

**CAPITAL A BERHAD (FORMERLY KNOWN AS AIRASIA GROUP BERHAD)
("CAPITAL A" OR "THE COMPANY")**

**MEMORANDUM OF UNDERSTANDING BETWEEN CGS-CIMB SECURITIES SDN. BHD.
AND AIRASIA SUPERAPP SDN. BHD., A SUBSTANTIALLY-OWNED SUBSIDIARY OF
CAPITAL A**

1. INTRODUCTION

The Board of Directors of the Company ("Board") wishes to announce that AirAsia Superapp Sdn. Bhd. ("AAS"), a substantially-owned subsidiary of Capital A, had on 7 March 2022 entered into a Memorandum of Understanding ("MOU") with CGS-CIMB Securities Sdn. Bhd. ("CGS-CIMB") to jointly explore and evaluate a possible collaboration to democratise the capital market investments for the mass market and drive towards a more inclusive capital markets in certain territories to be agreed upon.

2. INFORMATION ON AAS

AAS is the holding company that operates the AirAsia Superapp platform, which includes the mobile application and website that connects users with the respective merchants and suppliers for products and services related to travel, daily essentials, financial technology and lifestyle.

3. INFORMATION ON CGS-CIMB

CGS-CIMB is part of the larger CGS-CIMB group and is a Participating Organisation of Bursa Malaysia Securities Berhad. CGS-CIMB is one of the top three brokerage houses in Malaysia. Through a network of local offices, branches and strategic partners, CGS-CIMB has a global presence in over 20 countries, providing a truly Asian perspective. CGS-CIMB is well-positioned as Asia's leading financial gateway with a core focus on well researched and in-depth analysis on financial products. CGS-CIMB is a customer-centric firm and focuses on value creation for clients, offering a suite of investment and financial solutions for retail and institutional clients. CGS-CIMB businesses include retail broking, institutional equities, derivatives, prime services, equities research, wealth management and online broking. Backed by an award-winning research team, it has one of the most comprehensive research coverage of over 970 stocks in the region. CGS-CIMB strong research capabilities form the backbone of our product and service offerings, connecting clients to opportunities.

4. SALIENT TERMS OF THE MOU

The MOU contemplates parties to jointly explore the potential collaboration to collaborate on making equity trading and investing more accessible and affordable to everyone, especially the non-investors.

This initiative is in line with the Securities Commission Malaysia Capital Market Masterplan 3, which aims to empower investors in building a better future by offering quality investment advice and technologically enhanced capabilities to meet rapidly evolving customer needs.

5. RATIONALE FOR THE MOU

As a comprehensive lifestyle platform, Super App aims to continuously expand its consumer proposition, with Wealth solutions as a natural adjacency to the existing financial services offered. Together with CGS-CIMB, this stock brokerage venture will serve as the initial beachhead to further grow Super App's overall Wealth proposition.

From a commercial angle, this new stock brokerage venture is attractive for 2 reasons:

- 1) Sizable Southeast Asia retail brokerage market with ample of untapped potential from increasing customer penetration (focusing on underserved segments) and improving as-is customer experience
- 2) Airasia has a strong 'right to win' in this space
 - a) We have the brand equity, consumer insights and go-to-market capabilities to steal share from incumbents and capture the underserved segments.
 - b) We will leverage CGS-CIMB's operational and regulatory know-how to provide a digital brokerage solution that is accessible, affordable and inclusive.
 - c) Super App has a sizable customer base across SEA in which the new venture can access, thereby lowering customer acquisition costs.

6. RISK FACTORS

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

7. FINANCIAL EFFECTS

As the MOU is non-binding and at zero cost commitment, it is not expected to have any effects on the issued share capital and substantial shareholders' shareholdings of Capital A, as well as the net assets, gearing, earnings and earnings per share of the Group.

8. PROSPECTS

Together with CGS-CIMB, we will offer a stock trading platform that is highly:

- Accessible (mobile-first, easy & intuitive, beginner-friendly UI)
- Affordable (low fee, low min investment via fractionalization)
- Inclusive (fully digital onboarding, no human interaction required')

This will allow AirAsia to further democratize capital market investment by allowing wider participation of the mass market to the capital market.

9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

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

10. DIRECTORS' STATEMENT

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

11. APPROVALS REQUIRED

The execution of the MOU does not require the approval of shareholders of the Company or any relevant authorities. However, upon execution of the relevant binding agreements, the Company will make a further announcement in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, if required.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the MOU will be made available for inspection at the registered office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000 KLIA, Selangor Darul Ehsan, Malaysia, during regular office hours from Monday to Friday (excluding public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 7 March 2022.