connect, empower and inspire travellers with a community-led approach, with features such as chat, games, gifting and a robust loyalty programme integrated into the platform.
- The platform leverages the Capital A ecosystem and includes OTA services (AirAsia and over 700 other airlines globally), hotels, ride-hailing, dining experiences, insurance, a strong loyalty programme, and more.
- Integrated financial services are provided by BigPay, enhancing the user experience.
- AirAsia MOVE was honoured with the 'Asia's Leading Online Travel Agency 2023' award by World Travel Awards in its first nomination in the OTA category.



- Champions financial well-being and literacy by providing accessible, transparent, affordable, simple and secure digital financial services for the unserved and underserved segment in Southeast Asia.
- Offers a full suite of financial products and services for over 1.3m carded and transacting users, including e-money accounts with a Visa debit card for domestic and international spend, international bank transfers, first-of-its-kind fully digital personal loan, savings, spending analytics and more.

## LOGISTICS



- Established in 2018, Teleport, the logistics venture of Capital A, is an integrated logistics solutions provider operating the largest air logistics network in Southeast Asia, with direct access to secondary and tertiary cities.
- We are Asean's #1 integrated logistics solutions provider in terms of total volumes moved within the Asean region, and Top 10 within Asia Pacific overall.
- Our unique network advantage comprises a combined freighter and high-frequency passenger aircraft belly capacity of AirAsia and 30 other partner airlines.
- We have an unmatched network advantage: with connectivity to more than 85 cities in Southeast Asia and 164 hubs in the Asia Pacific region, as well as direct point-to-point access to secondary and tertiary cities.
- We serve four business segments; Teleport Air Cargo, Teleport Solutions, Teleport Next Day and Teleport Air Partners catering to e-commerce marketplaces, freight forwarders, and small to medium businesses.
- Teleport Air Cargo: We move cargo port-to-port via Southeast Asia's largest network and highest flight frequency.
- Teleport Solutions: We customise first-to-last-mile solutions for every business need at an affordable rate.
- Teleport Next Day: We offer the cheapest next-day international delivery for businesses across Kuala Lumpur, Singapore and Bangkok.
- Teleport Air Partners: Your one-stop partner for total cargo management with customised solutions capabilities across multiple hubs in Southeast Asia
- There are over 700 Teleporters across seven countries namely Malaysia, Indonesia, Singapore, Thailand, Philippines, India and China.

## BRAND MANAGEMENT



- Capital A International (CAPI) is an Asean-based company championing Asean products, brands, cultures and broad consumer markets globally.
- CAPI specialises in brand management, focusing on the expansion, management and licensing of, specifically, the AirAsia and other Capital A brands and eventually other Asean brands. This niche focus allows CAPI to maximise the brands' value and unlock new revenue streams through strategic licensing agreements.
- CAPI employs a proven strategy to promote and accelerate the expansion of its intellectual property portfolio. By combining brand strategy, creative marketing and intellectual property development, CAPI effectively positions its brands and establishes cultural relevance among consumers.
- With a global presence, CAPI has the capability to extend the reach of the AirAsia and other Asean brands across international markets. This global footprint opens up opportunities for growth and diversification, strengthening CAPI's position as a leading brand management platform spanning Asean and beyond.



- AirAsia brand co. (Abc.) strategically manages the intellectual property developed for the Group, with a focus on the creation, management, licensing and enforcement of the AirAsia brand. This comprehensive approach covers trademarks, brand identity, content and merchandise, ensuring the protection and maximisation of the brand's value.
- Abc. focuses on promoting brands within the Capital A ecosystem as international franchises accessible to anyone around the world. Its aim is to enhance the visibility and accessibility of AirAsia brands across diverse markets, leveraging its expertise in brand development, management and licensing.
- Abc. is dedicated to owning popular Asean brands and positioning them for global branding. By acquiring and nurturing Asean brands with strong market potential, the company aims to catalyse their growth on the international stage.

**teleport**<sup>TM</sup>

# Southeast Asia's Logistics.

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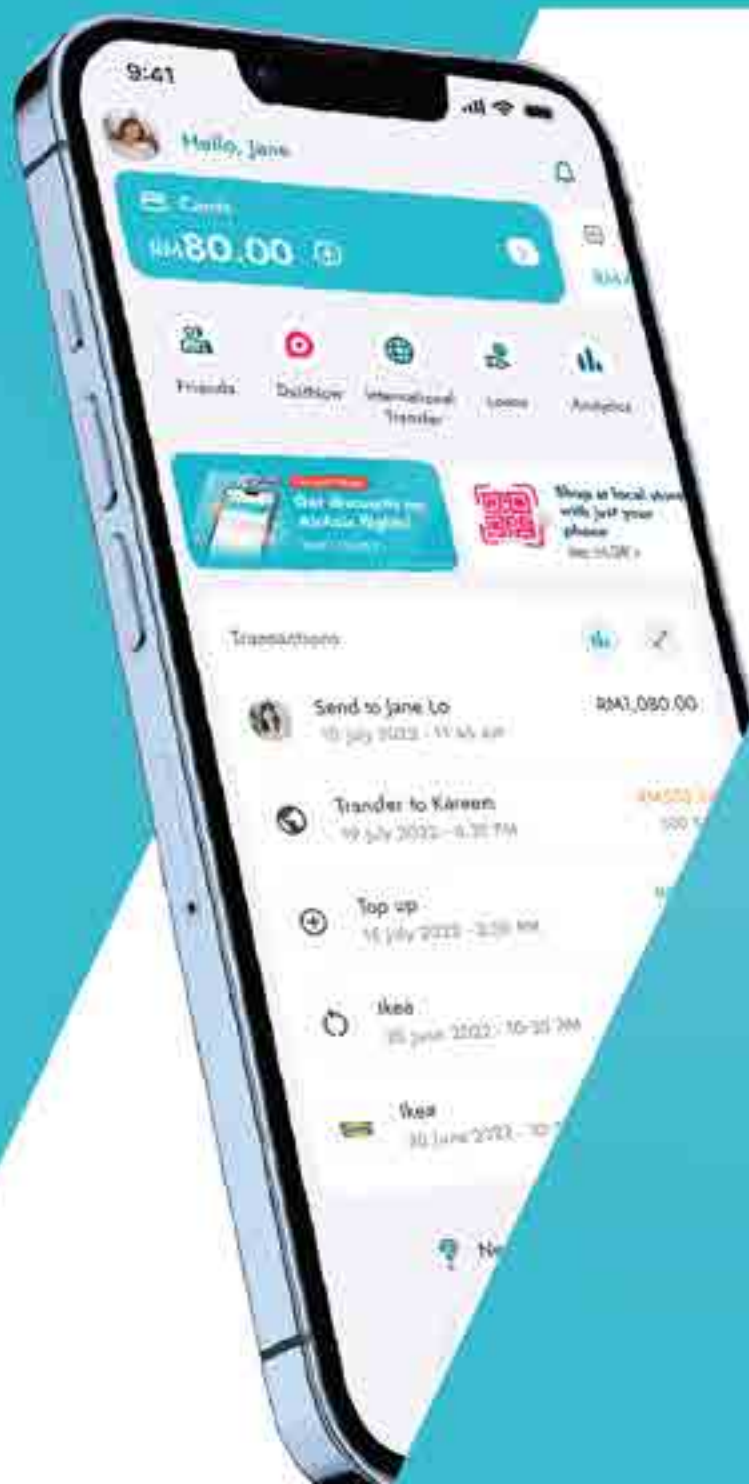
teleport.asia 



bigpay

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Pay with BigPay card or via DuitNow QR



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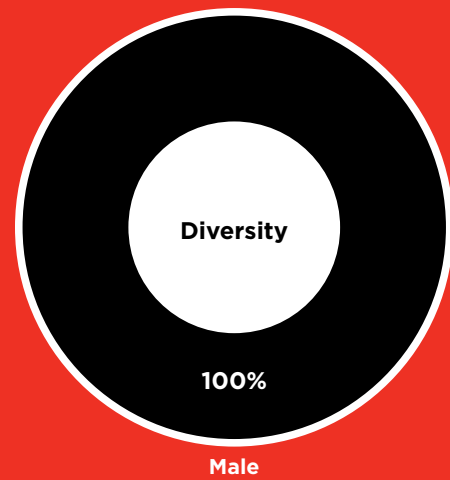
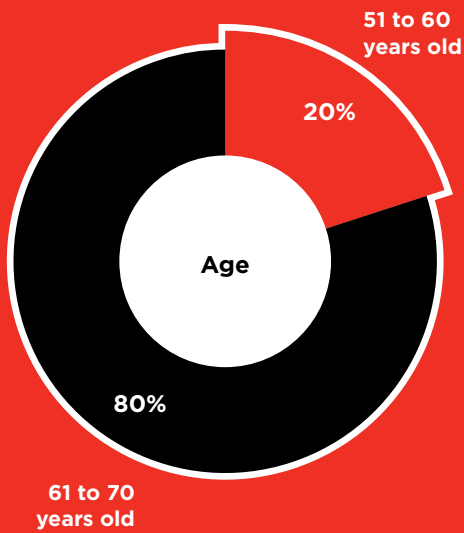
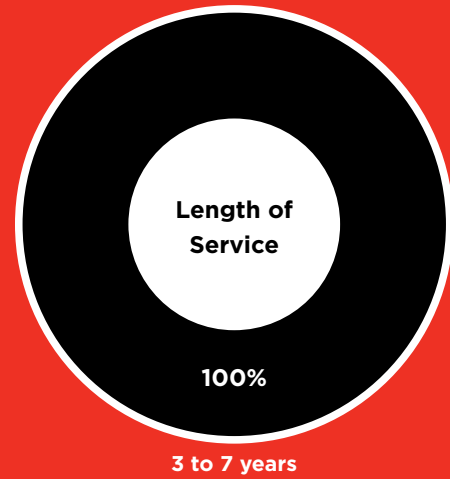
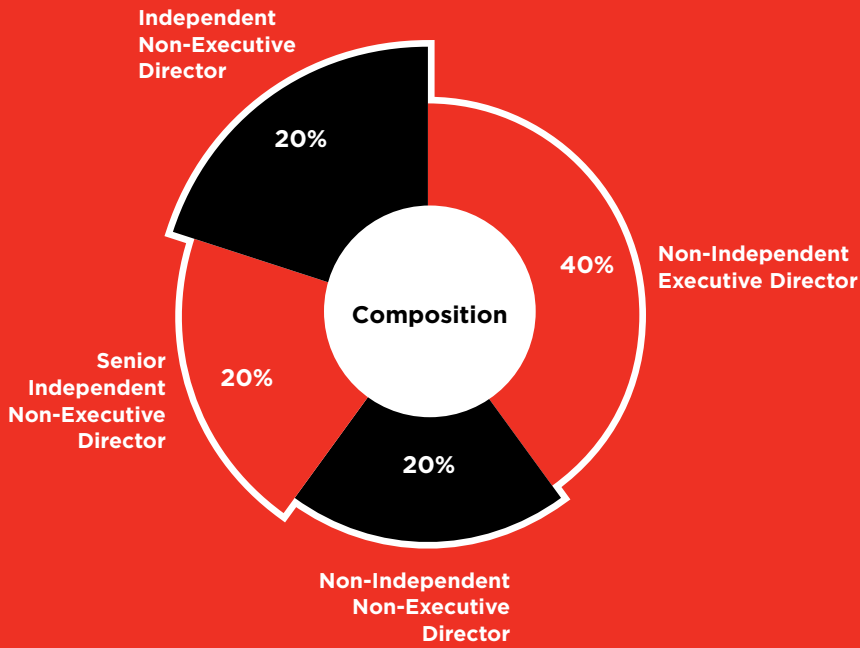


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# BOARD AT A GLANCE

None of the directors have any family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. None have been convicted of any offence within the past five (5) years other than traffic offences, if any, nor have had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



# Directors' Profiles

## TAN SRI ANTHONY FRANCIS FERNANDES



**Non-Independent Executive Director and Chief Executive Officer**  
60, Male, Malaysian

### Date of Appointment

30 March 2018

### Board Committees Served

Nil

### Academic & Professional Qualifications

- Fellow of the Association of Chartered Certified Accountants (ACCA)
- Member of the Institute of Chartered Accountants in England and Wales (ICAEW)

### Other Current Board Positions

Nil

### Present Principal Commitments as at 31 December 2023 (other than directorships)

Nil

### Past Experience

- Co-founded AirAsia (2001)
- Vice President for Southeast Asia, Warner Music Group
- Started his career in Virgin Group

### Awards/Recognition

- Commander of the Order of the British Empire (2011)
- Commander of the Legion d'Honneur
- Panglima Setia Mahkota carrying the title Tan Sri

## DATUK KAMARUDIN BIN MERANUN



**Non-Independent Executive Chairman**  
62, Male, Malaysian

### Date of Appointment

30 March 2018

### Board Committees Served

Nil

### Academic & Professional Qualifications

- Master of Business Administration (MBA), Central Michigan University (1987)
- BSc in Actuarial Science with Distinction (Magna Cum Laude), University Technology MARA (UiTM) (1986)
- Diploma in Actuarial Science, UiTM

### Other Current Board Positions

- AirAsia X Berhad (Non-Independent Non-Executive Director)
- AirAsia Berhad (Non-Independent Executive Chairman)
- Red Giants Football Club (Director)

### Present Principal Commitments as at 31 December 2023 (other than directorships)

Nil

### Past Experience

- Co-founded AirAsia (2001)
- Executive Director, Innosabah Capital Management Sdn. Bhd. (from 1994)
- Portfolio manager, Arab-Malaysian Merchant Bank (1988-1993)

### Awards/ Recognition

- Darjah Panglima Jasa Negara (PJN) carrying the title Datuk (2013)

Directors' Profiles (cont'd)

**DATO' MOHAMED  
KHADAR BIN  
MERICAN**



**Independent Non-Executive Director**  
67, Male, Malaysian

**Date of Appointment**  
30 March 2018

**Board Committees Served**

- Audit Committee (Chairman)
- Risk Management and Sustainability Committee
- Safety Review Board

**Academic & Professional Qualifications**

- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

**Other Current Board Positions**

- BNP Paribas Malaysia Berhad (Independent Non-Executive Chairman)
- Tune Protect Group Berhad (Independent Non-Executive Chairman)
- Asia Aviation Public Company Limited, listed on the Stock Exchange of Thailand (Director)
- Iris Corporation Berhad (Director)
- Rashid Hussain Berhad (in members' voluntary liquidation) (Director)

**Present Principal Commitments as at 31 December 2023 (other than directorships)**  
Nil

**Past Experience**

- Various senior management roles culminating in President and Chief Operating Officer, Pernas International Holdings Berhad (1988-2003)
- Auditor and consultant in an international accounting firm, before joining financial services group in 1986

**Awards**

- "Chairman of The Year" by the Minority Shareholders Watch Group at Asean Corporate Governance Index Awards 2013 (as chairman of RHB Capital)

**DATO' FAM  
LEE EE**



**Senior Independent Non-Executive Director**  
62, Male, Malaysian

**Date of Appointment**  
30 March 2018

**Board Committees Served**

- Nomination and Remuneration Committee (Chairman)
- Safety Review Board (Chairman)
- Audit Committee

**Academic & Professional Qualifications**

- BA (Hons) from the University of Malaya
- LLB (Hons) from the University of Liverpool, England

**Other Current Board Positions**

- AirAsia X Berhad (Non-Independent Non-Executive Chairman)
- Thai AirAsia X Co, Ltd (Director)
- Malaysia-China Business Council (Director)

**Present Principal Commitments as at 31 December 2023 (other than directorships)**

- Senior Partner, Messrs Gan & Zul
- Legal advisor, Chinese Guilds and Association
- Legal advisor, Yayasan SSL Haemodialysis Centre in Petaling Jaya
- Honorary Adviser, Perlis Chinese Chamber of Commerce and Industry
- Council member, International Commercial Dispute Prevention & Settlement Organisation (ICDPASO)

**Past Experience**

- Member, Board of Trustees of Yayasan PEJATI (1996-2007)
- Law practice (since 1991)

**DATO' ABDEL AZIZ  
@ ABDUL AZIZ BIN  
ABU BAKAR**



**Non-Independent Non-Executive Director**  
70, Male, Malaysian

**Date of Appointment**

30 March 2018

**Board Committees Served**

- Risk Management and Sustainability Committee (Chairman)
- Audit Committee
- Nomination and Remuneration Committee

**Academic & Professional Qualifications**

- Diploma in Agriculture, Universiti Pertanian Malaysia
- BSc in Agriculture Business, Louisiana State University, USA
- MBA, University of Dallas, USA

**Other Current Board Positions**

- Pegasus Heights Berhad (Independent Non-Executive Chairman)
- Yayasan Astro Kasih (Director)

**Present Principal Commitments as at 31 December 2023  
(other than directorships)**

Nil

**Past Experience**

- Co-founded AirAsia (2001)
- Chairman, Performance and Artistes Rights Malaysia Sdn. Bhd. (PRISM) and the Academy of Malaysian Music Industry Association (PAIMM)
- General Manager subsequently Managing Director, BMG Music (1989-1999)
- Executive Director, Showmasters (M) Sdn. Bhd. (1981-1983)

**SURINA BINTI  
SHUKRI**



**Independent Non-Executive Director**  
47, Female, Malaysian

**Date of Appointment**

31 January 2022

Demised on 29 February 2024

**Board Committees Served**

- Nomination and Remuneration Committee
- Risk Management and Sustainability Committee

**Academic & Professional Qualifications**

- Bachelor of Science in Economics, The Wharton School & Bachelor of Applied Sciences in Systems Engineering, School of Engineering and Applied Sciences – Management & Technology dual degree, University of Pennsylvania, US

**Past Experience**

- Spent the bulk of her career in New York City, US, before returning to Malaysia in 2019
- Chief Executive Officer of Malaysia Digital Economy Corporation (MDEC)
- Independent Non-Executive Director of CIMB Investment Bank Berhad
- Director of Accelerate Global, a social enterprise aimed at tackling youth unemployment worldwide

**Awards**

- Named among the World's 50 Most Influential People Revolutionising Governance in Agile 50 by Apolitical and World Economic Forum's Global Future Council on Agile Governance

# Our Senior Management Team

## TAN SRI ANTHONY FRANCIS FERNANDES

**Non-Independent Executive Director and Chief Executive Officer, Capital A**

**60, Male, Malaysian**

Tan Sri Tony Fernandes also sits on the Board of Capital A Berhad. For more information on his profile, please refer to page 33.

## BO LINGAM

**President (Aviation) and Group Chief Executive Officer, AirAsia Aviation Group Limited (AAGL)**

**59, Male, Malaysian**

### Academic/Professional qualifications

- Malaysian Certificate of Education (SPM)

### Current responsibilities

- Responsible for overseeing the operations and strategic direction of the five airlines in the Group: AirAsia Malaysia, AirAsia Indonesia, AirAsia Thailand, AirAsia Philippines and AirAsia Cambodia.

### Previous experience

- Bo joined AirAsia in 2001 as a Ground Operations Manager, responsible for the implementation of the low-cost concept in operations and procurement.
- Since then, he has held several key positions including Purchasing and Supplies Senior Manager, Regional Guest Services Director, and President & Group Chief Operating Officer, where he supervised AirAsia's operations in Malaysia, Thailand, Indonesia and the Philippines, drove process improvement and set up new airlines in the region for the Group.

### Present directorship(s) in public company(ies) and listed issuer(s)

Nil

## AIREEN OMAR

**President (Investment & Ventures), Chief Executive Officer, RedBeat Capital**

**50, Female, Malaysian**

### Academic/Professional qualifications

- Master's in Economics, New York University, US
- Bachelor of Science in Economics, London School of Economics and Political Science (LSE), UK

### Current responsibilities

Oversees Capital A's investment and fund raising initiatives including its venture builder arm, RedBeat Capital, which incubates, develops and accelerates innovative new startups and solutions across AirAsia's businesses and markets, while promoting innovation throughout the Group.

### Previous experience

- President, AirAsia Digital (formerly known as RedBeat Ventures) (Jan 2019 - Jul 2022)
- AirAsia Deputy Group CEO, Digital & Technology; CEO of RedBeat Ventures (Jan 2018 - Jan 2019)
- Chief Executive Officer, AirAsia Malaysia (Jul 2012 - Dec 2017)
- Director of Corporate Finance, Treasury, Fuel Procurement, and Investor Relations (Jan 2006 - Jun 2012)
- Associate at Deutsche Bank Securities (1997 - 2000)

### Present directorship(s) in public company(ies) and listed issuer(s)

Non-Executive Director of TuneProtect Group Berhad

## PATTRA BOOSARAWONGSE

**Chief Financial Officer**

**54, Female, Thailand**

### Academic/Professional qualifications

- Master's in Finance and Accounting, Thammasat University, Thailand

### Current responsibilities

Responsible for Group Finance, Investor Relations, Internal Audit, Group Procurement and Group Tax. Additionally, supports Capital A CEO on investment strategies to generate value for the entities under Capital A, and also leads tax strategy and planning.

### Previous experience

- Ventured into the aviation industry by joining AirAsia Thailand and Asia Aviation Plc., where she initially served as the Chief Financial Officer (2014 to date)
- Joined Sony Music as its Finance Director and subsequently progressed to the role of General Manager (1993 - 2013)
- Began her professional journey as a senior auditor at Ernst & Young (1991 - 1993)

### Present directorship(s) in public company(ies) and listed issuer(s)

Nil

**ROZMAN OMAR****Group Head of Corporate Finance****61, Male, Malaysian****Academic/Professional qualifications**

- Chartered Accountant, The Association of Chartered Certified Accountants

**Current responsibilities**

He oversees the Group Treasury, Aircraft and Corporate Finance functions of Capital A and its companies.

**Previous experience**

- Joined AirAsia as Chief Financial Officer of AirAsia Indonesia (2004)
- Accumulated extensive experience in investment banking, with stints at institutions such as Arab-Malaysian Merchant Bank Berhad (now AmInvestment Bank), Bumiputra Merchant Bankers Berhad, and Innosabah Corporate Services Sdn. Bhd. (2004)

**Present directorship(s) in public company(ies) and listed issuer(s)**

Nil

**JOANNA IBRAHIM****Chief Corporate Development and Ventures****44, Female, Malaysian****Academic/Professional qualifications**

- Master of Science in Operational Research, London School of Economics and Political Science (LSE), UK
- Bachelor of Electrical and Electronic Engineering, Imperial College London, UK

**Current responsibilities**

Leads strategic planning, turnaround initiatives, investor relations and ventures, shaping the Group's growth trajectory. Joanna drives the implementation of the Group's business plan, identifying opportunities for expansion while revitalising underperforming sectors.

**Previous experience**

- CEO, airasia grocer (2020-2022)
- Head of Investment, airasia digital (2018 - 2020)
- Chief Commercial Officer and Chief Financial Officer, AirAsia Indonesia (2016 - 2017)
- Group Head of Strategy, AirAsia (2010 - 2016)
- Various roles in management consulting, including over 15 years of experience in corporate strategy and finance with various assignments across aviation, telecommunications, plantation and private equity industries

**Present directorship(s) in public company(ies) and listed issuer(s)**

Nil

**YAP MUN CHING****Chief Sustainability Officer and Executive Director, AirAsia Foundation****47, Female, Malaysian****Academic/Professional qualifications**

- Master of Science in International Relations, London School of Economics and Political Science (LSE), UK
- Wolfson Press Fellow, University of Cambridge, UK
- Bachelor of Science in Economics, LSE

**Current responsibilities**

Mun Ching aims to put in place a framework for AirAsia to achieve its net-zero target well ahead of international timelines while ensuring that the airline's carbon offset contributions go towards supporting environmental programmes that protect Asean biodiversity. She is also committed to increasing the number of women in aviation and advancing policies that support their recruitment and retention.

**Previous experience**

- Joined AirAsia as a route planner and progressed to Head of Strategic Planning, playing a pivotal role in expanding the airline's air transport network across the region, and contributed to the liberalisation of the Malaysian domestic aviation sector and facilitating AirAsia's entry into China (2004-2008)
- Journalist at Malaysiakini and The Sun Daily (2004 & 2006)

**Present directorship(s) in public company(ies) and listed issuer(s)**

Chairperson of the National Task Force on CORSIA

**MARYANNA MINJUNG KIM****Head of Corporate Communications and Consumer Affairs****44, Female, Korean****Academic/Professional qualifications**

- Master of Education Administration, Korea University, South Korea
- Bachelor's in Korean Language, Korea University, South Korea

**Current responsibilities**

As the lead for communications strategy across all Capital A businesses, including Web 3.0 ventures, her role involves maximising opportunities to promote Capital A's identity and mission. This includes overseeing internal communications to keep Allstars informed of corporate news, as well as serving as the primary communications point for issue and crisis management activities. She provides counsel on external communications and corporate reputation and oversees the streamlining of consumer communications and affairs.

**Previous experience**

- Accumulated nearly 20 years of experience as a journalist at Korea's Arirang TV, where she covered international news and conducted high-profile interviews (2003-2019)

**Present directorship(s) in public company(ies) and listed issuer(s)**

Nil

# Our CEOs

## BO LINGAM

Group Chief Executive Officer, AirAsia Aviation Group Limited (AAAGL)  
59, Male, Malaysian

Bo Lingam is part of Capital A's Senior Management. For more information on his profile, please refer to page 36.

## NADIA ZAHIR OMER

Chief Executive Officer, AirAsia MOVE (formerly airasia Superapp)  
44, Female, Pakistani

**Academic/Professional qualifications**

- Master of Business Administration, Lahore University of Management Sciences, Pakistan

**Current responsibilities**  
Drives AirAsia MOVE's vision to be the best-value one-stop travel platform in Asean.

**Previous experience**

- She began her career at P&G, subsequently moving to bigger roles at Nestle and PepsiCo and served as the Chief Business Officer of Cars24, Southeast Asia before joining AirAsia MOVE (2004 - 2023)

**Present directorship(s) in public company(ies) and listed issuer(s)**  
Nil

## ZUBIN RADA KRISHNAN

Chief Executive Officer, BigPay  
40, Male, Malaysian

**Academic/Professional qualifications**

- Master of Arts in Philosophy, Politics and Economics, University of Oxford, UK

**Current responsibilities**  
Leads BigPay to fulfil its mission of giving Southeast Asians the financial services they need to level up their lives, one transaction at a time.

**Previous experience**

- International Expansion and Country Head (Malaysia), BigPay (2022 - 2023)
- Partner, The Boston Consulting Group (BCG) (2015 - 2022)
- Co-Founder, Tuas Capital Partners (2012 - 2015)
- Director, Srivijaya (2012-2015)
- Manager, Strategic Planning, Hong Leong Bank (2008 - 2011)
- Senior Associate, Strategy & Financial Risk Consulting, KPMG Malaysia (2005 - 2008)

**Present directorship(s) in public company(ies) and listed issuer(s)**  
Nil

## PETE CHAREONWONGSAK

Chief Executive Officer, Teleport  
36, Male, Thailand

**Academic/Professional qualifications**

- Master of Engineering - MEng (Chemical Engineering), University of Cambridge, UK
- Master's (ALM) in Finance, Harvard University, US
- Bachelor of Arts - BA (Hons) Chemical Engineering, University of Cambridge, UK

**Current responsibilities**  
Leads team Teleport to help businesses reliably move cross-border goods next day across Southeast Asia, in a faster, more accessible and affordable way than anyone else. Teleport it.

**Previous experience**

- Regional Chief Operating Officer, AirAsia Philippines (2016)
- Group Head of Business Development (2014)
- Government-appointed Advisor to Thailand Trade Representative, International Trade and Investment, Royal Thai Government (2011)
- Analyst, Regional Mergers and Acquisitions, CIMB (2010)
- Analyst, Corporate Finance, Phatra Securities (a Bank of America/Merrill Lynch partnership) (2010)

**Present directorship(s) in Public Company(ies) and Listed Issuer(s)**  
Nil



## MAHESH KUMAR JAYA KUMAR

Chief Executive Officer, Asia  
Digital Engineering (ADE)  
39, Male, Malaysian

### Academic/Professional qualifications

- Bachelor of Technology, Aeronautical Engineering, Nehru College of Aeronautics, India

### Current responsibilities

Leads the transformation of AirAsia's Engineering department into a comprehensive Maintenance, Repair and Overhaul (MRO) service provider driven by data and technology serving AirAsia and third-party commercial airlines in the region.

### Previous experience

- Head of Fleet & Technical Asset Management (2017)
- Project Manager (2014-2017)
- Senior Vice President, Technical, Asia Aviation Capital Limited (2015-2017)
- Planning Engineer, AirAsia (2009-2014)

### Present directorship(s) in Public Company(ies) and Listed Issuer(s)

Nil

## CATHERINE GOH

Chief Executive Officer,  
Santan  
36, Female, Malaysian

### Academic/Professional qualifications

- Bachelor's in Finance and Marketing, Upper Iowa University, US

### Current responsibilities

Since her appointment in September 2019, Catherine has focused on ensuring strong governance while modernising the business through data-driven transformation initiatives. One of Catherine's key strategies involves leveraging artificial intelligence and machine learning technologies to enhance the consumer experience. Through these technologies, customers can enjoy a seamless and convenient journey from ordering to receiving personalised promotions and making payments via facial recognition.

### Previous experience

- General Manager, Santan (2019 - March 2024)
- Regional Head of Inflight Retail (2019)
- Regional Head of Inflight Catering (2017)
- Executive Assistant to Group CEO (2016)
- Network, Charter and Fleet Planner, AirAsia (2015)

### Present directorship(s) in public company(ies) and listed issuer(s)

Nil

## SUBASHINI SILVADAS

Chief Executive Officer,  
Capital A Consultancy  
43, Female, Malaysian

### Academic/Professional qualifications

- Global Executive MBA, INSEAD, France
- Fellow Member - Association of Chartered Certified Accountants, UK
- Bachelor of Accounting (Hons), Multimedia University, Malaysia

### Current responsibilities

A seasoned leader with more than 15 years of experience in the aviation industry, currently steering the ship as the Chief Executive Officer (CEO) of Capital A Consultancy since April 2021, where her vision and leadership are the driving force behind the company's growth and success.

### Previous experience

- Group Head - Airline Strategy & JVs, Network, Fleet, Scheduling & Regulatory (2019-2021)
- Group Head - Strategy (Airline JVs & M&A) (2016-2019)
- Group Head - Network and Fleet (2013-2016)
- Assistant Manager, PricewaterhouseCoopers (PwC) (2003-2007)

### Present directorship(s) in public company(ies) and listed issuer(s)

Nil

## RUDY KHAW

Chief Executive Officer,  
AirAsia brand co. (Abc.)  
38, Male, Malaysian

### Academic/Professional qualifications

- Bachelor of Arts in Media and Communications, University of Adelaide, Australia

### Current responsibilities

Leading AirAsia brand co., a new entity dedicated to further enhancing the reach and impact of the AirAsia brand worldwide, focusing on the primary areas of development, including strategic brand licensing, brand collaboration and merchandising opportunities in the travel-related and lifestyle sectors. This will allow the brand to amplify exposure, reach wider audiences and add tremendous value to the AirAsia ecosystem.

### Previous experience

- Chief Brand Officer (2020)
- CEO of FORMAT (2020)
- Group Head of Branding (2016)
- Regional Head of Branding (2014)
- Brand Manager (2010)
- Brand Executive, AirAsia (2007)

### Present directorship(s) in public company(ies) and listed issuer(s)

Nil

# TRAVEL CHEAPER, TRAVEL **SMARTER!**

**THE ASEAN OTA  
WITH THE BEST  
DEALS & PRICES**

**ON FLIGHTS,  
HOTELS, RIDES  
AND MORE!**



Open up a world of adventure with the lowest AirAsia fares,  
best deals on Flight+Hotel, Rides and more,  
only on your favorite travel app!



**AirAsia MOVE**



# THE ONLY AIRLINE CONNECTING THE WORLD TO 10 ASEAN COUNTRIES



Note: The map is not drawn to scale and does not accurately represent all territories belonging to individual countries. It does not reflect the political opinions or affiliations of the inflight or AirAsia. It is a neutral depiction of destinations within the AirAsia network. Map accurate as of [30, April, 2024 of the Issue published].

# Strategic Review

## Our Business Model

We create value by leveraging our financial, manufactured, intellectual, human, social and relationship and natural capitals to support our airline, aviation services, logistics, travel app and branding/intellectual property businesses, as well as our venture arm. Our business model is premised on optimum efficiencies that will allow us to pass on savings to our customers, thus democratising services and making them affordable as well as accessible to everyone.



## ACTIVITIES THAT CREATE

## VALUE FOR OUR STAKEHOLDERS

## OUTPUT

**AirAsia Aviation**

- Flew total of 56,985,467 guests in 2023
- Achieved capacity of 64,397,379, 74% of pre-Covid
- Resumption of 52 routes across Asean

**Capital A Aviation Services**

- Achieved 100th C-Check in less than two-and-a-half years
- Launched aircraft health management system ELEVAD FLEET
- Handled total of 143,517 flights and 86,448 tonnes of cargo
- Prepared a total of 12,627,649 inflight meals; and achieved RM5,299,532 in sales from restaurants

**Logistics Services**

- Teleported nearly 200,000 tonnes of cargo (88% growth YoY) and 30 million parcels (275% growth YoY)
- Onboarded three Airbus A321 Freighters (A321F)

**MOVE Digital**

- Recorded close to 17 million in its average Monthly Active Users (MAU) in 4Q2023, a 48% YoY growth
- Completed 5.4 million e-hailing rides
- BigPay transactions grew 11% to RM4.5bn from user spend in payments and remittances; a further RM4.8mn in loans had also been disbursed
- Launched embedded wallet version of BigPay in AirAsia MOVE, and cross-border DuitNow QR capabilities

**RedBeat Capital**

- airasia academy trained total of 2,000 learners under instructor-led training (ILT) programmes; and attracted more than 305,000 platform sign-ups
- ikhlas.com flew total of 1,572 guests
- Collected and distributed RM170,000 in aid for families in Gaza

## OUTCOMES

**Economic**

- Achieved RM14.7 billion in revenue which was distributed through:
  - RM27.7 million in taxes
  - RM2.1 billion in salaries

**Environmental**

- Total GHG emissions (Scopes 1, 2 & 3): 6,036,692.6 tCO<sub>2</sub>e (2022: 2,329,332.48 tCO<sub>2</sub>e)
- Carbon intensity ratio: 64.4 gCO<sub>2</sub>/ASK; 74 gCO<sub>2</sub>/RPK (2022: 70.5 gCO<sub>2</sub>/ASK; 85.4 gCO<sub>2</sub>/RPK)
- Non-renewable electricity purchased: 15,083 MWh (2022: 8,660MWh)
- Non-hazardous waste generated: 1,003.1 tonnes (2022: 568.6 tonnes)
- Recycled 18,784kg of office waste (2022: 4,160kg)
- Water consumption: 102,067 m<sup>3</sup> (2022: 83,289 m<sup>3</sup>)

**Social**

- 100% Allstars brought back to the Group
- 17% women on the Board; 32% in leadership (as at year end of 2023)
- 7% female pilots vs global average of 5.8%
- 914 Allstar volunteering hours
- 42% expenditure on local suppliers
- Maintained zero fatalities; and 7/7 Star Safety Rating
- RM244,097 awarded to support growth and expansion of social enterprises in Asean through AirAsia Foundation
- RM119,616.70 in contributions for uplifting and empowering communities in Asean

**Governance**

- Appointment of two advisers to AAAGL's Board Sustainability Committee
- 100% new Allstars completed training on the Code of Conduct & ABAC Policy
- Introduced a gift declaration form
- Incorporated ESG risks into ERM
- 2,965 Allstars completed anti-harassment training; and 7,835 completed anti-trafficking e-learning module

## Strategic Review (cont'd)

## Our Operating Environment



**We monitor our operating environment because it necessarily has an impact on our operations and performance. In the following pages, we describe some of the key macro trends that contributed, either positively or negatively, to our five business verticals and all our lines of business (LOBs) in 2023.**

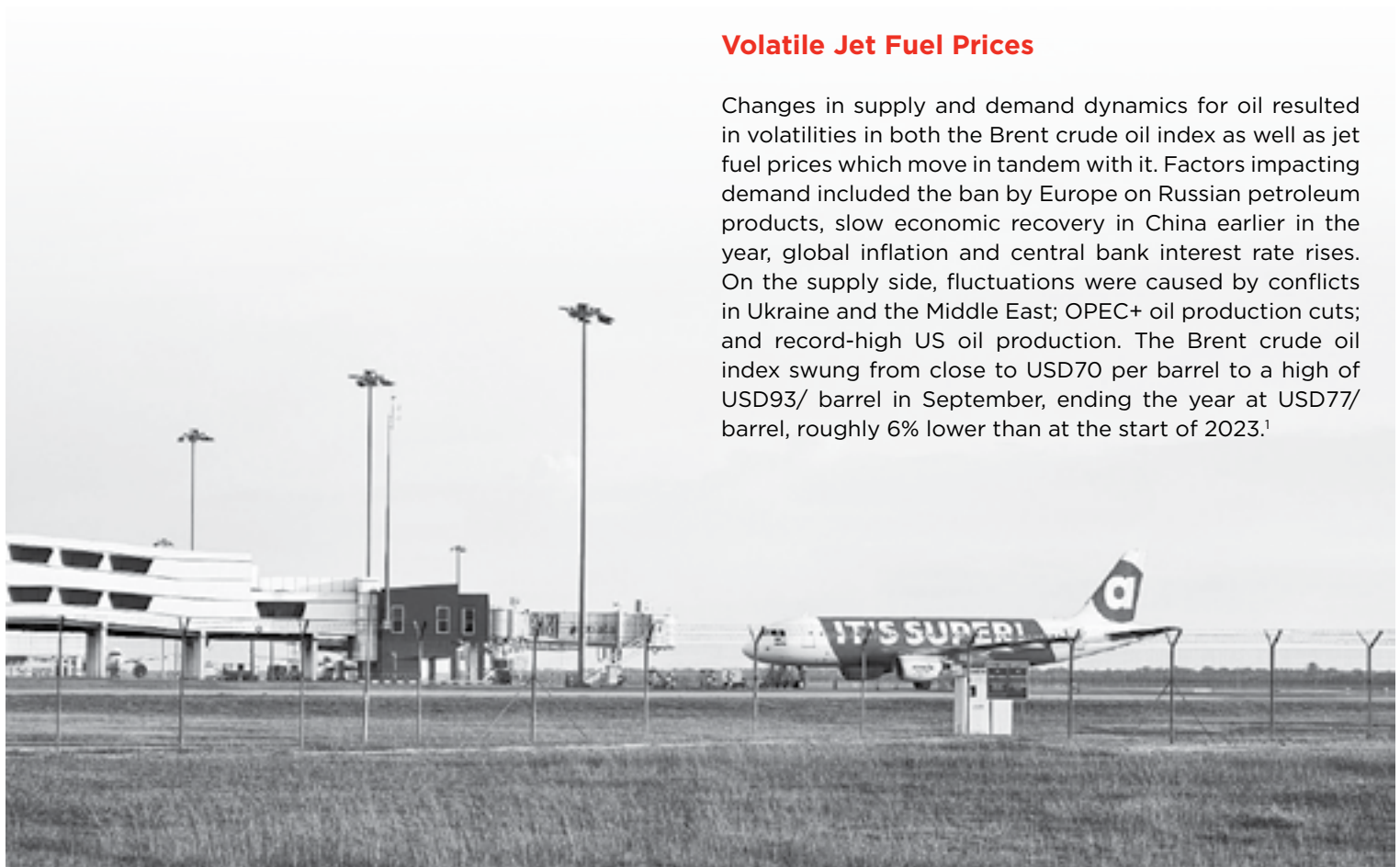
### Slowdown in the Economy

The global economy continued on its path of deceleration from 3.2% in 2022 to an estimated 3.0% in 2023. This has been due to lingering effects of the pandemic, geopolitical tensions – particularly between Russia and Ukraine and in the Gaza Strip – as well as volatile commodity prices and tightening monetary policies to curb inflation.

Nevertheless, growth in Asean exceeded the global average, with the Asian Development Bank (ADB) predicting gross domestic product (GDP) expansion of 4.3% in 2023, which is to pick up further to 4.7% in 2024. Though on the higher end of the global spectrum, Asean's growth in 2023 is lower than earlier predicted mainly because of the trade slowdown which impacted export-oriented markets such as Malaysia, Thailand and Vietnam. Growth remained stable in Singapore, at about 1.0%, due to strong services and construction sectors; and was the highest in the Philippines and Indonesia, at 5.7% and 5.0% respectively, driven by domestic demand. For the year 2024, ADB expects Asean's GDP growth to pick up to 4.7%.

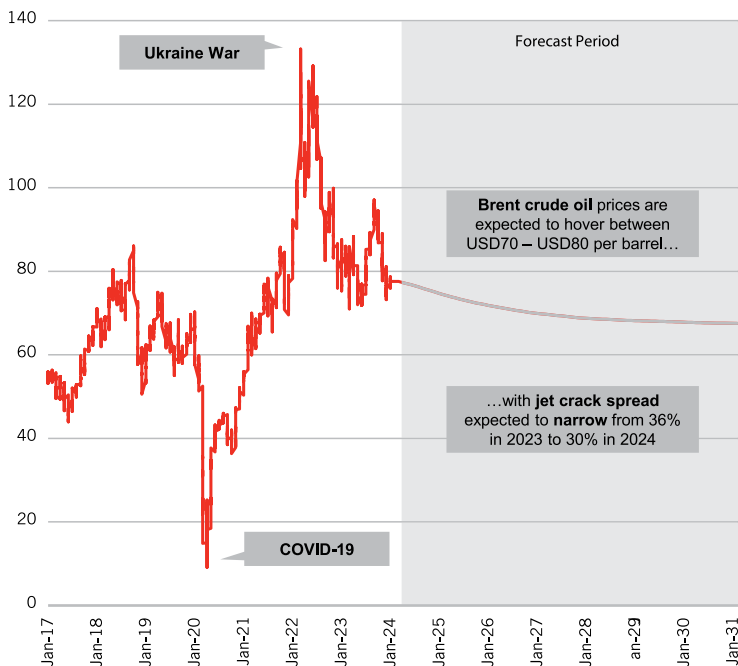
### Volatile Jet Fuel Prices

Changes in supply and demand dynamics for oil resulted in volatilities in both the Brent crude oil index as well as jet fuel prices which move in tandem with it. Factors impacting demand included the ban by Europe on Russian petroleum products, slow economic recovery in China earlier in the year, global inflation and central bank interest rate rises. On the supply side, fluctuations were caused by conflicts in Ukraine and the Middle East; OPEC+ oil production cuts; and record-high US oil production. The Brent crude oil index swung from close to USD70 per barrel to a high of USD93/ barrel in September, ending the year at USD77/ barrel, roughly 6% lower than at the start of 2023.<sup>1</sup>



<sup>1</sup> <https://www.linkedin.com/pulse/fuel-market-update-31-december-2023-nick-mackenzie-ua9lc>

**Chart 1: Brent crude oil historical and forecast price, USD/bbl**



Source: S&P Capital IQ; US Energy Information Administration; IATA Sustainability and Economics

For the year as a whole, the Brent index averaged USD83/barrel, 18% lower than USD101/barrel in 2022. Moving forward, steady supply from countries outside Opec+ and an uncertain economic outlook are expected to keep prices at USD70-USD80/barrel in the short to mid-term, with the jet crack spread expected to narrow from 36% in 2023 to 30% in 2024.<sup>2</sup>

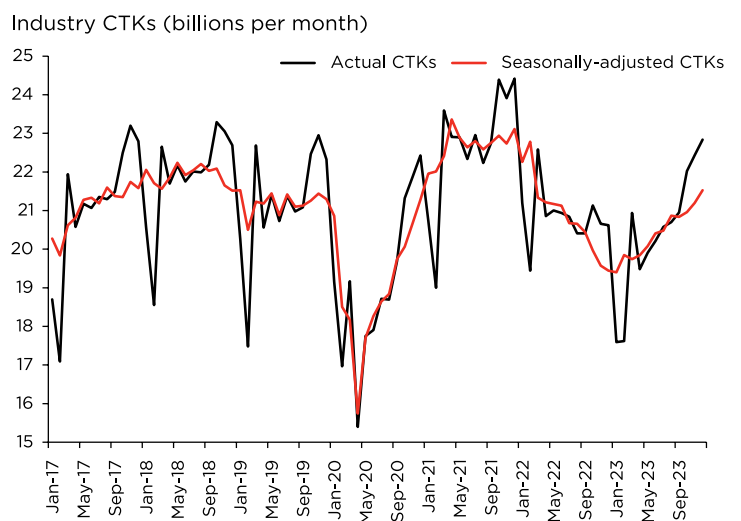
**Pick Up in Air Travel**

Air travel continued to gain momentum in 2023, especially in the Asia-Pacific region where pandemic-related restrictions were rescinded later than in more developed markets, i.e. the US and Europe. Globally, the industry grew 36.9% year on year (YoY) with revenue passenger-kilometre (RPK) reaching 94.1% of 2019 levels, significantly higher than 68.7% in 2022. The greatest YoY growth in RPK as well as capacity as measured by available seat kilometre (ASK) was seen in Asia-Pacific, at 96.3% and 75.1% respectively. However, RPK and ASK in the region are still 14.0% and 12.3% short of pre-pandemic levels respectively, indicating potential for further growth in 2024 and beyond.

**Cargo Demand: From Low to Grow**

Globally, the volume of cargo transported by air, measured by cargo tonne kilometre (CTK), contracted by 1.9% while capacity, measured by available CTK (ACTK), increased by 11.3%. This led to a 5.9 percentage point decrease in the cargo load factor which, together with relatively high jet fuel price throughout the year, saw cargo yields drop by 34% from historic highs in 2022. Nevertheless, they exceeded pre-pandemic levels by 42%.

**Chart 2: Global CTKs (billions per month)**



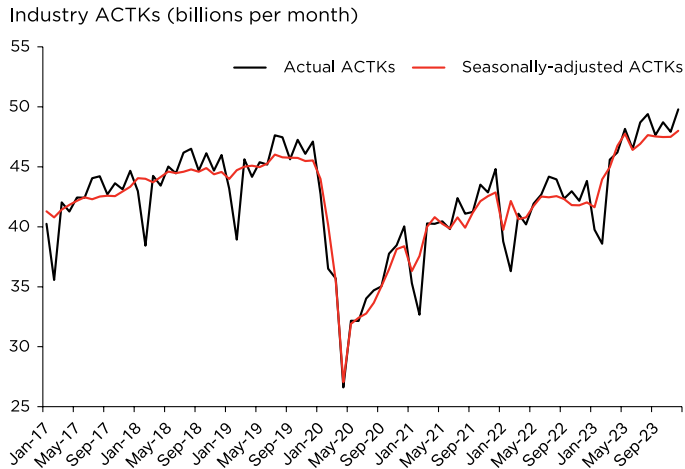
Source: IATA Sustainability and Economics, IATA Monthly Statistics

<sup>2</sup> S&P Capital IQ; US Energy Information Administration; IATA Sustainability and Economics

Strategic Review (cont'd)

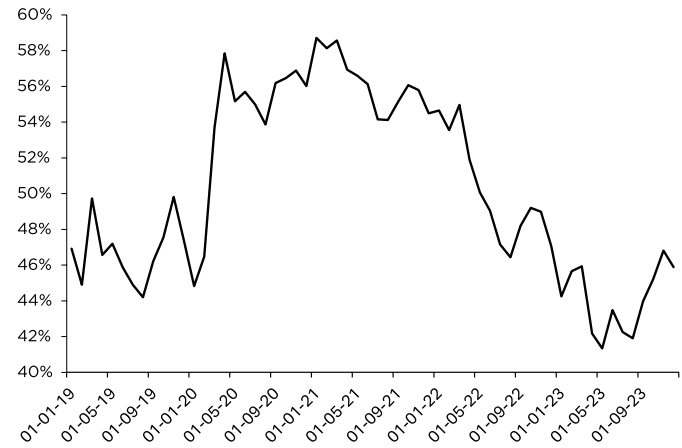
## Our Operating Environment (cont'd)

**Chart 3: Global ACTKs (billions per month)**



Source: IATA Sustainability and Economics, IATA Monthly Statistics

**Chart 4: Industry cargo load factor (percent)**



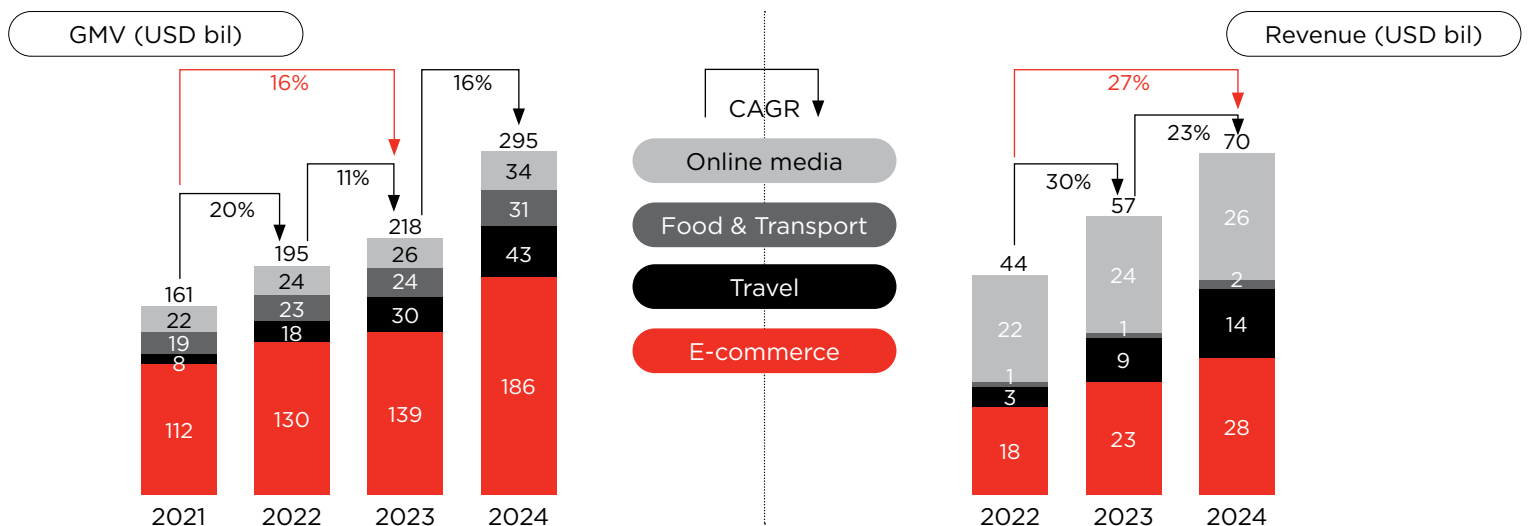
Source: IATA Monthly Statistics

Capacity growth in the Asia-Pacific region surpassed the global average, at 28.5% YoY, and even exceeded pre-pandemic capacity by 6.7%.<sup>3</sup> At the same time, there was a marked lag in demand which declined by 2.8% YoY. Optimistically, a pick-up was seen in the last quarter, boosted primarily by e-commerce. International freight tonne kilometres (FTK) increased by 8.2% YoY in 4Q 2023, peaking at 13.2% in December.<sup>4</sup> The accelerating increase in demand from the third quarter indicates a positive trend in 2024.

### Expanding Digital Economy

The digital economy continues to grow at a phenomenal rate in Asean, driven by increasing internet connectivity and subscription as well as relatively robust GDP growth. A key development in recent years has been a shift from attracting as many users as possible to monetisation as digital businesses seek to achieve profit targets. According to a Google, Temasek and Bain&Co report based on data collated from August to September 2023, the digital economy was expected to deliver USD100 billion in revenue in 2023, growing at a CAGR of 27% since 2021. At the same time, gross merchandise value (GMV) was expected to grow at 11% to USD218 billion in 2023, and to accelerate with a CAGR of 16% to hit USD295 billion by 2025.

**Chart 5: SEA consistently delivers on both GMV growth and revenue growth - a remarkable feat**



Notes: GMV = gross merchandise value; CAGR = compound annual growth rate  
Source: Bain analysis

<sup>3</sup> IATA Air Cargo Market Analysis, December 2023  
<sup>4</sup> AAPA, Air cargo demand down 2.8% in 2023



**Highlights of the four key e-economy areas**



**e-Commerce:** Revenue has outstripped GMV as players increase their take rates and venture into adjacent revenue streams such as logistics and advertising. Nevertheless, the influx of new players is keeping GMV high, and the grocery sector shows much potential for further growth given investments into overcoming logistics and economic challenges.



**Travel:** International travel is rapidly growing and surpassed domestic travel in 2023, with further expansion expected as more capacity opens up. At current rates, tourism and travel should exceed pre-pandemic levels in 2024.



**Food delivery:** While eating out is back in demand, consumers across Asean are still placing food orders, with revenue from this sector increasing by 60% to USD800 million between 2022 and 2023. Adjacent revenue streams have emerged such as dine-in bookings, loyalty and subscription programmes, as well as advertising.

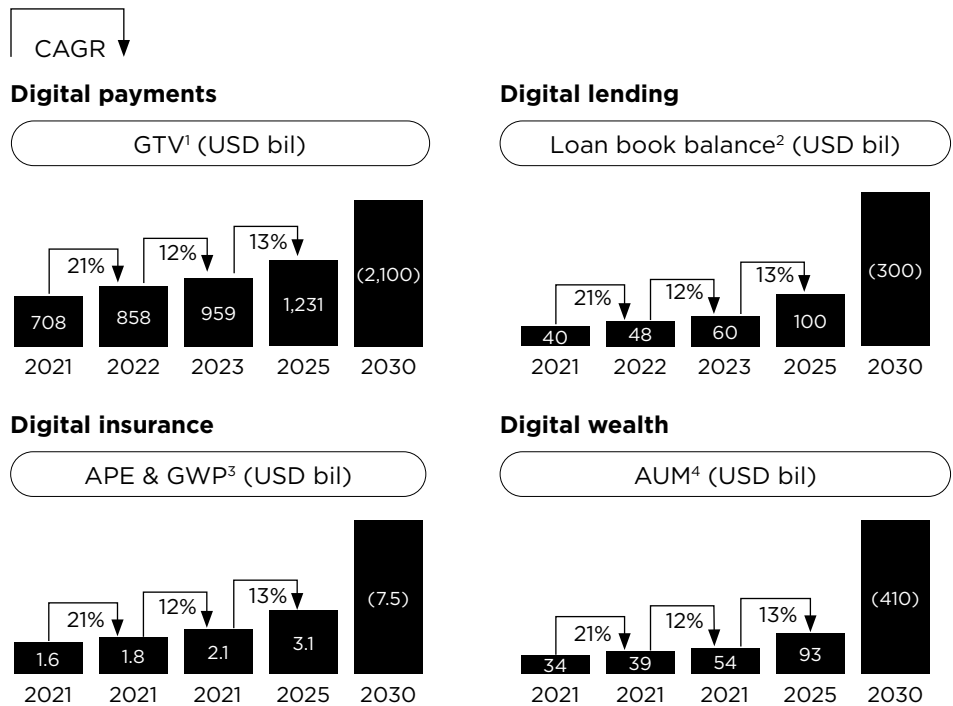


**Transport:** Revenue increased by a CAGR of 47% YOY while GMV grew at 18% with demand exceeding pre-pandemic levels in most cities. Increasing productivity and accessibility, companies are adopting AI-powered routing and surge pricing as well as proprietary mapping. In the longer term, e-vehicles and autonomous driving will fuel further growth of this sector.

**Fast-Forwarding Fintech**

The transition from physical to digital is taking place rapidly in financial services too, with digital payments making up more than 50% of the region's transactions. Financial app usage increased by a CAGR of 50% among pure play fintechs between mid-2019 and mid-2023; 61% among digital banks; and 40% among traditional banks.

**Chart 6: Irreversible offline-to-online behaviour shifts are driving continued growth in digital financial services adoption**



Notes:

- <sup>1</sup> Gross transaction value (GTV) for digital payments includes the value of credit, debit, prepaid card, account-to-account (A2A), and e-wallet transactions;
- <sup>2</sup> Loan book balance for digital lending includes end-of-year balance for consumer loans (excluding credit card and mortgage) and SME loans;
- <sup>3</sup> APE & GWP for digital insurance includes APE for life insurance and health under life insurance policies and GWP for non-life insurance;
- <sup>4</sup> Assets under management (AUM) for digital wealth includes end-of-year mutual fund AUM balance.

Source: Bain analysis

High interest rates notwithstanding, people are making the most of the ability to apply for loans easily and conveniently online, while also gravitating towards buy-now-pay-later (BNPL) services. Within the digital financial services space, lending is the highest revenue earner, growing at a CAGR of 46% to USD19 billion from 2019 to 2023. Meanwhile, the digital insurance and wealth sectors hold much potential for growth as they are still in nascent stages. In insurance, AI-driven premium calculations help to optimise prices for consumers, making them more attractive as well as accessible and convenient to purchase. In the wealth space, more people from all segments are leveraging the convenience of self-service investment online.

Strategic Review (cont'd)

## Key Risks and Mitigation

All businesses face risks arising from potential uncertainty around strategy, operations, compliance, environment and safety. Factors that could affect Capital A's business include, but are not limited to, changes in economic conditions, government regulations, and competitive pressures within the industry, geopolitical tensions, changes in interest rates, etc.

The Board and Management of Capital A are committed to maintaining an appropriate risk culture premised on the drive towards effective management of risks at the Group. Some of the key risks experienced by Capital A are listed below, along with a residual risk rating (1-5 stars) according to their probability of occurrence and potential severity after adequate controls have been put in place (with 5 stars being the most severe).





STRATEGIC		
	RISK	MITIGATION
<b>Climate Change</b>	In the Group's effort towards Net Zero by 2050 there are challenges with increasing cost of compliance with new regulations and standards, operational disruptions due to adverse climate events as well as managing changing customer expectations and perception towards sustainability.	<p>The Group has put together a Sustainability framework with strategic drivers to reduce our carbon footprint, minimise waste and innovate to raise the bar.</p> <p>On the aviation front, the Group plans to step up green operating procedures, introducing SAF into the fuel mix and purchasing carbon offsets to achieve Net Zero by 2050.</p>
		<b>Residual Risk Rating</b> ★★★★★
<b>Geopolitical Uncertainty</b>	Political instability, market downturns, natural disasters, health epidemics and any other event outside of the Group's control in geographical areas where the Group operates could affect business operations.	<p>The Group mitigates this risk by constantly monitoring information relating to geographical areas with potential impact to its business operations. This pertinent information is used to reduce that impact by adjusting the asset allocations, capacity management and promotions.</p> <p>The Group has also established Crisis Management Teams that will respond and reduce the impact of a crisis to its business operations.</p>
		<b>Residual Risk Rating</b> ★★★★★
<b>Slow Business Growth</b>	Intense competition in the marketplace arising from the entry of new players, expansion of competitors' networks and price wars.	<p>The different business entities within the Group have embarked on their respective business plans such as:</p> <ul style="list-style-type: none"> <li>• Dynamic pricing, expanding capacity in high-yield routes and enhancing product offerings for aviation business;</li> <li>• Hangar expansion in KLIA to bolster MRO capacity;</li> <li>• Onboarding of third-party airlines and corporate clients for Santan;</li> <li>• Strengthening of network and capacity for logistics business; and</li> <li>• Enhancing features and offerings and broadening the inventory for the digital travel and lifestyle business.</li> </ul>
		<b>Residual Risk Rating</b> ★★★★★

## OPERATIONAL

	RISK	MITIGATION	
<b>System Outages</b>	Outages of mission critical systems which are required for the continuity of operations.	<p>The Group mitigates this risk by developing, implementing and testing specific backup and failover systems to reduce system outages.</p> <p>The Group has also put in place alternative sites that exist in different geographical locations in the event these mission critical systems fail at any one location. A Business Continuity Plan with the relevant Crisis Management Plan has also been put in place.</p>	<b>Residual Risk Rating</b> ★★
<b>Supply Chain Disruption</b>	Supply chain risk resulting from the post pandemic economic downturn has many companies facing challenges in liquidity, manpower shortage and disruption in supply of raw materials.	Forward planning by increasing stock supply to cushion the stock supply lead time from Original Equipment Manufacturers (OEMs) and working closely with vendors are some of the mitigation plans implemented by the Group.	<b>Residual Risk Rating</b> ★★
<b>Threat to Information Security</b>	These arise from cyber attacks, malware, hackers resulting from the growing use of connected devices and systems. These threats can cause significant damage and losses to the Group.	The Group mitigates these risks by maintaining a strong cybersecurity posture by enhancing system configuration security. The Group adopts a robust information security system that revolves around the ISO/IEC 27001 process and methodology to secure the information systems. Regular security assessments, penetration tests and source code reviews are performed on the systems to ensure cyber resilience.	<b>Residual Risk Rating</b> ★★
<b>Safety Threats</b>	As the airline operations normalise post pandemic, the rapid growth in number of flights directly increases AirAsia's exposure to operational hazards.	<p>Threats and hazards are identified through the Safety Management System and mitigated with the Root Cause Analysis methodology.</p> <p>The Safety Review Board (SRB) further monitors all risks while ensuring strict safety targets are met through compliance with safety and quality standards. The Safety department captures data regularly for safety risk analysis and improvement via digital tools.</p>	<b>Residual Risk Rating</b> ★★

Strategic Review (cont'd)

## Key Risks and Mitigation (cont'd)

FINANCIAL			
<p><b>Post Pandemic Cash Flow Management</b></p>	<p><b>RISK</b></p> <p>Funding has been identified as a significant challenge during the pandemic for the Group. Though revenue generation saw an upward trend in both the aviation and non-aviation businesses in 2023 as a result of normalisation of demand, there was also a significant reactivation cost involved.</p>	<p><b>MITIGATION</b></p> <p>The Group mitigates this risk by consolidating and simplifying its operations as well as diversifying and expanding new businesses to increase revenue source. The Group has also formulated regularisation plans which include restructuring of outstanding credit, sale &amp; lease backs, negotiating concessions with vendors, etc.</p> <p>Securing funds for non-aviation businesses (logistics, digital travel and lifestyle, MRO, etc), establishing strategic collaborations and creating commercial synergy within the ecosystem are amongst other measures initiated to improve cash flow.</p>	<p>Residual Risk Rating </p>
<p><b>Foreign Currency Fluctuations</b></p>	<p>Unexpected currency fluctuations could have a significant impact on the cost of financing and business operations. This holds particularly true of the exchange rate with the US Dollar.</p>	<p>The Group mitigates this risk by actively monitoring and managing its exposure to foreign currency volatility through natural hedging strategies. Group Treasury has a team that closely monitors these fluctuations.</p>	<p>Residual Risk Rating </p>
COMPLIANCE			
<p><b>Non-Compliance with Regulatory Requirements</b></p>	<p><b>RISK</b></p> <p>Non-Compliance or breach of local laws, regulations, industry guidelines, or consumer authority requirements of multiple jurisdictions could lead to operational disruptions.</p>	<p><b>MITIGATION</b></p> <p>The Group has a Compliance function that has developed a master compliance repository to monitor compliance requirements. This risk is further addressed by maintaining high levels of engagement with regulators of each jurisdiction so that all regulatory requirements are adhered to consistently. The Group regularly monitors the landscape for new regulations or amendments that affect the Group.</p>	<p>Residual Risk Rating </p>
<p><b>Violation of Data Privacy</b></p>	<p>Violation of data privacy laws and regulations that could cause potential litigation and loss of customer confidence due to data breach.</p>	<p>The Group has a dedicated information security team that focuses on detecting, containing and remediating cyber threats. Robust IT infrastructure with adequate legal measures and regular awareness creation among employees to ensure data protection. Security assessments, penetration tests and source code reviews are also performed to ensure cyber resilience.</p>	<p>Residual Risk Rating </p>

## Our Strategy/Blueprint

Capital A's purpose has never changed from Day 1, namely to connect people and transform lives across Asean. Today, however, we do that not only by enabling everyone to fly; but by enabling everyone to enjoy the best value offerings across different aspects of everyday life. Leveraging data and technology, we drive optimum efficiencies, allowing us – as always – to bring down costs and share the savings with everyone. We continue to be people-obsessed, powering our Allstars so they in turn provide the best customer service.













### Strategic Themes

- **Operational excellence:** A highly productive and efficient organisation dedicated to delivering best-in-class products that precisely meet customer needs.
- **Financial sustainability:** Cost conscious and lowest cost in our operating spaces, financially disciplined and focused on delivering positive cashflow and getting the best returns.
- **Data & tech driven:** Data-informed in all we do, leveraging insights & analytics to make fast, precise decisions while leveraging AI and industry leading technology to stay true to our innovative DNA.
- **Customer obsessed:** Putting customers at the heart of everything we do. Continuously delight and overdeliver by ensuring they are served by engaged & empowered Allstars.
- **Fixing the organisation:** Rejuvenate our people-first and continuous improvement culture as an organisation and refocus on providing great customer experience.

Strategic Review (cont'd)

## Our Strategy/Blueprint (cont'd)

Aviation	Aviation Services	
		
<p><b>AirAsia Aviation Group</b> </p>	<p><b>Asia Digital Engineering</b> </p>	<p><b>Ground Team Red</b> </p>
<p><b>Vision</b></p> <p>To become the world's largest narrowbody network carrier group positioning Asean as a global low-cost travel hub</p> <p><b>Mission</b></p> <p>To connect over 1 billion people throughout Asean by 2026 through low fares and great value services</p>	<p><b>Vision</b></p> <p>To be the top MRO player in the ASEAN region and in all key market segments that ADE serves</p> <p><b>Mission</b></p> <p>To provide best-in-class MRO services and the best digital solutions</p>	<p><b>Vision</b></p> <p>To be Asean's first choice ground handling service provider</p> <p><b>Mission</b></p> <ul style="list-style-type: none"> <li>To create a globally recognised Asean brand by delighting customers through innovation, great value service and passion</li> <li>Maintain the highest quality product, embracing technology to improve productivity and enhance service level</li> </ul>
		
<p><b>Santan</b> </p>	<p><b>Capital A Consultancy</b> </p>	
<p><b>Vision</b></p> <p>To be the premier food service solution in Asia, both in the air and on the ground, with a focus on inflight services and duty-free offerings</p> <p><b>Mission</b></p> <p>Good Food. Good Coffee. Good Value</p>	<p><b>Vision</b></p> <p>To be the Top five consultancy partner focusing on LCC operations for aviation stakeholders globally and offering unique franchise opportunities</p> <p><b>Mission</b></p> <p>Leverage our deep-rooted LCC expertise to robust implementable solutions that deliver results, fosters growth and deliver exceptional value for our clients</p>	

**Logistics**



**Teleport**



**Vision**

It arrives tomorrow for anyone using Teleport

**Mission**

Deliver across Southeast Asia cheaper and faster than anybody else

**Digital**



**AirAsia MOVE**  
(formerly airasia Superapp)



**Vision**

To be the leading OTA+ in Asean

**Mission**

Connecting, empowering and inspiring the travelers of Asean



**BigPay**



**Vision**

To be the lifelong financial partner for Southeast Asians to level up their lives

**Mission**

Leveling up lives, one transaction at a time

**Ventures**



**RedBeat Capital**



**Vision**

To be a venture arm that builds and nurtures new businesses with the goal of enhancing the value of the ecosystem in Capital A

**Mission**

To develop, incubate and accelerate leading innovative products and services for the Capital A ecosystem and to transform Capital A Group into a global digital corporation by building businesses through innovations and connecting with tech startups across the globe

**airasia academy**



**Vision**

To be the leading, most comprehensive edutech hub in Asean

**Mission**

Bridging talent gaps to build future-proof, digital savvy nations. Disrupting learning across ASEAN

**ikhlas.com**



**Vision**

To be the preferred Islamic lifestyle companion for all Muslims

**Mission**

To enrich the lives of Muslims as a daily companion that brings them closer to Islam and makes everything affordable, convenient and accessible

# Performance Review

## Chairman & Group CEO's Statement

Dear Shareholders

As paradoxical as it may seem, the year 2023 - with all its challenges - stands out as the year we are most proud of since the start of AirAsia and, now, Capital A. While much of the world carried on with a semblance of normalcy, for airlines with a focus on Asia, it marked a pivotal year in which international borders finally fully re-opened, catapulting us into the colossal task of building up our aviation businesses once again. In all sincerity, the endeavour proved to be much more daunting than when we started from scratch 22 years ago. Just reviving a single aircraft demands 40 worker hours; compound this by a factor of 41, which is the number of aircraft we eventually brought out of hibernation. What's more, aircraft maintenance facilities in the region were severely restricted with high demand and supply chain bottlenecks everywhere. Beyond mere mechanical revival, we also had to bring in people, re-establish routes and jostle for limited airport slots amid a burgeoning and competitive landscape.

**TAN SRI ANTHONY FRANCIS FERNANDES**

Non-Independent Executive Director  
and Chief Executive Officer

**DATUK KAMARUDIN BIN MERANUN**

Non-Independent Executive Chairman





Yet... we made it. What's more, unlike many airlines across East Asia, Europe and Australia, we survived with zero state support except for one RM300 million loan (USD63 million) from a development bank in Sabah. While getting the airlines off the ground, the team also worked extremely hard on building all our non-AirAsia businesses, laying solid foundations for future growth. Thanks to everyone's commitment, we are today a low-cost, high-quality holistic aviation and travel services group made up of value-creating companies in aviation (AirAsia Group), aviation services (Capital A Aviation Services), logistics (Teleport) and branding/intellectual property (Capital A International) with our own travel platform (MOVE Digital, formerly airasia Digital) and venture capital arm (RedBeat Capital).

As highlighted in the theme of this report, our focus is Asean. All our businesses are geared towards stimulating greater integration and economic growth in this region, which we have always considered our home. As we drive value for communities in Asean we are also laser-focused on realising the true value of all our companies for our shareholders. It is to this end that we are disposing of our airline business to AirAsia Group.

This disposal of Capital A's aviation business is a deliberate and deeply considered move. It is not a response to Covid-19, but an effort that started in 2018. It came on the back of investors' strong interest for a pure-play aviation company, and the vision of bringing together short-haul and long-haul airlines for the creation of the first low-cost carrier with a global network, akin to the successful models of Middle Eastern airlines, but with a unique anchor in the Asean region. This would set us apart as trailblazers in the aviation industry, something that is deeply ingrained in our corporate DNA.

The ultimate aim is for both airlines to have a converged fleet strategy operating on a single narrowbody family; AirAsia will upscale our Airbus A320 aircraft to the Airbus A321 and A321LR (Long Range) while AirAsia X downscales its widebody A330 to the narrowbody A321XLR (Extra Long Range). With the A321LR and A321XLR, our flight range would extend to between seven and 10 hours, effectively enabling us to connect to any destination anywhere in the world with just one stop. The choice of the A321 is based on various compelling factors. Most significantly, the aircraft have better fuel efficiency and larger capacity than the existing A320 which would result in lower cost per seat for every trip. They will also allow us to carry more guests to congested airports in the short-haul network, while opening up many more possibilities in the medium-haul segment as we will be able to fly to secondary and tertiary cities more efficiently. Given the weight advantage of the A321 over A330 aircraft, we can land them in more airports; plus we only need to fill 240 seats instead of 377 seats in the bigger A330 model. In addition, the A321 requires a shorter turnaround time than the A330, allowing for greater utilisation. The financial benefits seal the deal; by sticking to the same family, we save on the cost of maintenance and spare parts, as well as pilot training.



## Aviation

To capitalise on the strong rebound in international travel, we focused on reactivating our fleet – bringing back into service as many aircraft as possible, as quickly as possible. As mentioned above, it was an onerous task; nevertheless, we achieved significant success. MRO restrictions and other challenges aside, we brought 41 aircraft out of storage to end the year with 167 aircraft back in operations, with just 36 more to go. Although our seat capacity was only 74% of that pre-Covid, we flew 77% of our pre-Covid guest volume, achieving a higher load factor of 88% compared to 85% pre-Covid. We also worked intently on the groundwork for our latest AOC, AirAsia Cambodia, which will become operational by Q2 2024.

Over the years, we have been fine-tuning the use of big data and data analysis to enhance our ancillary income. This year, along with the pick-up in travel, we reaped the tangible benefits of personalised marketing and optimised pricing, with checked-in baggage, seats and inflight products enjoying robust take-up rates resulting in a substantial boost to revenue. In 2023, we recorded our highest ever ancillary income of RM2.4 billion with ancillary per pax at RM48, approaching our long-held goal of RM50.

We have also completed the restructuring of contracts with Airbus, GE and lessors encompassing substantial sums in the billions, placing us closer to a regularisation plan that aligns with the expectations and needs of our stakeholders. On the topic of regularisation, the Aviation business bore the brunt of Covid-19, calling for the tough decision of having to let go a number of our valued Allstars. From the outset, we had promised to bring them back when circumstances improved. On 16 August 2023, we celebrated accomplishing this mission, which marked a meaningful milestone for our company and our dedicated team members.

## Performance Review (cont'd)

**Chairman & Group CEO's Statement (cont'd)****Capital A Aviation Services**

This business segment comprises all our aviation support service companies, namely MRO service provider Asia Digital Engineering (ADE), food services company Santan, Capital A Consultancy, and the newly-formed shared service centre DARTS.

In 2023, ADE completed its 100th C-check, a remarkable milestone for an MRO only in its second year of operation. Further accelerating its growth, ADE secured USD100 million in funding from OCP Asia which is being used to add 14 lines to its current seven. Once these are completed in Q3 2024, ADE's basic maintenance capacity will be significantly enhanced, enabling the team to grow its third-party client base. Meanwhile, its newly established digital marketplace AEROTRADE is now a thriving platform serving the needs of more than 150 airlines, MROs, distributors, OEMs, agents and stockists worldwide. ADE's second groundbreaking digital solution, ELEVADE FLEET, is revolutionising aircraft maintenance with predictive and preventative capabilities.

Santan has bounced back in tandem with AirAsia Aviation's recovery, selling more than 19 million units of inflight meals, beverages, merchandise and duty-free, an increase of 114% year on year (YoY). It also expects to add third-party clients soon. We are especially optimistic about its ambient food technology which will significantly reduce wastage while opening up more revenue possibilities. Other than food, Santan is growing our inflight duty-free offerings with more Malaysian and eventually Asean brands, in line with our Asean-centric focus.

Capital A Consultancy continues to provide advisory to a new low-cost airline being set up in Bangladesh while marketing its services far and wide. DARTS was set up towards the end of 2023; however, it is not entirely new. It carries on the work of AirAsia SEA but now as a profit-making business in its own right. We believe that converting it into a business will help to increase efficiencies and reinforce our culture of minimising costs as far as practicable.

GTR is also experiencing significant growth along with increased flight and cargo traffic. Of note, it is ensuring this growth is green, introducing electric vehicles in klia2 for towing baggage and cargo. We are heartened to see small yet steady steps by our businesses that support the Group's overall mission to reduce our emissions.

### Teleport

Teleport has undergone several business model iterations since its inception as a general sales agent (GSA). First, it consolidated the belly space of all AirAsia passenger aircraft across six AOCs to transport cargo. When the pandemic struck, it swiftly adapted, converting passenger aircraft into cargo carriers and establishing interlining partnerships with other airlines to boost capacity. Today, it is an integrated logistics solutions provider, operating a multi-modal, first- to last- mile network infrastructure -- its mid-mile comprises the largest air logistics network in Southeast Asia. Its air network combines a hybrid model of AirAsia's belly space and over 30 partner airlines, as well as three new freighters, inducted in 2023. With expanded capacity, its total tonnage increased 88% YoY to nearly 200,000 tonnes while parcel delivery surged by 275%, hitting close to 30 million parcels, leading Teleport to cement its position as the leading air logistics provider in Southeast Asia.

### MOVE Digital

airasia digital rebranded to MOVE Digital and airasia Superapp to AirAsia MOVE to better reflect our commitment to moving people, funds and innovation forward within the travel space. During the pandemic, when air travel was curtailed and demand for delivery skyrocketed, we seized the opportunity to diversify into various online products and services, including even fresh fruit and seafood. With travel recovery, we are now refocused on evolving into a leading values-driven online travel agency (OTA) in Asean underpinned by AirAsia's vast network in the region. The results are evident, with significant growth in non-AirAsia flight and other bookings. As always, we aspire to be more than just another OTA; we want travellers to see AirAsia MOVE as an all-in-one travel platform where they can even research and plan the perfect holiday. Central to this vision is our Community where travellers can connect, share stories, and exchange tips for the best travel experiences.



## Performance Review (cont'd)

**Chairman & Group CEO's Statement (cont'd)**

**In a strategic move, we have integrated our inclusive financial platform BigPay into AirAsia MOVE, allowing customers to access the financial services they need for travel and more.**

The initiative contributed to a 60% surge in the closed loop payment business YoY. Meanwhile, BigPay is rapidly becoming regional, enabling DuitNow QR payments in China, Indonesia, Thailand and Singapore. It has also launched a Thai operation and is partnering UnionDigital Bank in the Philippines to serve this market.

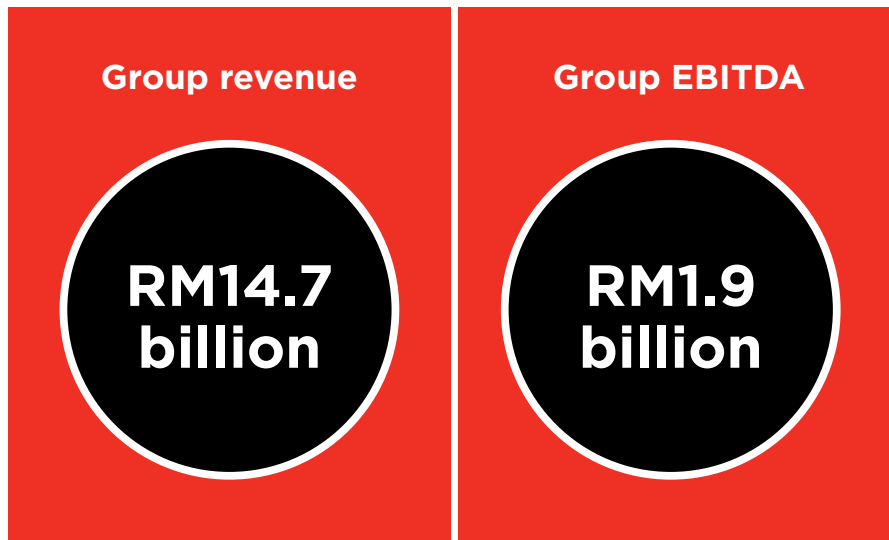
**Capital A International**

While letting go of AirAsia the airlines, Capital A has plans to further build the brand and monetise it the way other IP-led companies such as Disney have done with their brands. This new business direction comes under the purview of Capital A International, our latest business, driven by AirAsia brand co. (Abc.), which was established in January 2023. The idea is to become a leading global brands and IP management powerhouse, leveraging our two-decade legacy of AirAsia brand assets and brand management expertise. While the lead brand is AirAsia, our portfolio extends from Santan to ADE and even BIG.

Our vision is to infuse our ethos of value, inclusivity and efficiency into diverse industries via ventures such as airasia academy, AirAsia Ride and, possibly in future, AirAsia Hotel and maybe even AirAsia Hospital.

**RedBeat Capital**

RedBeat Capital currently supports two companies - airasia academy and ikhlas.com - both of which are growing from strength to strength. The academy's platform has been used to replace the Workday Learning Management System across Capital A. Externally, the team is forming numerous partnerships with government agencies, especially in the area of technical training, and is looking into the possibility of creating a TVET marketplace linking institutions and industry. Meanwhile, along with travel recovery, IKHLAS Umrah packages have finally taken off, and the team is developing non-pilgrimage related Muslim-friendly travel packages to exciting destinations all over the world as it taps into the growing niche market.



### Financial Performance

Financially, it has been a rewarding year, indicating we are on a firm path to full recovery. The Group's revenue increased by 128% YoY to RM14.7 billion, and even surpassed our 2019 revenue by RM2.8 billion despite operating at only 79% of the number of aircraft flown in 2019. We also recorded a 39x increase in earnings before interest, taxes, depreciation and amortisation (EBITDA) of RM1.9 billion.

The Aviation business contributed to RM13.7 billion of our revenue, or 91% of the total. This represents a 2.3x increase from RM6.4 billion in 2022 and, more hearteningly, a 20.3% increase from revenue in 2019. Our strong performance was supported by a 26% increase in average fares as well as 103% growth in the total number of guests carried. As mentioned earlier, ancillary income of RM2.3 billion was also significant. In addition, Aviation recorded RM1.5 billion in EBITDA (pre-elimination), marking 285% growth YoY. The 15% drop in fuel price was a contributing factor, and helped to cushion a more than doubling of maintenance costs in line with the reactivation of aircraft.

ADE's segmental revenue grew to RM574 million in 2023, doubling from the previous year. This growth was mirrored by a robust 136% YoY increase in EBITDA. Santan, meanwhile, celebrated an earnings rebound, recording a positive EBITDA of RM23 million following a loss in 2022, fueled by 281% YoY surge in revenue.

Teleport saw its revenue increase by 56% YoY to RM731 million while posting an EBITDA of RM18 million, a significant improvement from making a loss in 2022. Its total capacity grew by 69% while tonnage increased by 88%, seeing its utilisation rate improve by two percentage points to 14%.

MOVE Digital recorded a 40% increase in revenue to RM379 million, of which AirAsia MOVE achieved a 71% increase in revenue driven by a surge in flights and hotels bookings - more than doubling compared to the previous year - while BigPay saw its segmental revenue increase by 42% YoY and its EBITDA loss narrowed by 44%.

### Rebooting Our Culture

Having diversified rapidly into new business verticals over the last few years while managing to survive the pandemic, we have inevitably experienced the growing pains of expansion and restructuring. But we are determined to go back to our roots, reviving the unique culture that underlines AirAsia's success, allowing us to get to where we are today. To bring back that distinctive entrepreneurial, dare to dream, can-do culture across the entire Group, we refreshed our eight core values at the start of 2024. They are the following: All for one, one for all; Dare to dream; Make a difference; Celebrate all individuals; Keep it simple; Be transparent; Have empathy and respect; and Safety is #1. Our people are our biggest asset and we will do all it takes to create the right environment that motivates them and encourages each one to realise his and her true potential.

We have also always believed that happy Allstars make happy customers, which is another area we are focusing on today. It's both amazing and humbling that we have won the World's Best Low-Cost Airline award 14 years in a row. Yet, we know we can do better. As a result of our company-wide drive to enhance the customer experience, in December our on-time performance was close to 84%, which is extremely commendable. Additionally, our new and significantly improved AI chatbot AskBo has been elevating our customer service, helping us to answer more queries more efficiently.

### Sustainability

Now that the pandemic has abated, the most pressing sustainability issue facing the world is climate change. The effects are incontrovertible; floods, typhoons, drought, forest fires and unusually hot temperatures are frequent reminders that everyone - governments, businesses, non-governmental and civil organisations as well as individuals - need to play our part in reducing carbon emissions.

We at Capital A have always prided ourselves on the most energy-efficient aviation operations, both for the cost as well as environmental benefits. The adoption of over 20 green operating procedures has allowed us to avoid thousands of tonnes of CO<sub>2</sub> emissions steadily year after year. In 2023, we achieved a reduction equivalent to the sequestration of more than two million trees, which is substantial. And we can do even better. However, some fuel-efficient manoeuvres require approval by the relevant authorities. For example, air traffic management could be enhanced to reduce the need to fly aircraft in a holding pattern while awaiting permission to land, as this is extremely fuel inefficient.

## Performance Review (cont'd)

Today, many are excited about the potential of sustainable aviation fuel (SAF). We, too, are fully supportive of SAF and look forward to using it... so long as it is economically viable. The reality is that SAF is currently very expensive, and various challenges, including land use as well as feedstock shortage, need to be overcome if biofuel production is to reach the scale needed for commercial aviation use.

These challenges aside, we have committed to becoming a net-zero carbon organisation by 2050. While driving optimum fuel efficiencies through operational manoeuvres, we recognise this will not be enough. To aid us in our net-zero journey, we will be investing in carbon offsets funded by a soon-to-be-implemented carbon fee in our airfares. Our focus will be on carbon projects in Asean, to advance the carbon markets and enhance regional sustainability efforts in general.

In terms of creating social value, our business promise right from the start – “now everyone can fly” – was premised on a key sustainability principle of creating greater equity among people. Along the way, we started connecting second and third tier cities in our growing network, increasing tourism to these areas and promoting economic development. Then, in 2012, we set up the AirAsia Foundation which distributes seed grants to social enterprises across the region. To date, it has supported 32 enterprises directly impacting 3,375 beneficiaries and 12,206 families and communities. Going forward, we will be working with the Foundation towards promoting sustainable tourism, as this would create positive social as well as environmental outcomes.

Meanwhile, greater corporatisation of Capital A has necessitated added emphasis on good governance. Part of this is to establish greater independence on our boards for better checks and balances ensuring the interests of shareholders and other stakeholders are protected. Accordingly, when we set up AirAsia Aviation Group to house our aviation business, we elected as Chairman Tan Sri Jamaluddin Ibrahim, the former CEO of Axiata Group Bhd who has no previous ties with Capital A. Neither of us is on the board, nor will we be on the board of AirAsia Group post-disposal.

The Board of Capital A itself comprised 50% independent directors, meeting Bursa Malaysia's stipulated minimum. On 31 January 2022, we appointed our newest (independent) Director, Surina binti Shukri, formerly the CEO of MDEC, a firm advocate of gender equality who brought with her many years of experience in the fields of finance and technology primarily in New York and Kuala Lumpur. Surina always lifted our discussions with her energy and fresh perspectives. It was with deep sadness that we heard of her passing on 29 February 2024 following a long battle with cancer. We will remember her as a leader, a visionary and a friend, whose legacy will continue to guide us as we navigate the path she helped shine.

### Outlook

The year 2024 has started on a promising note despite ongoing geopolitical uncertainties. The prevailing consensus is that jet fuel prices will continue to decrease and that the US Federal Reserve's interest rate cuts will lead to a favourable shift in the US dollar against key Asean

currencies. This will be a significant boon for us given that 70% of our costs are denominated in US dollars.

While “revenge travel” was a prominent trend in the Western world in 2022 and 2023, the phenomenon is gaining momentum in 2023 and 2024 in Asian markets, which have been slower to open up.

This will be further boosted by easing of tourist visa requirements, especially with regard to travel to/from the largest markets in the region, China and India.

These factors collectively signal a positive outlook for our aviation and aviation-related businesses, the latter including Capital A Aviation Services, Teleport and MOVE Digital. Teleport, in particular, stands to benefit greatly from this optimistic outlook. As yields in the intra-Asean air cargo space are expected to outpace the global air cargo market's projected 2%-3% growth in the first half of 2024, our cost-effective structure will be to Teleport's advantage.

With the big picture above in mind, in 2024 we will continue the journey that we started in 2023, focusing on five strategic themes, namely:

- Operational excellence: A highly productive and efficient organisation dedicated to delivering best-in-class products that precisely meet customer needs.
- Financial sustainability: Cost conscious and lowest cost in our operating spaces, financially disciplined and focused on delivering positive cashflow and getting the best returns.
- Data and tech driven: Data informed in all we do, leveraging insights and analytics to make fast, precise decisions while leveraging AI and technology to stay true to our innovative DNA.
- Customer obsessed: Putting customers at the heart of everything we do, and continuously delight and overdeliver by ensuring they are served by engaged and empowered Allstars.
- Fixing the organisation: Rejuvenate our people-first and continuous improvement culture as an organisation and refocus on providing great customer experience.

At the same time, we seek to grow our four companies aggressively. Barring unforeseen circumstances, Capital A International will become the next big global brand/IP management company. As for the remaining businesses, the aim is to undertake corporate exercises to unlock their value subject to conducive market conditions and the requisite approvals. MOVE Digital, Teleport and Capital A Aviation Services may see possible spin-off listings or merger and acquisition exercises. The final business to remain will inherit the listing status of Capital A Berhad.

It promises to be another bustling year ahead, but one we are confident will create clarity on our business direction and demonstrate the intrinsic value of all our business verticals to our shareholders. We take this opportunity to express heartfelt gratitude to all our shareholders, indeed all our stakeholders, for your continued support, especially in these challenging few years. Unlocking value for you remains one of our top priorities, and we eagerly look forward to doing so as we move forward in 2024 and beyond.

# Business Review

## AVIATION

**The Aviation business comprises all our airline operating companies under AirAsia Aviation Group Limited (AAAGL) and AirAsia Berhad (AAB), namely AirAsia Malaysia (MAA), AirAsia Thailand (TAA), AirAsia Indonesia (IAA), AirAsia Philippines (PAA) and, most recently, AirAsia Cambodia, which is to start commercial operations in 2024.**

Collectively known as AirAsia, the Aviation business represents not only the first successful low-cost airline in Asean, it is also widely acknowledged as being the best low-cost airline in the world, winning the Skytrax award 14 years running. Though badly affected by the pandemic, AirAsia survived the two-year flying hiatus, emerging in 2022 as a leaner organisation having shed its AOCs in India and Japan. Currently, the Group aim to obtain Bursa Malaysia's approval on the disposal of the Aviation Group to AirAsia Group in Q2 2024.



### 2023 Overview

The year 2023 saw a significant pick-up in the Aviation business along with a reopening of international borders and greater confidence among guests to travel - both domestically and to foreign destinations. The main challenge was to reactivate aircraft quickly enough to meet this surge in demand in the face of hangar unavailability at MRO facilities worldwide as well as a shortage of parts and components due to supply chain disruption. The turnaround time at MROs was also longer than usual because of prolonged aircraft hibernation.

Nevertheless, we were able to increase our operating fleet size from 126 aircraft at the beginning of the year to 167 aircraft at year end. Although total seat capacity was 74% of that in 2019, pre-pandemic, the number of guests flown was 77% of that in 2019 - because of the high load factor, which averaged 88% across all AOCs. Spurred by the removal of entry visa requirements for nationals from China and India by the Malaysian Government, and a reciprocal arrangement by the Beijing administration, there was marked increase in capacity to these two markets towards the end of 2023.

Supporting our financial performance, airfares increased across the board due to decreased domestic competition in Malaysia and Thailand together with more rational behaviour, in part reflecting higher aircraft operating costs. Airfares were on average 14% higher YoY and 26% higher than in 2019, helping to boost the Aviation Group's revenue to RM13.4 billion, marking a 141% increase vs 2022.

The group's revenue uplift was fuelled substantially by ancillary income, which increased by 165% YoY, mainly as a result of pricing optimisation through big data and dynamic bundling, personalised offers based on guests' purchase behaviour and the launch of innovative products like Fastpass enabling express immigration at selected airports, and ZoneUp allowing guests to bid for seat upgrades. During the year, we also launched an enhanced travel insurance package, AirAsia Comprehensive Travel PLUS. Notably, ancillary income hit RM48 per pax, bringing the total ancillary income recorded in FY2023 to RM2.4 billion.

Although the cost of operations increased with the depreciation of the Ringgit against the US Dollar and increasing jet fuel prices in the second half of the year, the Aviation Group was able to deliver a 285% increase in EBITDA from RM393 million in 2022 to RM1.5 billion.

Business Review (cont'd)

## Operational Highlights

### 2023 Key Statistics



### AIRASIA MALAYSIA

As air travel began to normalise, MAA focused on bringing back into operations as many aircraft as possible, efficiently and sustainably. Along with an expanded fleet, it also continued to rebuild its network of sky bridges, focusing on the most popular and profitable routes. By year end, it was flying 71 aircraft across 240 routes. Meanwhile, to mitigate the impact of volatile fuel prices and aircraft maintenance charges, added emphasis was placed on cost containment while a fuel surcharge fee was introduced. At the same time, MAA continued to excite travellers with numerous campaigns throughout the year including the ever-popular Five Million Free Seats and Fixed Fares promotion, the latter taking place during the festive seasons.

No. of guests carried

**25.3 million**

Capacity - available seat kilometre (ASK)

**34,855 million**



### AIRASIA THAILAND

TAA fully leveraged the increase in air travel demand in 2023 to grow its capacity, as measured by available seat kilometres (ASK), by no less than 123% YoY. Reactivating its aircraft faster than peers, it achieved significant growth in the domestic sector, increasing its market share to a record 35%. In the international sector, following China's opening to inbound and outbound travel, TAA quickly re-established routes into Asia's biggest tourism hub, which remains a popular destination for Thais, and vice versa. Other than China, TAA made its first foray into Japan via Fukuoka, and maintained its competitiveness in India, where it currently serves nine destinations.

No. of guests carried

**18.9 million**

Capacity - available seat kilometre (ASK)

**22,945 million**



### AIRASIA INDONESIA

With the opening of international borders in 2022, IAA quickly re-established its strength in this segment, transporting 1.4 million international passengers and capturing 11.15% of the market. This trend continued into 2023, with IAA's international market share climbing to 13.0%. Supporting its growth, IAA worked diligently to rebuild its network of sky bridges, ending the year with 41 routes, just three short of the 44 it had pre-pandemic. This included seven new routes in 2023 - four domestic and three international. To create awareness and stimulate further demand for its routes, it organised its first Indonesia AirAsia Travel Fair post-Covid-and held four AirAsia Free Seats Campaigns throughout the year.

No. of guests carried

**6.2 million**

Capacity - available seat kilometre (ASK)

**10,338 million**



### AIRASIA PHILIPPINES

2023 was a year of several small yet important milestones for PAA which led to a doubling of its ASK with only a 40% increase in number of aircraft during the year. This was achieved through more efficient operations, strategic route planning (including the introduction of new sky bridges to Chengdu, China; and Tokyo, Japan), as well as concerted brand-building efforts post-pandemic. The latter included active participation in 24 travel fairs nationwide organised by travel agency associations, banks and tourism boards, together with excellent media coverage. The shift of PAA's domestic operations from Terminal 4 to the more spacious Terminal 2 of the Ninoy Aquino International Airport (NAIA) was an added plus. To support its current and anticipated expansion, PAA hired 621 new Allstars for Ground and Flight Operations.

No. of guests carried

**6.6 million**

Capacity - available seat kilometre (ASK)

**6,882 million**



Load factor

87%

Operating aircraft  
at year end

71

Load factor

90%

Operating aircraft  
at year end

52

Load factor

85%

Operating aircraft  
at year end

24

Load factor

91%

Operating aircraft  
at year end

15

### Looking Forward

The year 2024 is looking promising, due to more operational aircraft, robust demand and lessening competition in domestic Malaysia and Thailand. We also look forward to integrating our operations with that of AirAsia X as this would instantly expand the size of our fleet, enabling better economies of scale and more flexibility on short and longer-haul routes, while growing our route network. We target to obtain Bursa Malaysia's approval on the disposal of the Aviation Group to AirAsia Group in Q2 2024 and, subsequently, our shareholders' approval at an Extraordinary General Meeting to be held in Q3 2024.

Combining our short-haul and long-haul operations would sharpen our focus, optimise capital allocation, and enhance resource management within the group by eliminating redundancies and paving the way for synergies in pricing strategies, network consolidation, and operational efficiencies. This would place us on a stronger footing to capitalise on increasing demand for travel.

While cost pressures remain high, we have put in place control measures to ensure efficiencies, which will allow us to continue to offer the most attractive fares to our customers.

Our main priorities will be to ensure a smooth integration into our sister airline as we continue to build AirAsia, expanding our fleet, launching AirAsia Cambodia, and working with airports as well as industry partners for a seamless customer experience across every touch point. AskBo, our chatbot, has been upgraded and we will be launching an e-booklet on AirAsia MOVE to guide our guests on how they can make the most of the services available on the extended AirAsia ecosystem.

We will also bring out of hibernation the rest of our existing fleet and add at least nine aircraft in 2024, ending the year with 221 Airbus A320 and A321 aircraft. This will enable us to further expand our route network, bringing back popular destinations while introducing exciting new routes to not only meet but stimulate demand.

## Business Review (cont'd)

# AVIATION SERVICES

**Aviation Services bands together all the businesses that support our airlines, either directly or indirectly. The vertical includes Asia Digital Engineering (ADE), Santan, Ground Team Red (GTR), Capital A Consultancy and a new business, DARTS.**



**ADE is Capital A's data-driven engineering arm providing a range of aircraft services with a focus on end-to-end aircraft maintenance and engineering support, including Engineering Maintenance Services (EMS), Engineering Support Services (ESS) and Component & Warehouse Services (CWS) - all of which are enhanced by our Digital & Innovation Services (DIS).**

Equipped with state-of-the-art infrastructure and facilities, our EMS comprises line maintenance, base maintenance as well as component workshop services. Line maintenance services are available at all our operational sites in KLIA, Subang, Senai, Langkawi, Penang, Johor Bahru, Kuching and Kota Kinabalu. Additionally, we have base maintenance hangars in KLIA (single line), Subang (four lines) and Senai (two lines). We are in the process of developing a brand-new 14-line hangar in KLIA (able to accommodate 14 narrow-body aircraft at one time or eight narrow-body and two wide-body aircraft), with six lines to be operational by the first half of 2024 and the rest before the end of the year. Once these are completed, the single line at KLIA will no longer be operational, leaving ADE with 20 lines - the largest MRO player in Malaysia.

Based in KLIA, ADE was founded in September 2020 leveraging AirAsia's engineering best practices and unsurpassed experience in the region. After serving AirAsia for over 20 years, our goal is to expand our services and extend these to third-party airlines.

## → AVIATION SERVICES

### 2023 Overview

While developed markets reopened their borders in 2022, most of Asia followed suit only in 2023. This has led to a drastic influx of aircraft into operations after about two years of hibernation, requiring intense maintenance work. By the third quarter of the year, the number of aircraft flying across the Asia-Pacific region had almost reached pre-pandemic levels. Within AirAsia itself, no less than 41 aircraft were operationalised during the year.

The aviation MRO sector in the region has therefore been extremely busy, with demand for service outstripping existing capacity. While all MRO players have stood to benefit in this environment, ADE has had an upper hand due to our quick turnaround time backed by strong aircraft maintenance predictive capabilities; the ability to anticipate component needs hence maintain strategic levels of inventory; as well as our highly trained and experienced engineers. Though attaining our licence for basic maintenance only two-and-a-half years ago, ADE is rapidly gaining a reputation for delivering the best value and efficiency at the lowest cost across the Asia-Pacific region and beyond.



### Key Initiatives

- On 18 January, we launched our new 5,000 square metre hangar built on 107.4 acres at Senai Airport's Free Industrial Zone (SAFIZ), the first MRO facility in Senai, and the third for ADE.
- In May, we launched two ground-breaking digital solutions: AEROTRADE and ELEVADE FLEET:
  - AEROTRADE, the first aviation marketplace in Asia, harnesses the latest technologies to simplify the buying and selling process. With over USD244 million worth of inventory for both Airbus and Boeing aircraft types, it is Asia's first components marketplace.
  - ELEVADE FLEET offers condition monitoring capabilities, advanced analytics, fleet tracking and cabin monitoring, among others. It is the first commercially available, full-fledged aircraft health management system of its kind in Asia.
- Signed a Letter-of-Intent (LOI) with Universiti Pendidikan Sultan Idris (UPSI) on research collaboration in the fields of Metaverse, Artificial Intelligence (AI) and Robotics.
- In December, we launched ELEVADE PEOPLE to replace Workday's time-tracking module. The mobile-first application simplifies data-capturing and monitoring for attendance and overtime applications with its GPS-enabled geofencing capabilities, eliminating human error from the previously manual process.

### Key Achievements

- Secured USD100 million investment from OCP Asia Ltd, which will be used for the construction and operationalisation of our 14-line state-of-the-art hangar facility in KLIA; and to fund business expansion in other verticals and geographical markets.
- Completed 100th C-Check in less than two-and-a-half years, when most MROs take about five years. C-Checks are comprehensive inspections that ensure the airworthiness of aircraft and demand extensive tooling, test equipment, and special skill levels.
- Attained EASA Part 145 approval from the European Union Aviation Safety Agency (EASA) complementing an extensive array of existing maintenance certifications and authorisations.
- AEROTRADE has attracted more than 150 airlines, MROs, distributors, OEMs, agents and stockists worldwide, becoming an active, high-transaction marketplace. As at year end, it facilitated more than RM55 million in transactions, with a growing number of transactions taking place between non-AirAsia parties.

### Looking Forward

The latest industry forecasts suggest operators in Asia will generate the largest share of MRO demand in the near future, contributing slightly more than a third of the global total. According to Aviation Week, MRO spending in the region will grow at a compound annual growth rate (CAGR) of 1.5% from USD36 billion in 2024 to USD48 billion in 2033.

ADE is preparing to tap into this growth via facilities expansion as well as expansion geographically. Not only will our new 14-line hangar in KLIA significantly enhance our base maintenance capacity, its proximity to our warehouse will translate into quicker turnaround times. The new hangar will house workshops such as the seat shop, carpet shop, cabin shop and sheet metal and composite shop. With its capacity to accommodate wide-bodied aircraft, we will extend our maintenance services to include Airbus A330 aircraft.

Geographically, we seek to establish line maintenance operations in all of AirAsia's home countries - ie Thailand, Indonesia, the Philippines and Cambodia - and expect these to be up and running by 2024. We will not, however, restrict ourselves to AirAsia but will actively pursue a broader customer base, targeting at least 30% third-party airlines. Propelling ourselves further, we are looking at the prospects of entering into a partnership with a prominent MRO player in Asean and hope to be able to report on this next year.

In the meantime, ADE will focus on pioneering innovations and launching diverse products within our digital ecosystem. With these digital products and our exceptional MRO service delivery, we will continue to delight existing customers while attracting more third parties into our orbit.

Business Review (cont'd)



**Santan is Capital A's food service business, launched to provide inflight catering services and evolving over the years to encompass all sales in the air, including duty-free, as well as food services on the ground. True to its all-Asean identity, Santan's 'next big thing' is to promote and help local brands grow through the AirAsia network. It is also rapidly expanding its food and beverage (F&B) offerings, creating an unparalleled shopping and dining experience 3,000 feet above land.**

**2023 Overview**

As travel picked up in 2023, so did Santan's trajectory. During the year, we refreshed our inflight menu, adding an entire range of Santan Signature Blend coffee, made from 100% coffee beans with no additives; a refreshing yuzu series leveraging the zesty antioxidant-rich fruit from Japan; as well as the very local and very popular chendul. A great deal of emphasis was placed on building our beverages menu due to the high take-up of drinks onboard, as well as better margins.

More than food, Santan has significantly enhanced our duty-free offerings with fashion and skincare items, fragrances, wellness foods and even pet food - all made in Malaysia - standing side by side with Calvin Klein, Elizabeth Arden, Lancome, Laneige, Kiehl's and other conventional duty-free inventory. Working closely with local entrepreneurs, we are revolutionising the concept of duty-free, taking the local global. This is part of the AirAsia story of elevating Asean not only as a tourist destination, but as a region rich in culture, cuisine and craft that has a place on the world map.

**Key Initiatives**

- Leveraged freeze-dry technology (which allows coffee to dissolve in water at any temperature) to offer guests the robust flavour of freshly brewed coffee in capsule format, eliminating the need for inflight coffee machines.
- Introduced plant-based Pak Nasser's Nasi Lemak in Q4 2023, selling an average of 10,000 meals per month in Malaysia.
- Entered into partnership with ZUS Coffee, introducing its specialty coffees onboard (including the very popular Spanish Latte Coconut Milk) while featuring our own Pak Nasser's Nasi Lemak in 300 ZUS Coffee outlets across Malaysia and the Philippines.
- Partnering Penang Chendul, a heritage brand, to offer Malaysia's favourite ice-shaved dessert to guests from all over the world.
- Partnering A.Cross Creations to bring artisanal mooncakes to the skies.
- Collaborated with local entrepreneurs to bring home-grown brands on board. This includes fashion items from Jovian and Petit Moi; fragrances from Owlet, Legendary and ASK; skincare and dental care from Chuck's, Gigi, Buds, Empro; wellness products from Jynns; as well as healthy pet meals from StreetPaw.

**Key Achievements**

- Santan Capsule Coffee is selling at an average of 4,000 cups of coffee per day across the four AOCs.
- The introduction of coffee has improved our beverage revenue per passenger (RPP) to RM1.05, from a previous peak of RM0.76.

**Looking Forward**

In 2024, Santan will be building on the momentum achieved in 2023 to further grow our business. We are looking to enter into more collaborations with local entrepreneurs, in Malaysia and Asean, as well as to fully leverage the potential for expansion within the Capital A ecosystem as well as outside of it. This includes growing our corporate catering services, now offered in RedQ, to other Capital A offices regionally while also offering our services to third-party airlines. Based on our success with ZUS Coffee and Penang Chendul, we seek to expand our retail business through a wider network encompassing partners such as TGV cinemas, Petronas' Café Mesra, 7-Eleven and Jollibee, taking our brand beyond Malaysia to countries such as the Philippines, Indonesia and Thailand.

## → AVIATION SERVICES



**Ground Team Red provides the full range of ground handling services for AirAsia and other international airlines including full service carriers, from guest, baggage and ramp services to load control & flight operations as well as cargo services. Certified by the Civil Aviation Authority of Malaysia (CAAM) and the Malaysian Aviation Commission (MAVCOM), GTR has been integral to maintaining a high level of guest and customer happiness across 16 stations in Malaysia and Singapore since 2017.**

### 2023 Overview

In 2023, both the number of passengers and volume of cargo transported in and out of as well as within Asia-Pacific grew substantially, requiring GTR to ramp up our operations. Prioritising punctuality and customer satisfaction, we intensified our partner collaborations while our Allstars stepped up to the mark ensuring a seamless journey for every traveller and cargo recipient. GTR's dedication to continuous improvement and the delivery of an outstanding customer experience contributed to a 99% on-time performance (OTT) and the ability to manage significantly enhanced cargo throughput from Q4 onwards.

### Key Initiatives

- Turned around more than 36,000 flights efficiently and effectively, demonstrating the capability to manage large numbers of passengers and baggage.
- Handled 86,000 tonnes of cargo, underscoring our strength in logistics and cargo management.
- Introduced the use of electric vehicles in klia2 for towing baggage and cargo dollies to reduce our emissions, marking a significant step towards sustainability and innovation and showcasing our commitment to environmental responsibility.
- Enhancing our training programmes, GTR has improved the overall standard of ground handling in Malaysia. Our Training Department collaborates closely with Sistem Latihan Dual Nasional, under the Ministry of Human Resources, to ensure accreditation for our trainers. This accreditation enables trainees to obtain a recognised Malaysian Skills Diploma (DKM).
- Introduced the GTR Ambassador Programme, underscoring our commitment to employee development and engagement.

### Looking Forward

Our primary focus in 2024 will be on sustainable growth across all facets of our business. Through targeted marketing efforts, strategic customer engagement and product/service innovation, we aim to expand our market presence and enhance our competitive position. Supporting our business growth, we have allocated substantial capital for technology upgrades and infrastructure improvements as well as talent development - all aimed at further enhancing our operational capabilities. As we stay agile, innovative and customer centric, we will be well-positioned to capitalise on opportunities and drive further value for our stakeholders.



## Business Review (cont'd)



capital   
CONSULTANCY

**Capital A Consultancy, established in 2021 under the Capital A umbrella, leverages AirAsia's vast experience and best-in-class performance as a low-cost carrier (LCC) to support the launch of new airline startups, provide aviation consulting services to help grow and transform airline and aviation businesses, as well as to explore new airline franchising opportunities worldwide. Our areas of focus include feasibility studies and business plan development for new LCCs, fuel efficiency programmes, operational performance optimisation as well as on-demand consulting projects for airlines, airports and tourism/government bodies.**

### 2023 Overview

As a relatively new startup, the year 2023 saw Capital A Consultancy continue to build brand awareness of our service offerings while reaching out to and developing relationships with key industry players. Having been engaged in 2022 by a customer to develop Fly Dhaka, an LCC in Bangladesh, a significant amount of time and resources were channelled towards this project. In addition, we pitched our services to a number of new prospective clients; and are currently in negotiation with a few of them.

Within the Group, Capital A Consultancy was involved in establishing AirAsia Cambodia, AirAsia's new venture which is set to launch in Phnom Penh in 2024. Capital A Consultancy took the lead in the joint venture negotiations, conducted feasibility studies as well as developed a five-year business plan for AirAsia Cambodia.

### Key Initiatives & Achievements

- Worked on Fly Dhaka, supporting our client in carrying out feasibility studies and developing a five-year business plan including evaluating options for organic vs acquisitive growth. We are currently in discussions on the next phase of the project.
- Finalised an in-depth business plan for a key client.
- Finalised feasibility studies and business plans for two new potential AirAsia joint ventures.
- Pitched our services to a few prospective clients who are keen to start new airlines. These are currently under negotiation.
- Pitched our services to a prospective client looking for advisory services on turning around its airline post-Covid.

### Looking Forward

In 2024, we seek to advance ongoing projects and extend the services currently offered to customers while translating proposals into new wins. At the same time, we will continue with our brand-building efforts by engaging with and pitching our services to new prospective clients. Internally, we will build our portfolio of products and services aligning these with changing industry needs. Among others, we seek to expand our award-winning Fuel Efficiency Programme to new airline clients as sustainability issues gain currency.

## ➔ AVIATION SERVICES



## ➔ DARTS

**Towards the end of 2023, we realigned the business model of AirAsia SEA, the shared services centre for our airlines, to become a profit-making business on its own. Now renamed DARTS, it provides an expanded range of corporate services to 77 entities across airlines and other verticals in Capital A, supporting more than 21,000 Allstars within the Capital A ecosystem, its fees based on individually agreed service level agreements (SLAs). By taking over support services, DARTS frees all Capital A entities to focus on their core businesses. Among others, DARTS offers: Finance Shared Services, Finance Centre of Excellence (COE), Customer Happiness, People Services, Procurement, Translation, Production, Facilities Management & Development, Duty Travel and Refund Operations.**

In 2023, DARTS continued to cut costs through simplicity via digital solutions with the launch of AskBo offering a more proactive, attentive and hassle-free guest experience, as well as an Allstar self-service chatbot elevating the Allstar experience through instant HR-related support, promoting convenience and efficiency.

Going forward, DARTS will continue to further enhance AskBo capabilities and look into other avenues to create operational efficiencies thus minimise cost and boost productivity. In addition, it will explore the potential of extending its services to non-Capital A third-party customers.