

**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

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.

What's



ABOUT US

- 4 Who We Are
- 5 Our Vision and Our Purpose

CORPORATE INFORMATION

- 6 Corporate Information
- 8 Corporate Structure
- 10 Flying High: Our Aviation Group Network & Statistics
- 12 Our Digital Statistics
- 13 Our Social Media Statistics
- 14 Our Performance at a Glance
- 16 We're Back: Our Diary 2023
- 22 Awards & Accolades 2023

INVESTOR INFORMATION

- 25 2023 Financial & Investor Calendar
- 26 Five-Year Financial & Operating Highlights
- 27 Share Performance and Market Capitalisation
- 28 Our Investment Case

OUR LEADERSHIP

- 32 Board at a Glance
- 33 Directors' Profiles
- 36 Our Senior Management Team
- 38 Our CEOs

MANAGEMENT DISCUSSION AND ANALYSIS

- 42 Our Business Model
- 44 Our Operating Environment
- 48 Our Key Risks and Mitigation
- 51 Our Strategy/Blueprint
- 54 Chairman & Group CEO's Statement



Inside



BUSINESS REVIEW

- 61 AVIATION GROUP
 - AirAsia Malaysia
 - AirAsia Thailand
 - AirAsia Indonesia
 - AirAsia Philippines
- 64 AVIATION SERVICES
 - Asia Digital Engineering
 - Santan
 - Ground Team Red
 - Capital A Consultancy
 - DARTS
- 70 MOVE DIGITAL
 - AirAsia MOVE
 - BigPay
- 74 LOGISTICS
 - Teleport
- 76 CAPITAL A INTERNATIONAL
 - AirAsia brand co. (Abc.)
- 78 VENTURES
 - airasia academy
 - ikhlas.com

SUSTAINABILITY STATEMENT

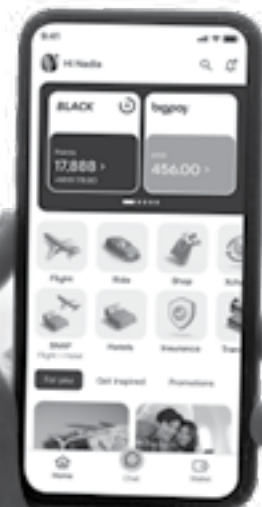
- 81 Sustainability Statement
- 82 Sustainability Approach
- 83 Sustainability Governance
- 84 Material Matters
- 85 Sustainability Progress
- 89 Task Force on Climate-related Financial Disclosures
- 90 Performance Table

CORPORATE GOVERNANCE

- 96 Corporate Governance Overview Statement
- 104 Audit Committee Report
- 108 Statement on Risk Management and Internal Control
- 111 Additional Compliance Information

ADDITIONAL INFORMATION

- 117 Analysis of Shareholdings
- 120 Analysis of RCUIDS Holdings
- 123 Analysis of Warrants Holdings
- 126 List of Properties Held
- 128 Notice of Annual General Meeting
- 135 Glossary
 - Proxy Form



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
Website : capitala.com
Social Media : **Twitter** (twitter.com/airasia)
: **Facebook** (facebook.com/flyairasia)
: **Instagram** (instagram.com/airasiamove)
: **Instagram** (instagram.com/flyairasia)
: **TikTok** (tiktok.com/@flyairasia)
: **TikTok** (tiktok.com/@airasiamove)
: **Youtube** (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
Website : 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

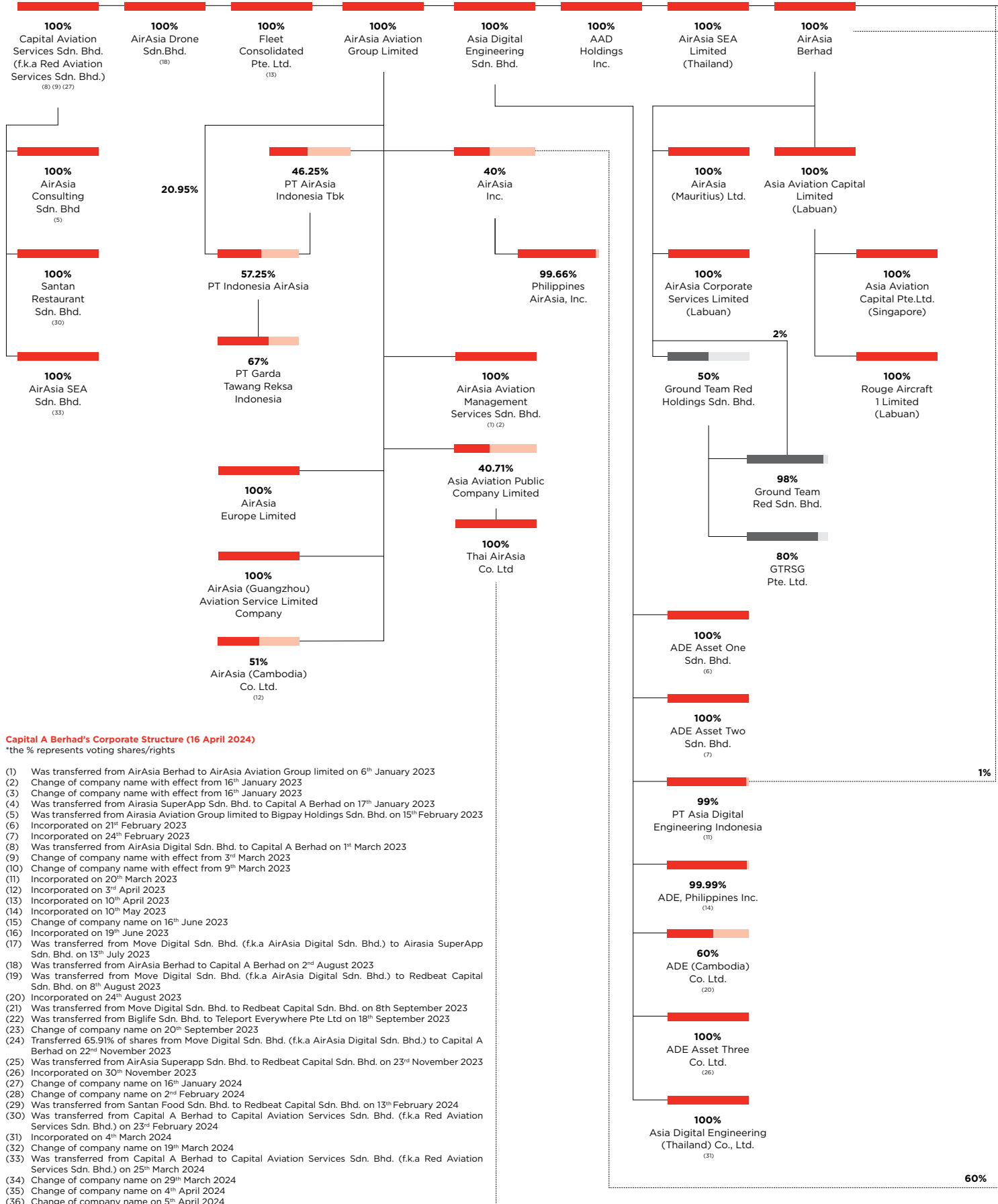
Main Market of Bursa Malaysia Securities Berhad

Listing Date : 16 April 2018

Stock Name : CAPITALA

Stock Code : 5099

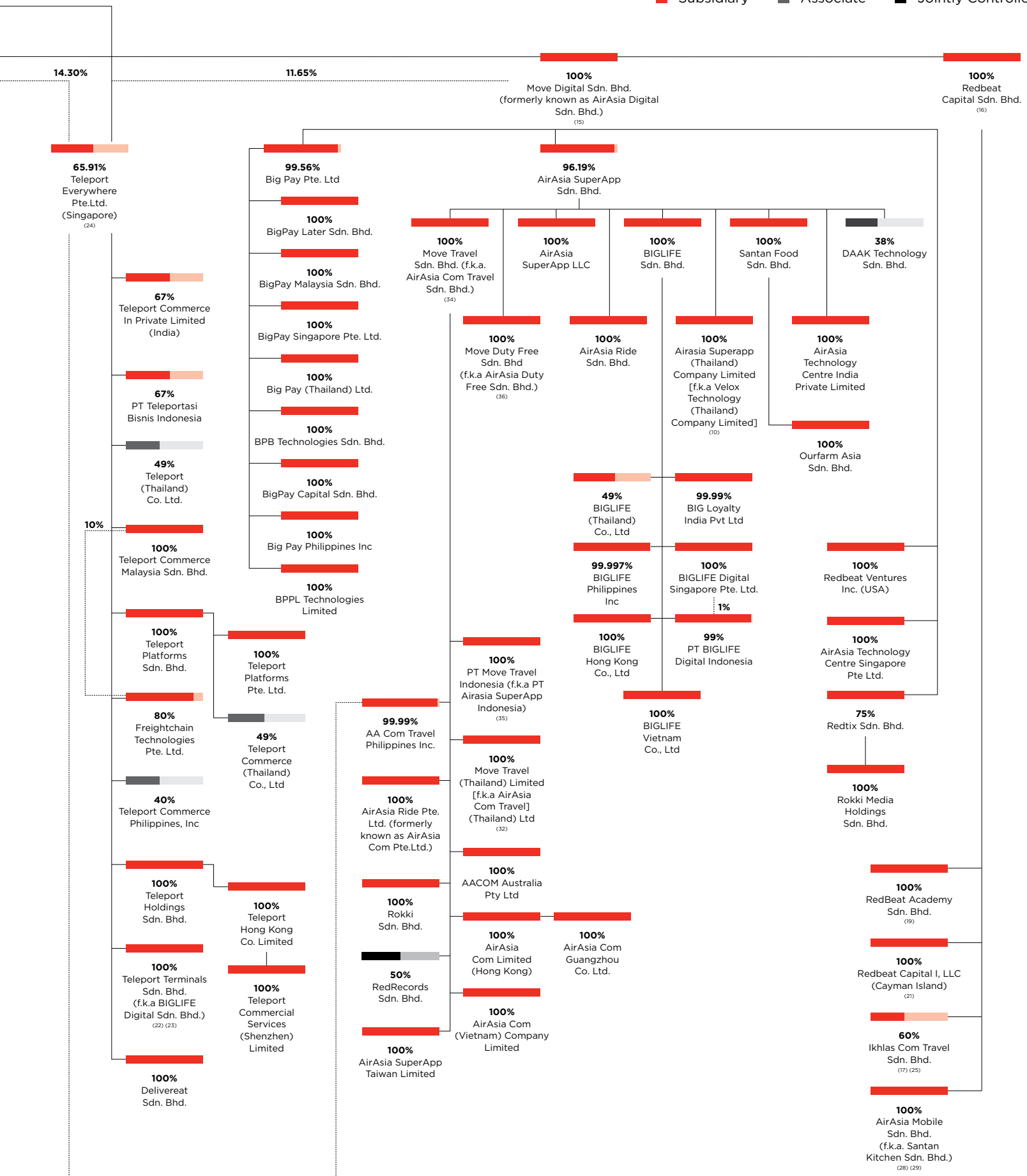
Corporate Structure



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

■ Subsidiary ■ Associate ■ Jointly Controlled



Flying High

Our Aviation Group Network & Statistics

 **AirAsia Aviation Group**

240
Routes

22
Countries

122
Destinations

15
Hubs

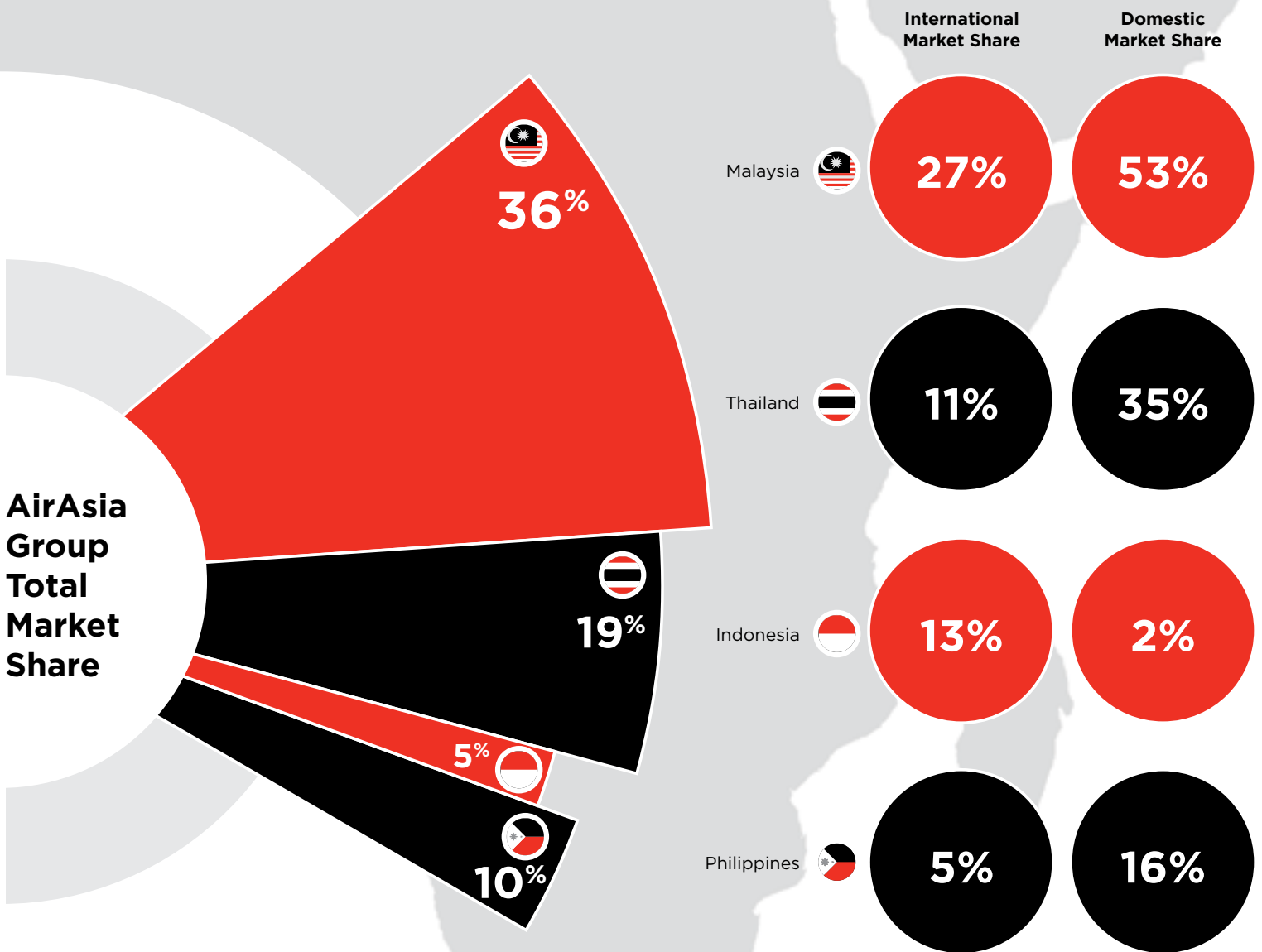
 **AirAsia X Group**
(a sister company of Capital A)

27
Routes

10
Countries

23
Destinations

2
Hubs



Legend
○ Hub ▼ Destination



A Digital Lifestyle Company

Our Digital Statistics

MOVE Digital



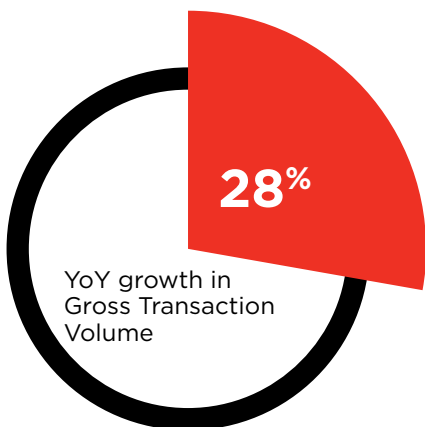
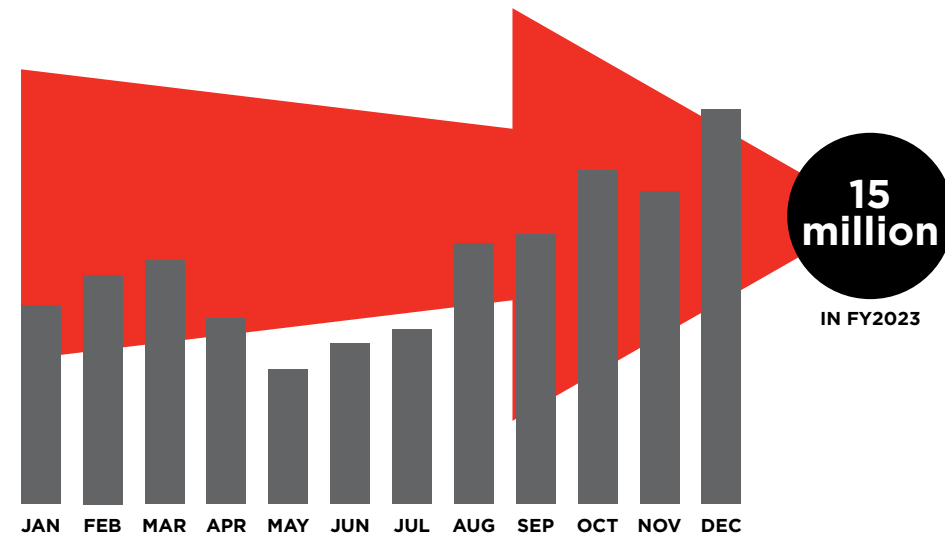
Gross Booking Value (GBV)

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

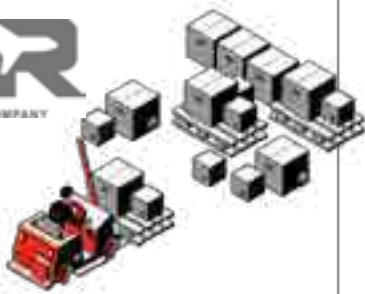
units of inflight
products sold

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



LINE

27,873,142

followers



X (formerly known as Twitter)

7,864,146

followers



Pinterest

5,470

followers



Instagram

3,480,631

followers



KakaoStory

8,278

followers



YouTube

201,272

followers



KakaoTalk

54,356

followers



TikTok

196,582

followers



WeChat

1,789,457

followers



LinkedIn

807,029

followers



XHS/Redbook

18,987

followers



Douyin

69,877

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,

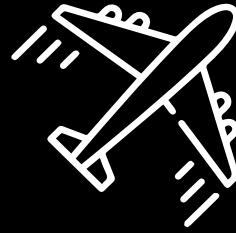
signifying the highest standards of safety and quality in aviation maintenance.



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 CO₂ 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 gCO₂/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 16th 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 14th 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 100th 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
– 14th 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

WELCOME TO THE **FUTURE OF MRO**

Equipped with massive experience and the latest technology in aircraft maintenance repair and overhaul services (MRO) we are ready to support your ever growing fleet requirements with minimum aircraft downtime.

Scan QR code
to learn more:



ade.aero

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**

3rd Qatar
Economic Forum

**25
May**

CITI 4th 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

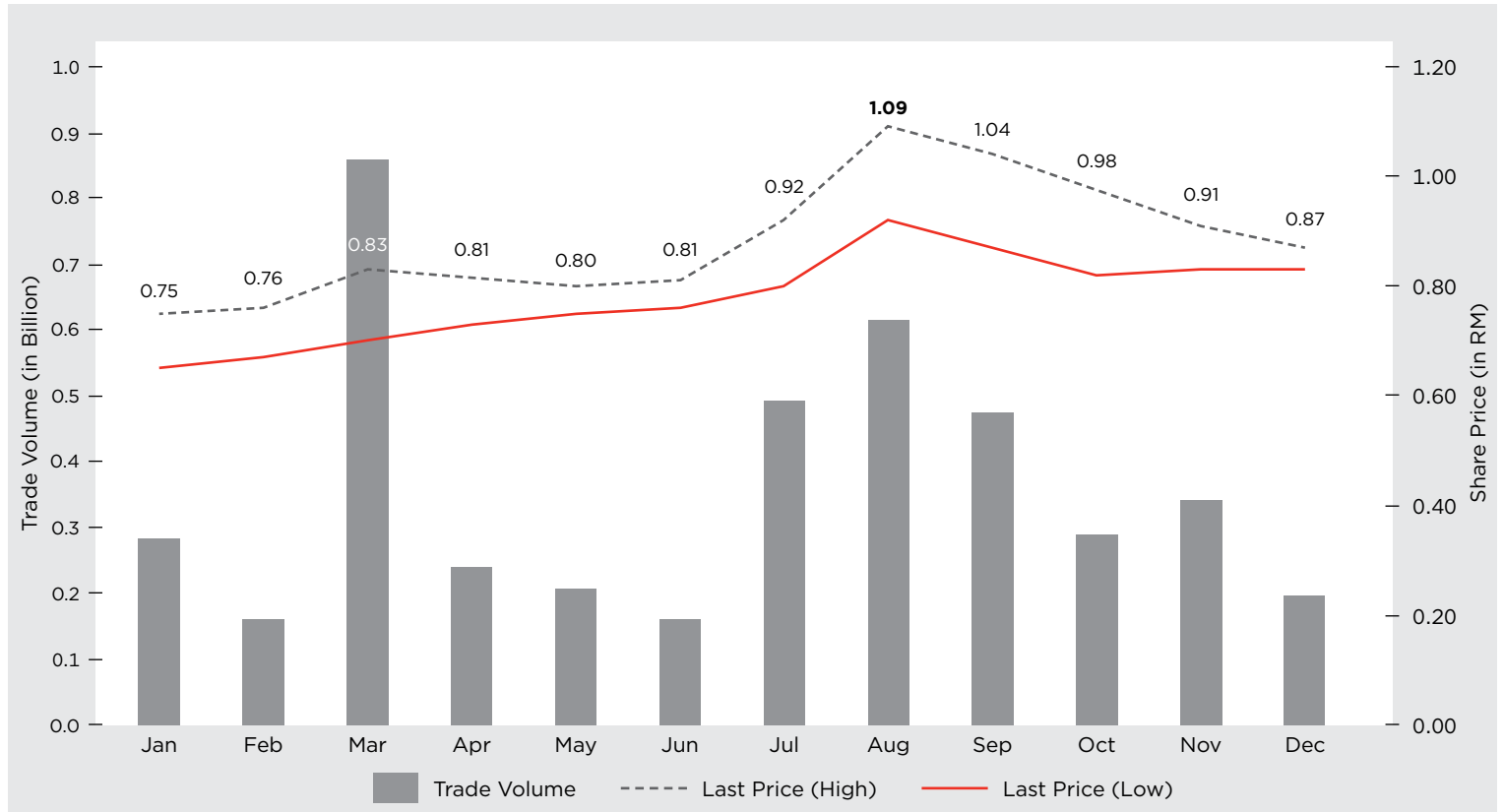
Five-Year Financial & Operating Highlights

(RM million, unless otherwise stated)	2019	2020	2021	2022	2023
		Restated	Restated	Restated	
INCOME STATEMENT					
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
Net profit/(loss)	-283	-5,888	-3,721	-3,916	-96
BALANCE SHEET					
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
CASH FLOW STATEMENTS					
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
Net Cash Flow	-842	-2,091	781	-806	142
FINANCIAL PERFORMANCE (%)					
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
OPERATING STATISTICS					
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
Segmental revenue					
a) Airlines	-	-	58	86%	91%
b) Digital	-	-	42	14%	9%

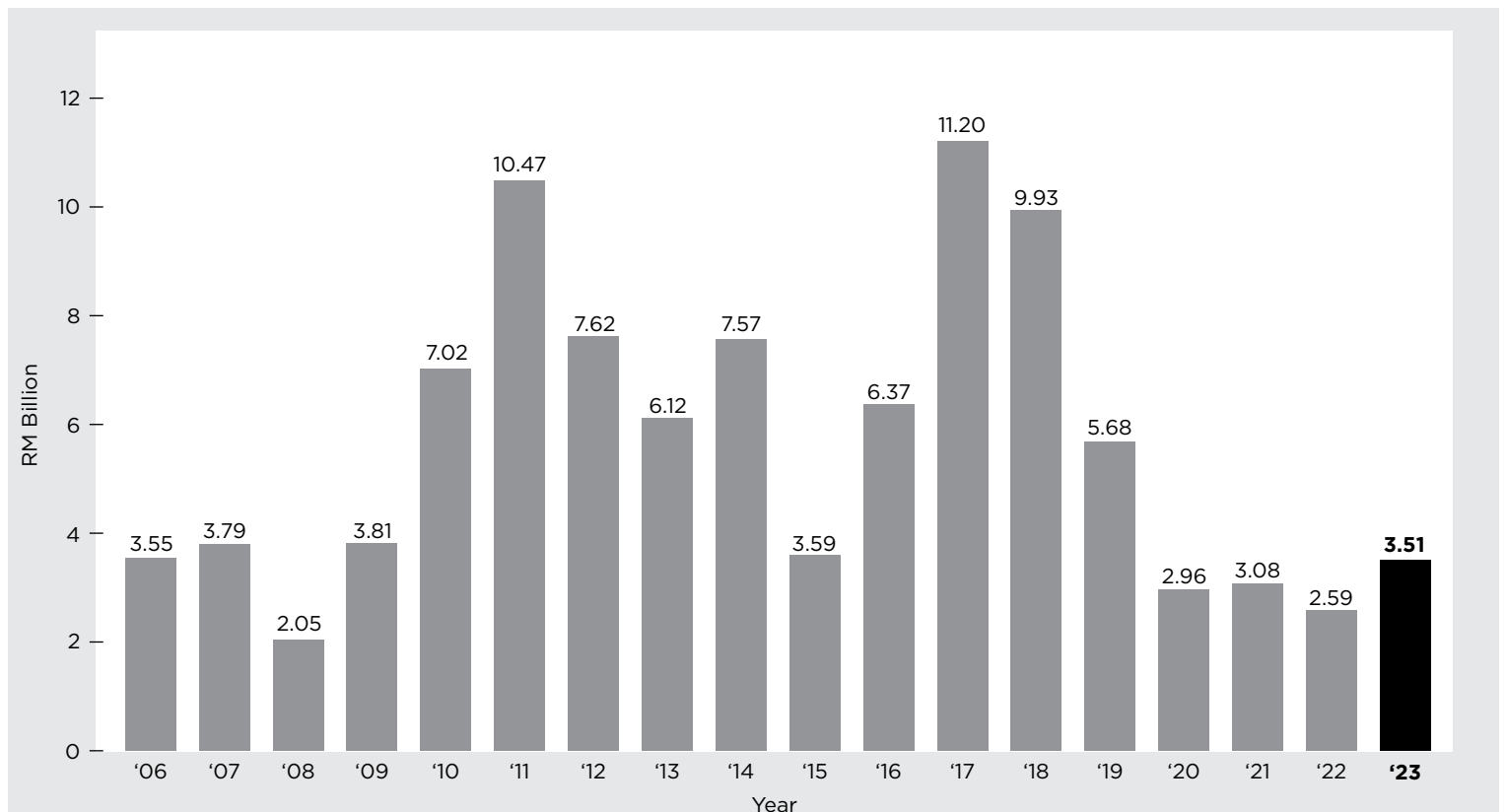
* excluding one-off items

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.

bigpay

- 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[™]

Southeast Asia's Logistics.

teleport it.



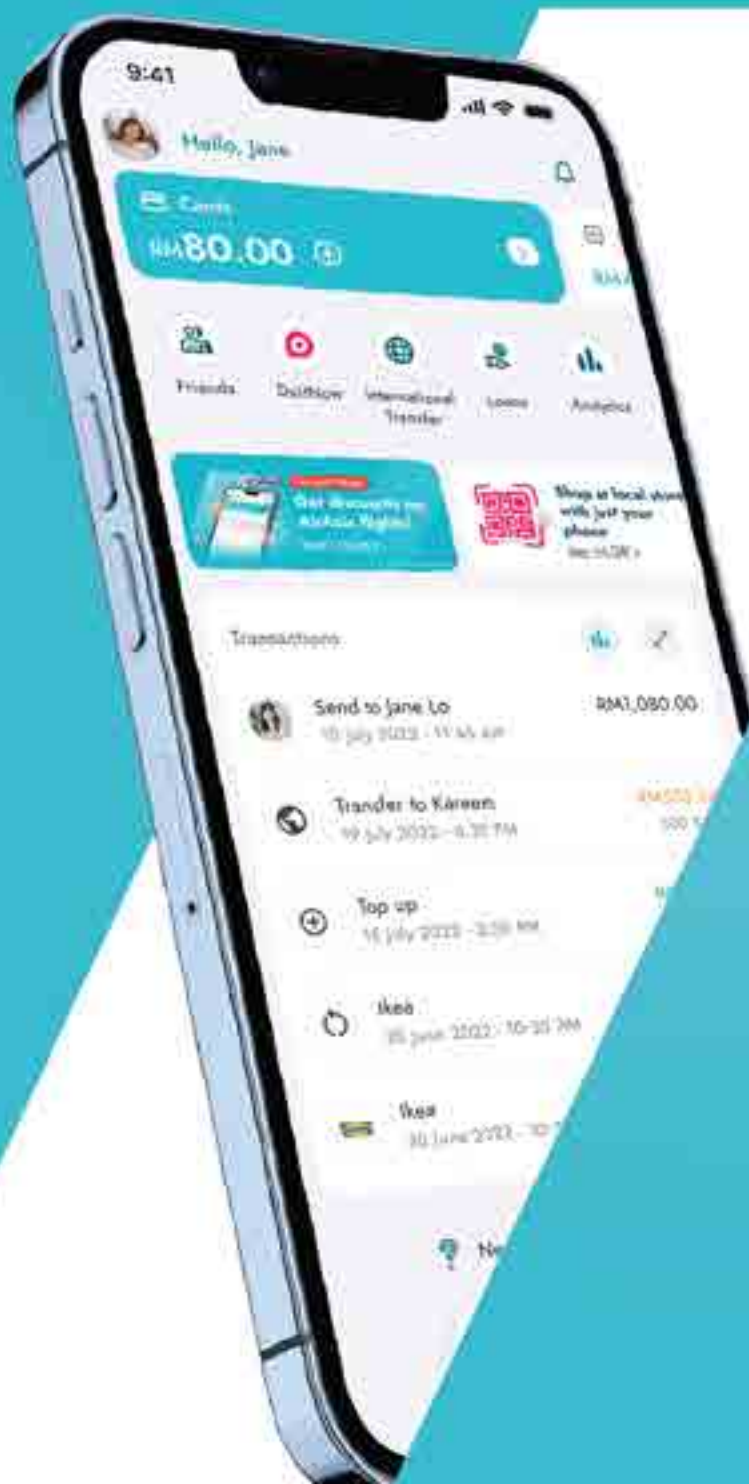
@teleportasia   

teleport.asia 

bigpay

Level up your travel experience

Sign up for BigPay to unlock an easier way to manage your money!



BigPay Features:



Link your account to the AirAsia MOVE app & get exclusive discounts



Pay with BigPay card or via DuitNow QR



Track and manage your spending while you travel



Stash your spare change to save for your holiday



Send money to 40+ countries instantly



Fast and easy all-digital personal loans

and so much more!

DOWNLOAD THE APP & SIGN UP IN 5 MINUTES!

bigpay



Download on the
App Store

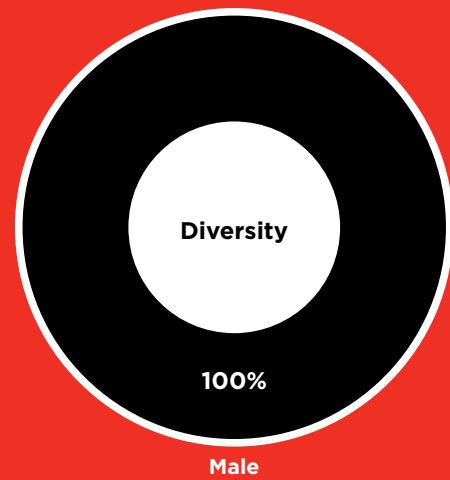
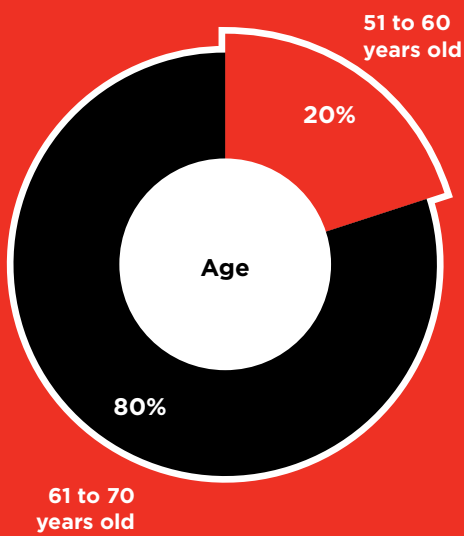
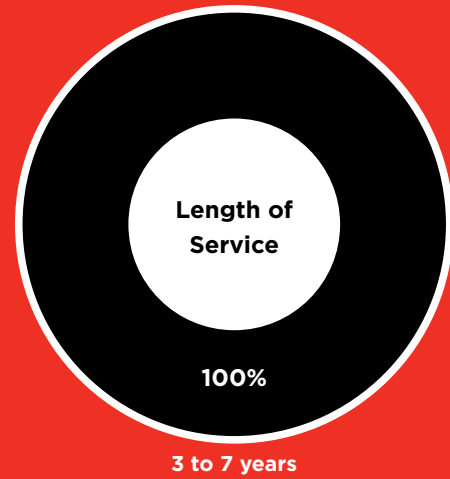
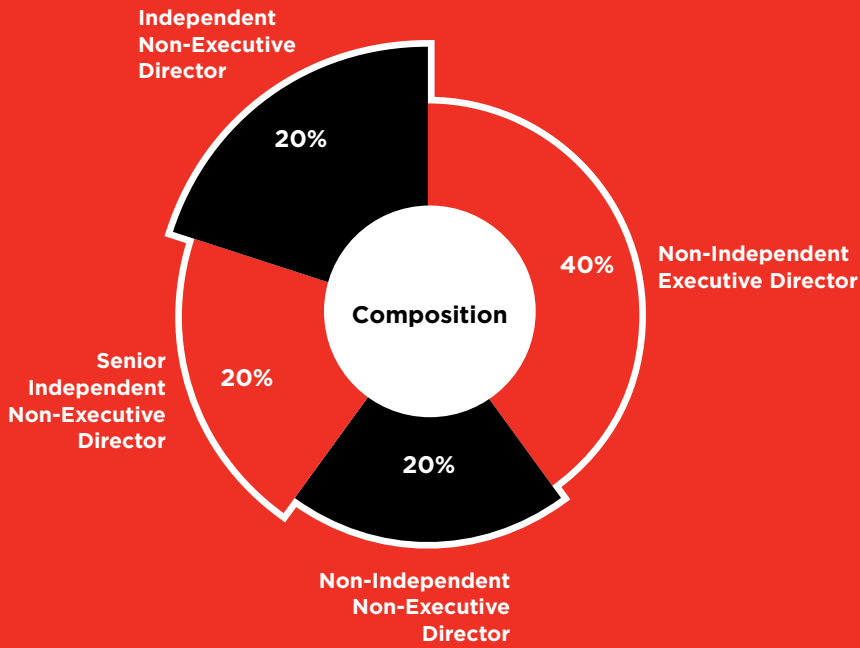


GET IT ON
Google Play

*Selected features may only be available in specific countries

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



Myanmar

Laos

Thailand

Vietnam

Philippines

Cambodia

Brunei

Malaysia

Singapore

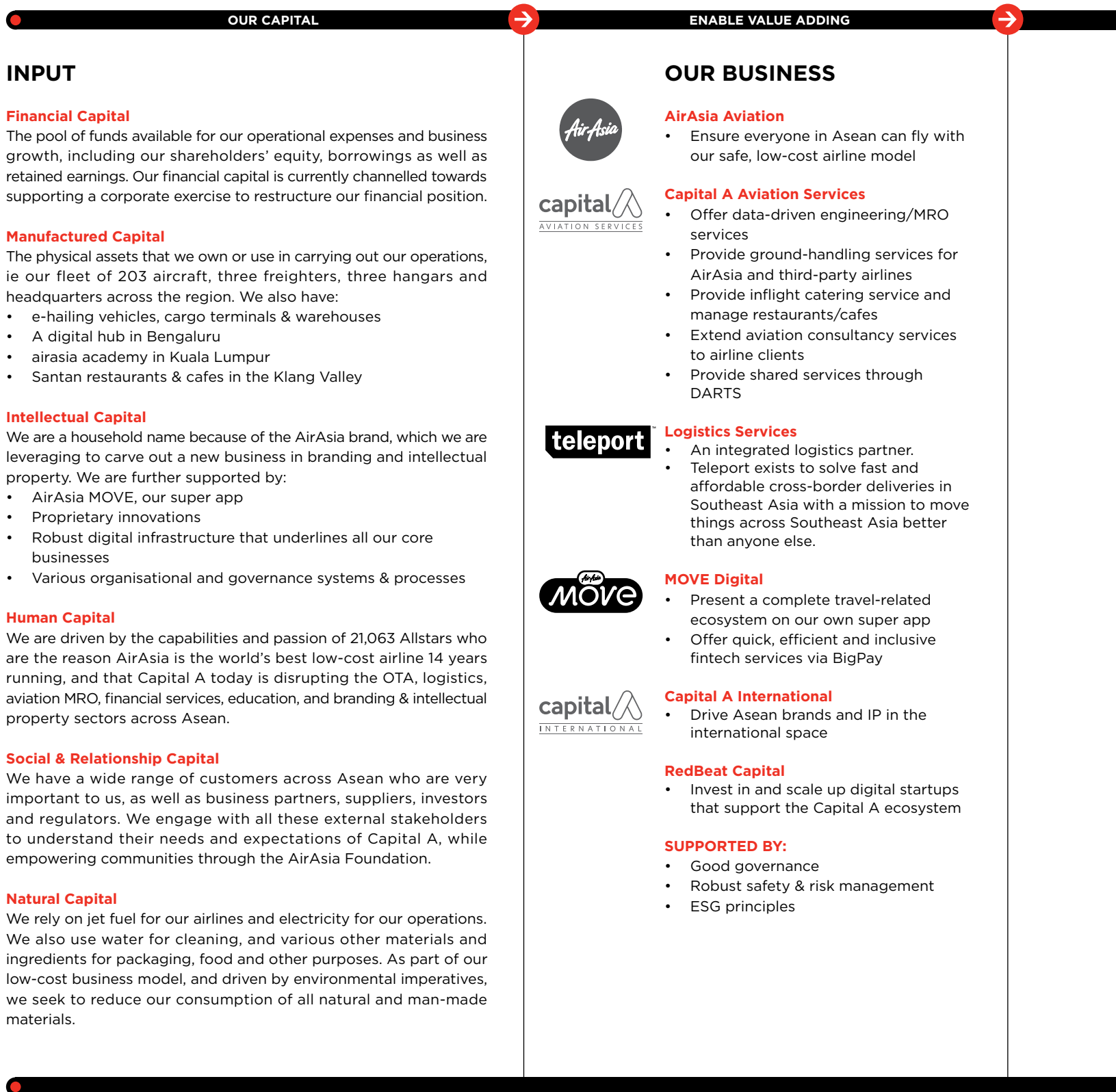
Indonesia

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 tCO₂e (2022: 2,329,332.48 tCO₂e)
- Carbon intensity ratio: 64.4 gCO₂/ASK; 74 gCO₂/RPK (2022: 70.5 gCO₂/ASK; 85.4 gCO₂/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 m³ (2022: 83,289 m³)

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%.

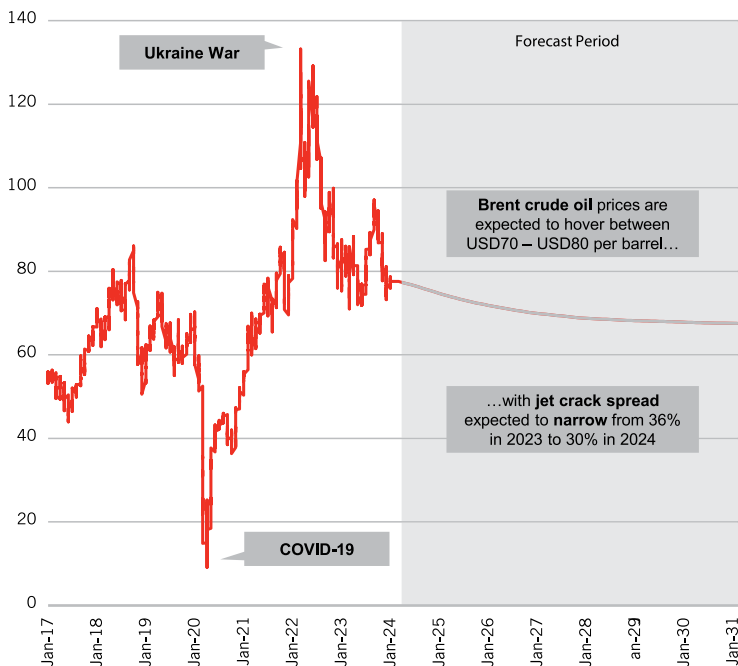
Volatile Jet Fuel Prices

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 2023.¹



¹ <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 2024.²

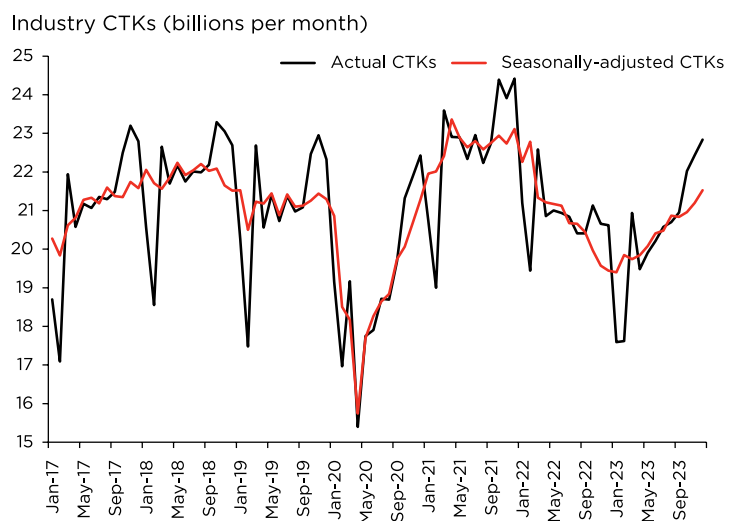
Pick Up in Air Travel

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)



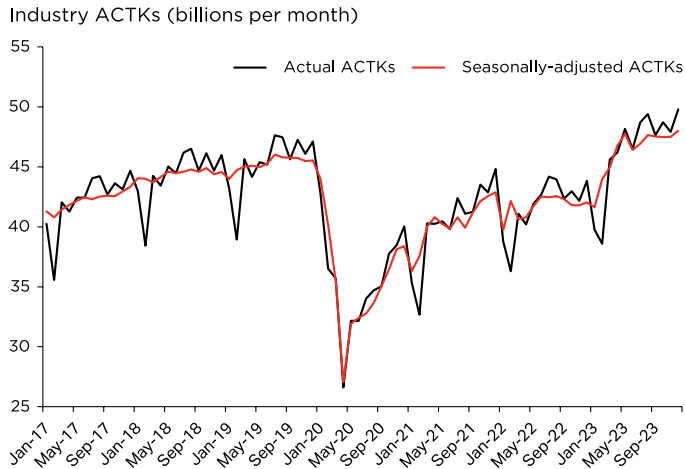
Source: IATA Sustainability and Economics, IATA Monthly Statistics

² S&P Capital IQ: US Energy Information Administration; IATA Sustainability and Economics

Strategic Review (cont'd)

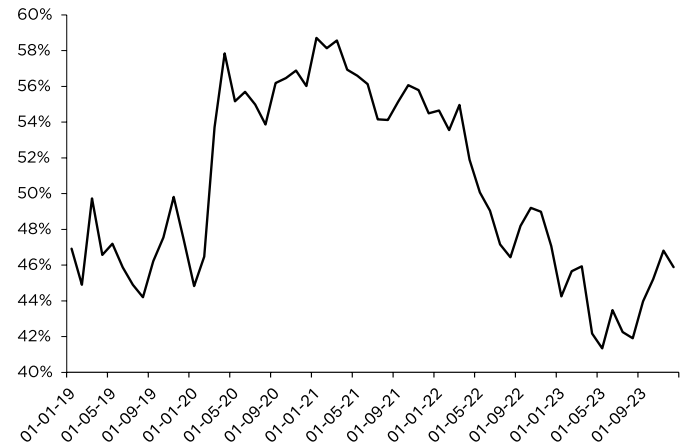
Our Operating Environment (cont'd)

Chart 3: Global ACTKs (billions per month)



Source: IATA Sustainability and Economics, IATA Monthly Statistics

Chart 4: Industry cargo load factor (percent)



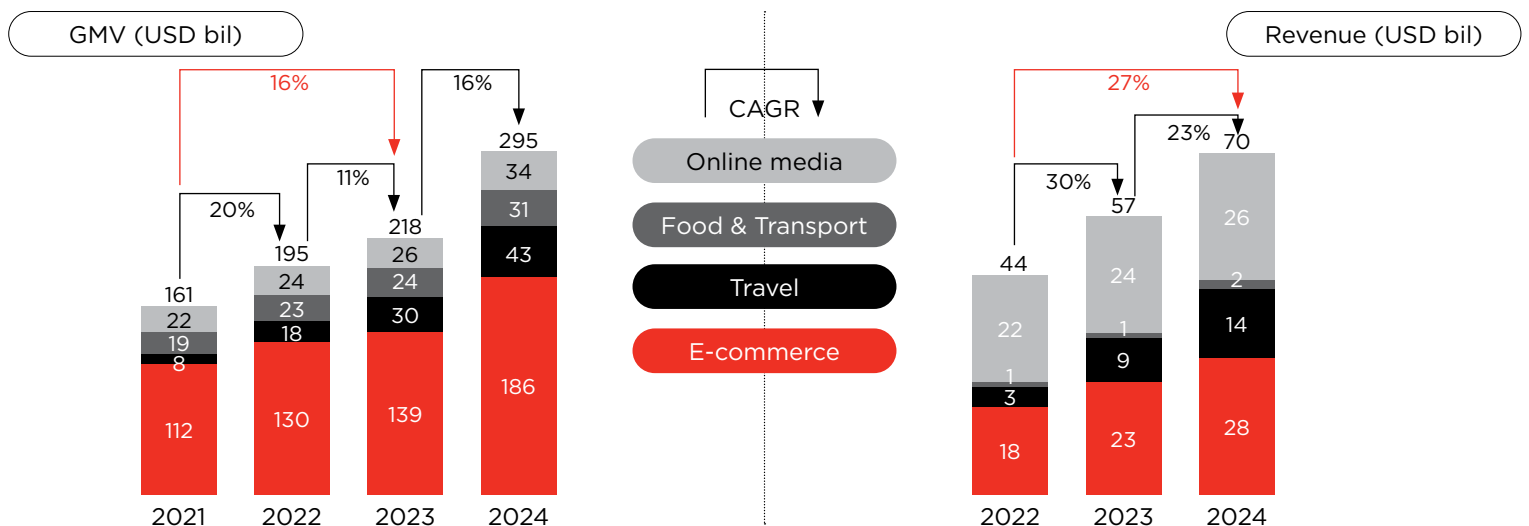
Source: IATA Monthly Statistics

Capacity growth in the Asia-Pacific region surpassed the global average, at 28.5% YoY, and even exceeded pre-pandemic capacity by 6.7%.³ 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.⁴ 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

³ IATA Air Cargo Market Analysis, December 2023
⁴ 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.

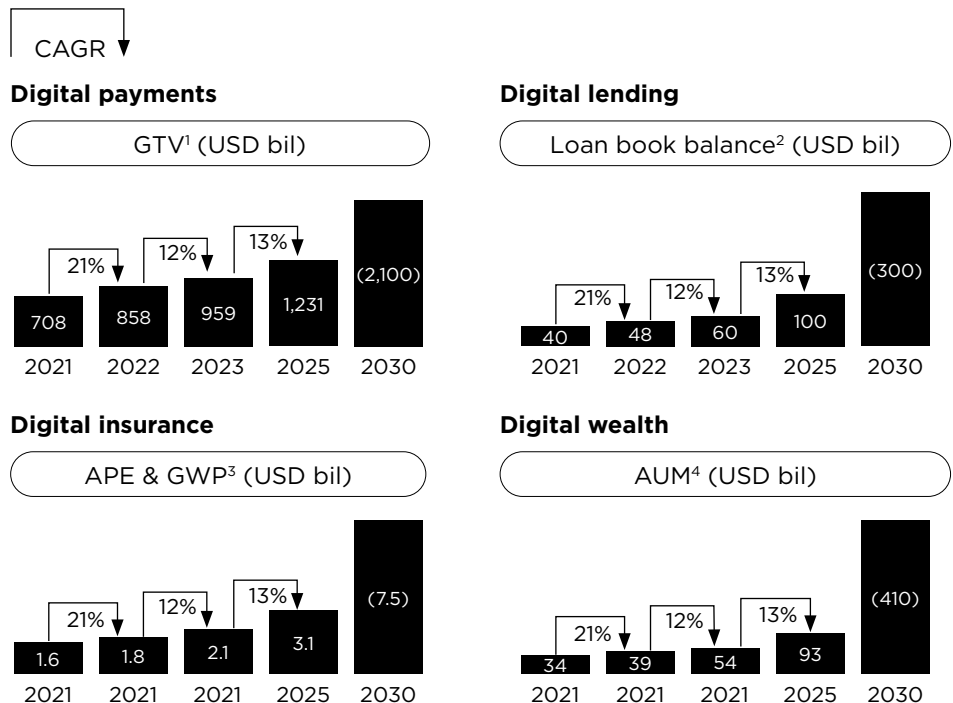


Transport: Revenue increased by a CAGR of 47% YOY while GMV grew at 18% with demand exceeding pre-pandemic levels in most cities. Increasing productivity and accessibility, companies are adopting AI-powered routing and surge pricing as well as proprietary mapping. In the longer term, e-vehicles and autonomous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

- ¹ Gross transaction value (GTV) for digital payments includes the value of credit, debit, prepaid card, account-to-account (A2A), and e-wallet transactions;
- ² Loan book balance for digital lending includes end-of-year balance for consumer loans (excluding credit card and mortgage) and SME loans;
- ³ APE & GWP for digital insurance includes APE for life insurance and health under life insurance policies and GWP for non-life insurance;
- ⁴ 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
Climate Change	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>
		Residual Risk Rating ★★★★★
Geopolitical Uncertainty	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>
		Residual Risk Rating ★★★★★
Slow Business Growth	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"> • Dynamic pricing, expanding capacity in high-yield routes and enhancing product offerings for aviation business; • Hangar expansion in KLIA to bolster MRO capacity; • Onboarding of third-party airlines and corporate clients for Santan; • Strengthening of network and capacity for logistics business; and • Enhancing features and offerings and broadening the inventory for the digital travel and lifestyle business.
		Residual Risk Rating ★★★★★

OPERATIONAL

	RISK	MITIGATION	
System Outages	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>	Residual Risk Rating ★★
Supply Chain Disruption	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.	Residual Risk Rating ★★
Threat to Information Security	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.	Residual Risk Rating ★★
Safety Threats	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>	Residual Risk Rating ★★

Strategic Review (cont'd)

Key Risks and Mitigation (cont'd)

FINANCIAL

	RISK	MITIGATION	
Post Pandemic Cash Flow Management	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>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 & 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>	Residual Risk Rating ★★★★★

Foreign Currency Fluctuations	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.	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.	Residual Risk Rating ★★★★★
--------------------------------------	--	---	-----------------------------------

COMPLIANCE

	RISK	MITIGATION	
Non-Compliance with Regulatory Requirements	Non-Compliance or breach of local laws, regulations, industry guidelines, or consumer authority requirements of multiple jurisdictions could lead to operational disruptions.	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.	Residual Risk Rating ★★★★★

Violation of Data Privacy	Violation of data privacy laws and regulations that could cause potential litigation and loss of customer confidence due to data breach.	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.	Residual Risk Rating ★★★★★
----------------------------------	--	---	-----------------------------------

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

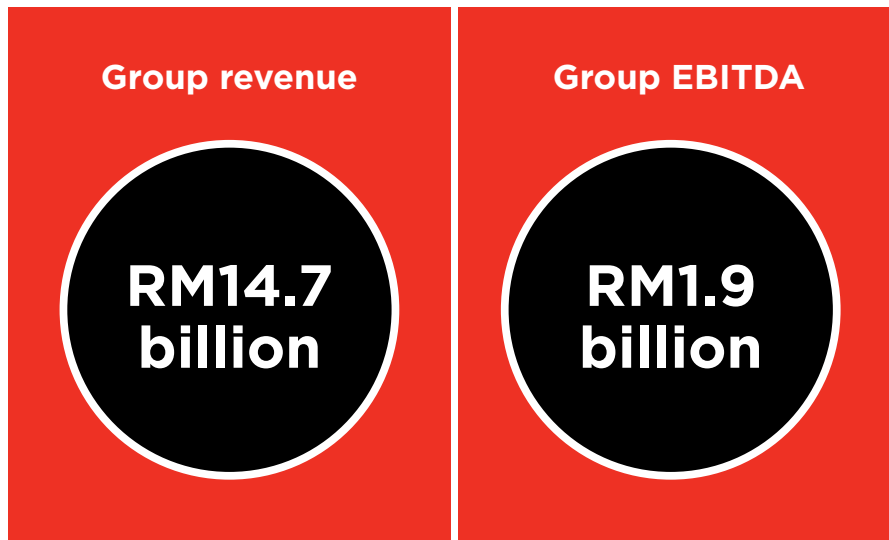
Capital A International

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 CO₂ 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



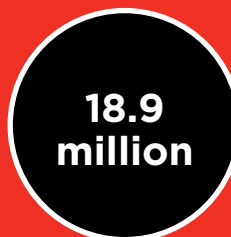
Capacity - available seat kilometre (ASK)



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



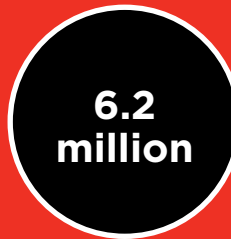
Capacity - available seat kilometre (ASK)



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



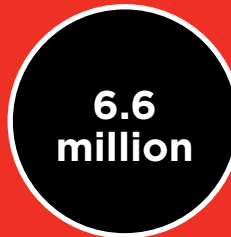
Capacity - available seat kilometre (ASK)



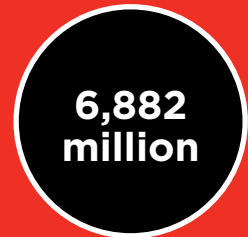
AIRASIA PHILIPPINES

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



Capacity - available seat kilometre (ASK)



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 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

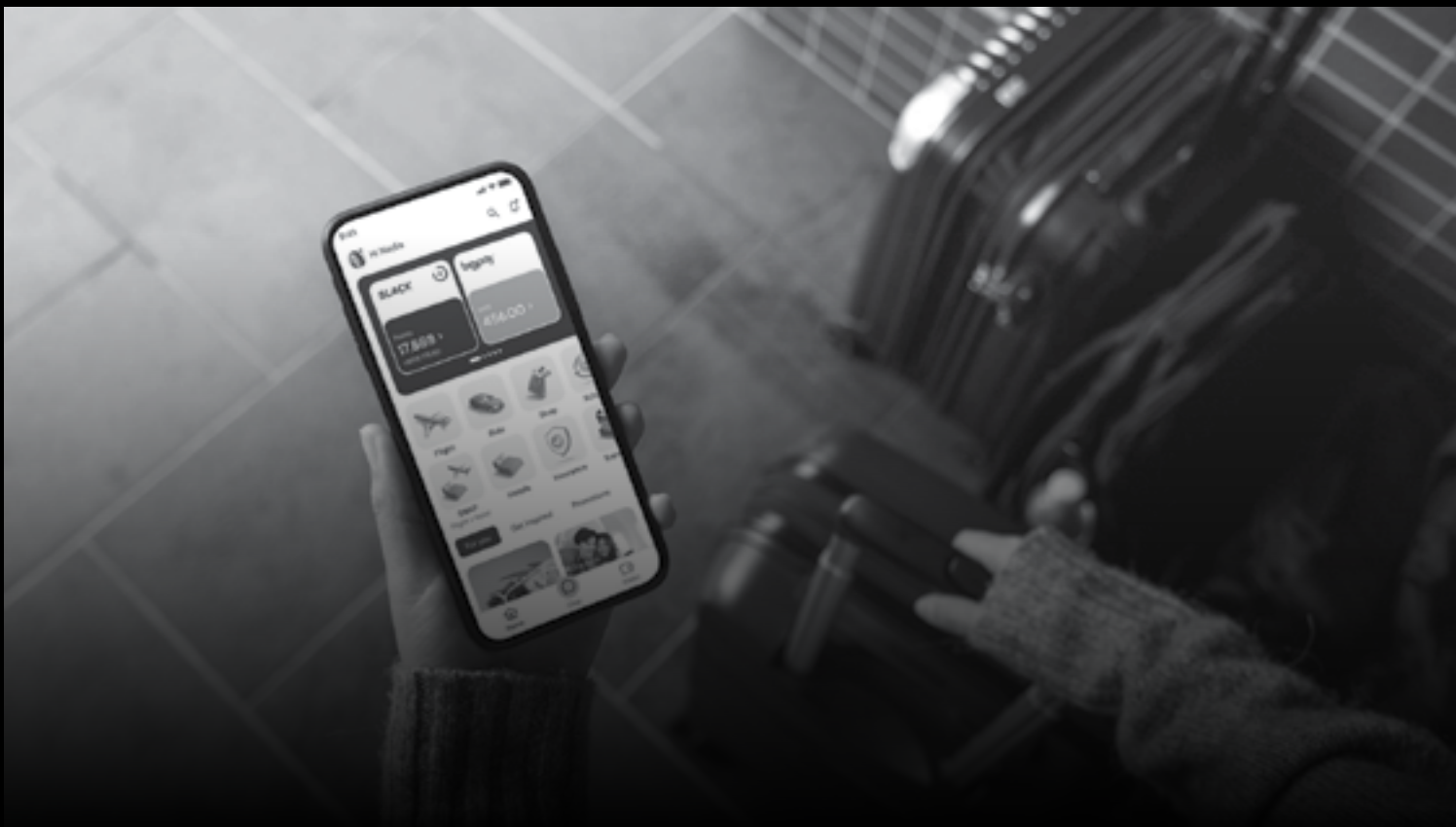
Towards the end of 2023, we realigned the business model of AirAsia SEA, the shared services centre for our airlines, to become a profit-making business on its own. Now renamed DARTS, it provides an expanded range of corporate services to 77 entities across airlines and other verticals in Capital A, 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.

Business Review (cont'd)

MOVE DIGITAL



In 2023, along with Capital A's business restructuring, the digital arm of Capital A, AirAsia Digital, was rebranded as MOVE Digital (MOVE) with two businesses under its fold – AirAsia MOVE (formerly airasia Superapp) and our fintech BigPay. The rebranding of the super app is in line with a pivot to focus more intently on travel, reiterating our commitment to moving people, ideas and innovation forward within the travel space.

Starting out as airasia Superapp in 2020 with a broad range of product lines, partly to meet the extensive need for digital services during the pandemic, in 2023 AirAsia MOVE became leaner and more efficient, focusing on areas where it has a clear competitive advantage: travel. The objective is to leverage AirAsia to offer the best value for travel and extend the airline's well entrenched value-creating DNA to hotels and fintech products.

Based on insights provided by guest/customer data, the team has been able to finetune its portfolio of offerings, bringing on board the right hotels and other service providers at the right price points that complement its customer profile. This has seen the super app take off as an online travel agency (OTA), with significant growth in non-AirAsia flight and other bookings. The team is now exploring more opportunities to disrupt the market by going deeper to fill identified gaps and creating even greater value for travellers across Asean.

AirAsia Ride and AirAsia Rewards (together with Community) further enrich the super app ecosystem, the former connecting the dots for integrated journeys and the latter driving increasing value for customers while also stimulating greater demand for travel via the exchange of stories and experiences on the Community platform.

→ MOVE DIGITAL

2023 Overview

Doubling down on its strengths in 2023 and maturing into a full-fledged OTA that is laser-focused on its customers' needs have been positive for AirAsia MOVE. While AirAsia-related revenue grew along with the pickup in travel during the year, there was also significant growth in revenue from non-AirAsia related product offerings, specifically hotels, non-AirAsia flights and SNAP (ie hotel and flight bundles).

Revenue was further boosted by AirAsia Ride, which benefited from increasing post-pandemic demand as well as enhanced productivity of drivers resulting from various measures to create a win-win environment for Capital A, our drivers and passengers. Meanwhile, the AirAsia Rewards programme was expanded with more partners, and upgraded to make it easier to navigate. Coupled with Community, it is contributing to AirAsia MOVE becoming not only the most convenient app for travellers, seeing to their every travel-related need, but also the most rewarding (making it cheaper to travel the more they travel) and stimulating (enabling access to tips and recommendations from like-minded fellow travellers).

Overall, net revenue grew by 40% from RM239 million in 2022 to RM334 million with the number of monthly active users (MAU) increasing by a significant 42% to 15 million from 11 million in 2022; and the number of transactions increasing by 75% YoY. Most positively, the super app remained EBITDA positive for six consecutive quarters.

TRAVEL

Key Initiatives

- Onboarded 1,472 more targeted hotels and five direct airline partners to further enhance our OTA platform.
- Provision of a seamless end-to-end journey from home pick-up to flight to hotel drop-off from the airport.
- Stepping up customer value and experience through the best prices for all products and services; as well as enhanced app simplicity and speed via upgraded UI/UX.
- Deep-dived into driving greater internal cost and operational efficiencies, adopting a mindset of achieving more with less.
- Reviewed our business model to identify areas of improvement to be driven together with strategic partners.

Key Achievements

- Revenue of non-AirAsia ticket sales grew by 136% YoY, contributing 6.2% to total flight revenue.
- Hotels & SNAP net revenue contribution increased from 0.65% (2022) to 1.25% (2023) vs total platform net revenue (an increase of 0.6 percentage points).
- Loading speed of the app has improved to less than one second (0.97) in 2023, from 1.27 seconds in 2022.
- Won a total of 12 awards, the most notable being: World Travel Awards: Asia's Leading OTA; and World Travel Tech Awards: Asia's Best Travel Booking App.

RIDE

Key Initiatives

- Grew the number of full-time drivers in Malaysia to nearly 200. These drivers receive the same benefits as Allstars, such as discounted air travel in addition to EPF, SOCSO and medical coverage, among others.
- To support the Travel vertical, AirAsia Ride focuses on airport connectivity across Malaysia, Bangkok and Bali with the aim to win the airport transfer segment. Nevertheless, in Malaysia, it continues to provide ride-hailing services across major cities.
- As of April 2023, AirAsia Ride offers pre-booked rides to airports across Malaysia, Bangkok and Bali.
- Collaborated with a growing number of partners such as the Ministry of Domestic Trade and Cost of Living, Malaysian Railways (KTMB), Resorts World Genting, CapitaLand Mall and Cardiac Vascular Sentral KL to offer discounted rides.
- Enhance drivers' well-being via microloans from BigPay; discounted car servicing; e-hailing insurance at the lowest market rate; free blood tests; and discounted heart screening

Key Achievements

- Number of transactions for Rides increased 127% YoY to 5.4 million.
- Number of completed Rides increased from 40% in 2022 to 52% in 2023.
- Total number of repeat users increased by 66.5% to 421,642.
- AirAsia Ride achieved 2x growth with GMV of RM81.66mil in 2023, vs RM42.33mil in 2022.



Business Review (cont'd)

REWARDS/COMMUNITY

Key Initiatives

- Expanded our membership benefits enabling users to earn and redeem points across the whole AirAsia ecosystem, and not just AirAsia flights. With this, we have been able to elevate members to higher tiers faster through their spend; and enrich member loyalty with greater rewards and privileges.
- Drive cross-sell/ up-sell of AirAsia products through gamification.
- Enhanced the platform UI/UX for a better user experience.
- Enabled guests to exchange gifts and rewards on Community.

Key Achievements

- Gross billings up by 30% YoY to RM67.88 million.
- New Rewards membership increased by 51% YoY to 6.9 million.
- The number of points earned and burned in 2023 was 3x higher than in 2022.
- Won Silver for Best Loyalty Programme at The Loyalty & Engagement Awards 2023.



Looking Forward

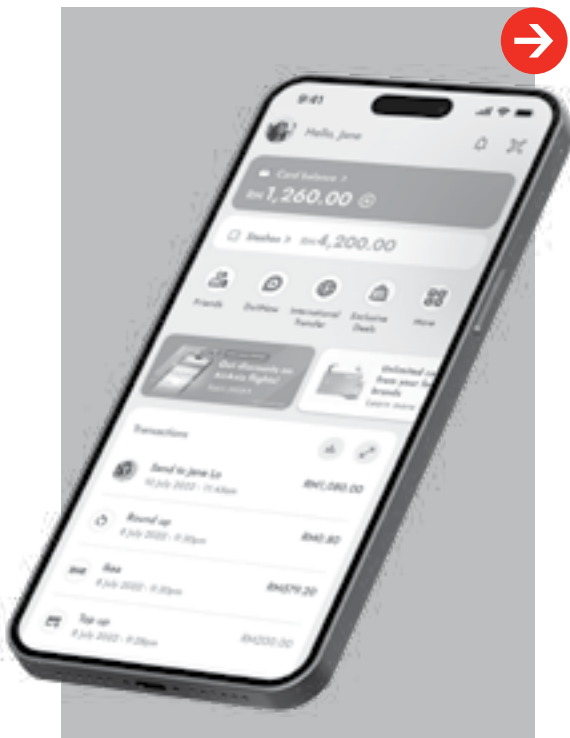
In 2024, the team at AirAsia MOVE will continue along the trajectory established in 2023, further enhancing its inventory and pricing to offer the best travel-related products and services at the best value to customers. Another brand refresh that is to unfold in January and be completed in March will reveal a greatly enhanced UI/UX with improved speed and simplicity.

AirAsia Ride will focus on growing its airport presence across Malaysia, Bangkok and Bali – with emphasis on increased driver productivity and completion rates. It will also explore more partnerships to grow its markets. AirAsia Rewards is looking to implement blockchain to preserve the value of its rewards and gain greater credibility as a mode of payment, with the ultimate objective of becoming the best OTA loyalty programme. Meanwhile, AI will be incorporated into the Community platform to enhance peer-to-peer interaction.

Integrating BigPay into the super app, new fintech products will be introduced. Among others, the team is exploring the viability of offering loans and instalment programmes to guests to reduce the one-time burden of big trips.

Overall, users can look forward to an enhanced experience with even better payment options and the ability to earn rewards easier. The team's commitment is to enable customers to find better deals than ever before for all their travel needs within Asean and beyond.

→ MOVE DIGITAL



→ **bigpay**

BigPay, founded in 2017, is a leading Southeast Asian financial services app. Developed within the Capital A ecosystem, it is imbued with the ethos of enhancing financial well-being in the region by providing approachable financial services digitally. From payments, international transfers, credit, micro-insurance and personal loans to money management, the goal is to provide the financial services that Southeast Asians need to better themselves, hence our mission of levelling up lives, one transaction at a time.

2023 Overview

The finance app market is growing rapidly, with the digital economy poised to reach USD1 trillion by 2030, and PricewaterhouseCoopers (PwC) predicting a more than five-fold growth in e-wallet payments in Southeast Asia from USD22 billion in 2019 to over USD114 billion by 2025. This growth has been driven by and will continue to drive the emergence of an increasing number of digital financial services.

Being one of the earlier movers in Asean, where we have made our mark, BigPay is now focused on differentiating our services, including via closer collaboration with the Capital A ecosystem. On 10 October 2023, BigPay launched an exclusive embedded wallet solution for payments within AirAsia MOVE, bringing a seamless below-the-surface payment experience for the super app users. This, together with a radical design uplift to simplify and make our financial services more accessible, and the launch of useful new features, has seen BigPay grow significantly and achieve a milestone. For the first time ever, we have cut through the red barrier by recording a gross profit in the fourth quarter of the financial year.

Key Initiatives

- Launched an embedded wallet version of BigPay in AirAsia MOVE, to be followed soon by a 'Lite' version that will not require AirAsia MOVE customers to download BigPay. Both products will facilitate payments and transactions while bringing significant cost savings and other upsides to the Capital A ecosystem.
- Unveiled a new redesign centring on easy visibility of transaction information via the core financial feed on the home screen, and the dedicated analytics screen.
- Became one of the first e-wallets to launch cross-border DuitNow QR capabilities enabling customers to top up their Malaysian wallet and pay using QR codes in China (through Alipay), Indonesia, Thailand and Singapore.
- Made available a virtual version of our VISA card, complementing the DuitNow QR feature, so customers can sign up and start paying virtually for everything.
- Obtained an e-wallet license in Thailand and launched BigPay Thailand.
- Partnering with UnionDigital Bank to serve the Philippines market with secure and frictionless financial services.

Key Achievements

- Increased the number of carded users by 14% year on year (YoY).
- Recorded a 16% increase in average revenue per user (ARPU) YoY.
- More than 40% of transacting users in 2023 have been active users since pre-pandemic.
- Number of linked users grew 3x since the marketing launch of BigPay as the embedded wallet in AirAsia MOVE.
- Witnessed 118% growth in number of transactions, and over RM70 million placed in Stashes since its launch.
- 47% of monthly transacting users (MTUs) use Analytics on the BigPay app.

Looking Forward

Having already achieved gross profitability in the last quarter of 2023, the team is aiming to become EBITDA positive within 2024. This will be anchored on accelerating the development of differentiated mission-based features to level up lives in Asean. We plan to further enhance our lending product to deliver checkout financing, more purpose-led lending and novel repayment features through round-ups and/or top-ups. We are also looking to empower users and give them control of their financial well-being by building better money management and analytics features. In addition, the team will grow our remittance business, especially by helping migrant workers send money back to loved ones in simpler, cost-competitive ways.

At the same time, we will be enhancing the overall BigPay experience in AirAsia MOVE via the incorporation of more features that add value, like BigPay Lite. Among others, we may introduce a subscription product to maximise synergistic value for both users and the overall Capital A ecosystem.

A natural progression will be to go beyond the Capital A ecosystem to create a broader marketplace linking to third-party ecosystems and their products as well as services.

While expanding our offerings, we will continue to strengthen our technology and infrastructure for better system reliability while maintaining security and cost efficiencies. Along with Capital A, we will also expand geographically across Southeast Asia, Thailand being just the start of our journey.

Business Review (cont'd)

LOGISTICS

**teleport**

Established in 2018, Teleport is now the largest air logistics service provider in Asean. With over 700 Teleporters in Malaysia, Thailand, Indonesia, the Philippines, India, Singapore and China, our mission is to “Teleport it” across Asean faster and more affordably than anyone else. Our long-term vision at Teleport is that everything arrives the next day for anyone.

Our unique network advantage, comprising a combined freighter and high-frequency passenger aircraft belly capacity of AirAsia and 30 other partner airlines, is highly suitable and focused on e-commerce, small packages and loose parcels. With direct point-to-point access to secondary and tertiary cities, Teleport creates value for customers by providing fast and affordable air logistics services and accessible reach to new markets beyond their backyard.

Today, we move everything from large palletised cargo to small parcels for more than 1,500 businesses of all sizes, e-commerce marketplaces and forwarders, from airports up to the last mile, solutioned to their respective needs. This is covered across our four main service offerings: Teleport Air Cargo for airport to airport cargo uplift; Teleport Solutions for customised cross-border e-commerce delivery needs; Teleport Next Day, a self-serve cross-border next-day promise straight to your door between Kuala Lumpur, Singapore and Bangkok; and lastly, Teleport Air Partner, a collaborative solution with our 30 and growing Air Partners to ensure no one flies empty, extending into a total cargo management solution that is highly scalable for low-cost airlines to maximise their cargo operations.

Our long-term vision at Teleport is that everything arrives the next day for anyone across Southeast Asia.

→ LOGISTICS

2023 Overview

The macro backdrop in 2023 was very challenging for global air cargo as full-year global volumes declined 5% year on year, mirroring 4% and 6% declines year on year in Southeast Asia and Asia Pacific volumes, respectively. The double-digit growth of belly capacity, particularly from Asia-Pacific as airlines recovered, led to a 40% contraction in overall industry yields. Jet fuel prices exceeded USD100/barrel for the second half of 2023, adding to continued inflation and cost pressures impacting overall e-commerce growth.

Despite this challenging backdrop, Teleport delivered its best year. We set out with a clear target and roadmap to be the market leader in Asean. By June 2023, we successfully achieved our No. 1 Asean air logistics position by moving the most intra-Asean volume in the region. Year on year, total tonnage grew 88% to 200,000 tonnes while our e-commerce segment surpassed daily delivery volumes of 82,000 parcels. Cumulatively, we delivered a total of 30 million parcels in 2023, marking 275% growth year on year.

This achievement was supported by the recovery and further strengthening of our network and capacity based on three key factors: one, the recovery of AirAsia flights, which saw 161 aircraft back in the air in 2023; two, the establishment of key partnerships with over 30 third-party partner airlines, which allowed us to extend our network and enhance capacity on key lanes; and, lastly, the injection of three Airbus A321 Freighters (A321F) into our fleet, giving us the added control to teleport larger, palletised and more types of cargo across the network.

Key Initiatives

- Three Airbus A321 Freighters were inducted into our fleet to complement our extensive belly capacity network. All three freighters - 'Awan', 'Pari' and 'Bei Long' - arrived ahead of schedule and were successfully operationalised within the second half of 2023.
- The first of three freighters, Awan, was officially unveiled by His Majesty Seri Paduka Baginda Yang Di-Pertuan Agong XVII Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, as the Guest of Honour, at a launch event that took place in July 2023.
- Teleport's network and capacity were further strengthened with interlining agreements signed with over 30 airline partners including Emirates, Garuda Indonesia, SF Airlines and United Parcel Service (UPS) - to better connect Asean with Asia-Pacific and the rest of the world to Asean.
- The Teleport Way was introduced - our four core values (*Aim to Pioneer, Move with Urgency, Do it with Intent, and Keep it Real*) refreshed to bring all Teleporters across seven markets together with a single vision, drive and way of working.

Key Achievements

- We are now Asean's #1 air logistics service provider in terms of total volume moved within the region, and Top 10 within Asia Pacific overall.
- Bucking industry norms, Teleport has proven that freighters can be operated profitably with Awan clocking a load factor of close to 60% within just four months of induction into the fleet.
- In 2023, we teleported 30 million e-commerce parcels, compared to 8 million parcels in 2022, reflecting 275% growth year on year. This was achieved by actively growing our e-commerce business through the acquisition of new customers such as JD.com and Ninjavan and deepening our end-to-end offerings with existing customers such as Shopee and J&T.
- Cargo volume delivered grew by 88% year on year, having uplifted 200,000 tonnes in 2023 from 105,600 tonnes in 2022.
- Revenue grew more than 50% year on year to USD162 million, and we are profitable, generating USD3.4 million in full-year EBITDA.



Looking Forward

We look forward to the year 2024, which promises to be more positive for cross-border logistics. The global air cargo sector is expected to grow by 4.5% based on a renewed pick up in trade, with IATA predicting that demand in Asia Pacific will rise by 3.6%. This outlook is positive for all air cargo players, and will be an even greater boost to Teleport.

Teleport will focus our efforts on three key strategies anchored on growing our network, capacity and end-to-end operations to strengthen our next-day proposition. Firstly, we seek to grow our core network beyond AirAsia as we continue to collaborate with more strategic partner airlines. Secondly, we are looking to extend and strengthen our end-to-end operational capabilities with multi-modal, first-to-last-mile capabilities in key markets, to support the delivery promise of reliable, affordable, next-day cross-border logistics solutions in Southeast Asia. Lastly, we aim to develop a pioneering next-day e-commerce solution between China and Asean, and position Teleport as the first point of contact for e-commerce volumes moving into Asean.

This remains true to our mission - to move things across Southeast Asia better than anyone else - being faster, more affordable and reliable. Teleport it.

Business Review (cont'd)

CAPITAL A INTERNATIONAL



Capital A International (CAPI) is Capital A's recently established global brand management platform specialising in the expansion, management and licensing of the AirAsia brand. CAPI seeks to promote AirAsia and other Asean brands in the international market while offering global investors a gateway to participate in growth of brands in the region. Combining brand strategy, creative marketing and intellectual property development, CAPI will accelerate the expansion of its intellectual properties while establishing cultural relevance among consumers.

AIRASIA BRAND CO. (Abc.)

Abc., a wholly owned subsidiary of CAPI as at 31 March 2023, owns and manages the AirAsia brand and various other intellectual property (IP) within the Capital A group. Abc.'s activities include licensing the AirAsia brand and other IP through trademark licensing agreements with companies. Licensees include companies within Capital A and AirAsia Aviation groups as well as unrelated third parties. Abc.'s vision is to unite Asean across generations by integrating brand experiences into daily life through cultural relevance and accessibility.

→ CAPITAL A INTERNATIONAL

2023 Overview

Since Abc. was established in January 2023, we have focused on strengthening and future-proofing our brand. A great deal of research has gone into how we can appeal to the current generation and connect with the next generation (Gen Z/Alpha) so they grow with us. At the same time, we have been working on tightening other aspects of Capital A branding, such as internal branding through Allstars.

Other than branding, we have been building our character IP, airasia buds, with exciting plans in the pipeline for 2024. We have also revamped AirAsia's merchandising strategy to focus on lifestyle products that resonate with our customers, offering exclusive collections every quarter and continuously refreshing our core merchandise line-up. All of this builds the overall AirAsia brand experience - strengthening our brand equity in the travel space and beyond as we venture into new industries.

Key Initiatives

- The development of new brand identities for new businesses under Capital A covering logos, creative guidelines, tone of voice and strategies on how the brand should be perceived.
- Reviewing and tightening existing brands through their guidelines with the objective of ensuring all brands under the Group are understood internally and represented well externally.
- Development of brand visual directions for key festivals such as Chinese New Year, Raya, Merdeka and Christmas, exploring the use of Generative AI in our first campaign for Merdeka/Malaysia Day.
- Partnered with SEGA to host our first RedGames Jam, leading to the development of our very own AirAsia game IP for AirAsia MOVE.

Key Achievements

- Developed "NUMS by airasia" as Capital A's premier retail fast-moving consumer goods (FMCG) brand for airasia grocer, debuting with two ready-to-drink flavours, available for purchase onboard AirAsia flights and nationwide in Malaysia.
- Revamped AirAsia's corporate identity (to be unveiled in 2024).
- Revamped Allstars' visual identity for all internal communications.
- RedGames Jam hit the limit of 100 participants within 48 hours, and resulted in the development of 30 original games. The winning game is being fine tuned and set to be launched in 2Q2024.
- Our debut merchandise collection "Flowers of Asean", launched in December, received positive feedback from guests who appreciated the lifestyle design and quality materials.



Looking Forward

Abc. was established with a forward-looking vision and is ready to see this vision unfold from 2024 onwards. Two top-most priorities are: 1) to expand from building brand equity in Asean to the global stage; and 2) to leverage the massive untapped potential in the IP licensing industry.

Our focus over the next few years is as follows:

Brand: Develop brand messages that champion Asean, and sub-brands that strengthen brand equity in the travel sector to drive desirability for association. On top of this, we will strengthen the governance of brand use across the Group.

IP Development: Build traction for airasia buds while exploring the development of new entertainment IP leveraging multiple media touchpoints that drive the narrative of championing Asean. We will also pitch for funds from potential investors and partners for capital-intensive projects such as animation.

Licensing & Merchandising: Continue to introduce lifestyle-focused merchandise, prioritising both quality and affordability. Additionally, we will pursue collaborations and licensing opportunities with the AirAsia brand, expand our presence by bringing our intellectual property and merchandise into retail spaces, and actively engage in trade shows, industry publications, and strategic partnerships to connect with key players in the licensing industry to establish Abc. as a licensor.

Business Review (cont'd)

VENTURES



RedBeat
Capital

RedBeat Capital (RBC) serves as our venture capital arm, building and nurturing startups that have potential to enrich the Capital A ecosystem, accelerating the Group’s transformation into a global digital corporation. Success stories to date include AirAsia MOVE, BigPay and Teleport, all of which have acquired sufficient scale to graduate from RBC.

Currently, the companies with greatest visibility within the RBC fold are our edutech platform airasia academy and Muslim-centric travel and lifestyle partner, ikhlas.com. Both have gained significant traction post-pandemic and are taking off in their niche domains.

→ VENTURES



airasia
academy

Starting out in 2020 to reskill and upskill Allstars in digital technologies, airasia academy has rapidly expanded to become a comprehensive edutech platform providing an ecosystem to bridge tech talent gaps in today's digital economy. airasia academy's two main offerings are our affordable, accessible and inclusive Learning Management System (LMS), complete with a large content vault of On-Demand Learning (ODL) videos; and accredited Instructor-Led Training (ILT) certifications for in-demand tech courses such as Digital Marketing, Cloud Infrastructure, Data Analytics, Software Engineering and Cybersecurity. The LMS has benefited partner organisations in streamlining and elevating their learners' journeys with organisational goals and targets.

2023 Overview

In 2023, airasia academy solidified our commitment to shaping the future workforce through strategic collaborations with government agencies such as the Ministry of Human Resources (MOHR), Social Security Organisation (SOCSCO), Ministry of Youth, Sports and Entrepreneur Development Sarawak (MYSED) and Yayasan Peneraju. We also refined our LMS, making it more user friendly and launched the upgraded version which is in tune with corporate needs. Meeting demand, we organised more tech bootcamps and power skills training, the latter focusing on aspects such as clear communication, customer service, leadership and working collaboratively.

Key Initiatives

- Signed a Memorandum of Cooperation with MOHR to deliver Technical and Vocational Education and Training (TVET) programmes cultivating sought-after skills in areas like data analytics, software engineering, digital marketing, cybersecurity, cloud infrastructure, logistics and aviation.
- Entered into collaboration with SOCSCO to increase employment opportunities for school-leavers, graduates, B40 segments, persons with disabilities and professionals, connecting job seekers with in-demand tech roles through the MYFutureJobs platform.
- Through SOCSCO'S Program Bina Kerjaya, we partnered MyCreative Ventures and MYSED to empower gig workers through tailored tech training.
- Collaborated with Yayasan Peneraju to upskill Sungai Udang Prison residents with digital marketing skills, facilitating their reintegration into society.
- Introduced white labelling solutions empowering corporations to personalise learning pathways for their workforce.
- Enhanced our learning content library with over 800 new videos spanning advanced tech content, financial literacy, leadership and even children's educational material.
- Developed blockchain-protected credentials including digital badges and certificates, which are ready to be launched in 2024.

Key Achievements

- Recognised as a top training provider under SOCSCO's Program Bina Kerjaya.
- Replaced Workday LMS across all Capital A companies with our own Academy platform, saving on Workday LMS subscription cost while enhancing the user experience.
- Provided full-scale data analytics programmes for regional-based corporations.
- Having made inroads into the Malaysian TVET system, we have created the potential for our platform to become a marketplace for government TVET institutions and various industries.

Looking Forward

The theme in 2024 is personalisation, marked by more affordable tailor-made learning through technology. A rebranding exercise is on the cards, introducing an AI-powered interactive learning experience to offer customised career paths tailored to individual learning styles, capabilities and time availability. Within this dynamic learning environment, we will further strengthen LMS into a comprehensive Learning Experience Platform (LXP) tailored for every individual.

Business Review (cont'd)



Launched amid the pandemic in October 2020, ikhlas.com is a Shariah-compliant travel and lifestyle platform tailored as a conduit for Muslims to perform their religious obligations with ease. We have various segments catering to specific needs. IKHLAS Umrah offers umrah packages; IKHLAS Travel arranges Muslim-friendly holiday packages; and IKHLAS Zakat, Sadaqah, Aqiqah, Fidyah and Qurban support obligatory faith-based practices. IKHLAS Zakat is a licensed collection agent for six zakat bodies in Wilayah Persekutuan, Kedah, Negeri Sembilan, Terengganu, Selangor and Penang. All IKHLAS Umrah and Travel flights are offered in collaboration with AirAsia and sister airline, AirAsia X.

2023 Overview

After increasing our brand awareness and gaining the trust of Muslims from a cross section of market segments, ikhlas.com leveraged the pick-up in travel to strengthen our position in the umrah travel sector in 2023. Despite price hikes by hotels and logistics service providers in response to the substantial increase in demand, we stayed true to our mission of offering affordable options for pilgrims without compromising on comfort or convenience, even in our premium package options. At the same time, we capitalised on travel demand to introduce attractive holiday packages as we expanded our network of Muslim-friendly destinations. The pick-up in travel also spurred us to test the mechanics for inflight zakat services including zakat fitrah as Muslims flew home to their hometowns for Hari Raya Aidilfitri celebrations.

Key Initiatives

- IKHLAS Umrah expanded its offerings with exclusive umrah trips featuring influential key opinion leaders (KOLs) and celebrities targeting different segments of the umrah demographic.
- IKHLAS Travel introduced a Play & Stay golf package offering premium golfing experiences at affordable rates in Malaysia and the region. It also offered customised itineraries for small groups to any destination within the AirAsia network.
- Both IKHLAS Travel & Umrah established significant partnerships to improve the overall experience for Malaysians and other travellers from the region. This included a strategic partnership with Dar Al Eiman Investment Co (Dar Al Eiman) to guarantee accommodation for Umrah pilgrims.
- Strengthening its contingency planning, especially during the peak umrah seasons, IKHLAS Umrah developed fast, low-risk solutions for ad-hoc logistics issues.
- IKHLAS Zakat supported our non-seasonal revenue generation through products like Zakat and Aqiqah.
- Following the occupation of Gaza, IKHLAS Sadaqah reactivated the “IKHLAS for Palestine” humanitarian fund together with Malaysian Humanitarian Aid and Relief (MAHAR).

Key Achievements

- IKHLAS Umrah has established a cost-effective approach with a strong Haramain network to ensure guaranteed transportation and accommodation for umrah pilgrims even during peak seasons. This includes Umrah Visas which allow two Raudhah slots (Tasreh & Nusuk) compared to only one slot (Nusuk) for Tourist Visa holders.
- IKHLAS Zakat has successfully bridged the gap between the number of companies contributing to skim potongan gaji (SPG) and the collection of zakat. Additionally, the number of Qurban transactions also increased substantially.
- IKHLAS Travel saw increased demand for private tours from corporates, agencies and prominent brands such as Thermomix (Korea), Halo Telco (Batam) and Petite Moi (Japan) and will continue to cater for series and private departures in addition to ad hoc/MICE groups, offering flexible departures and customised itineraries for the smaller groups.
- To date, “IKHLAS for Palestine” has collected and distributed RM170,000 worth of aid to more than 2,000 families in Gaza. The aim is to collect RM1,000,000 to help more affected Palestinians.

Looking Forward

Each business segment has clear strategies and goals for the coming year. IKHLAS Zakat targets to double its revenue by expanding its product offerings. IKHLAS Travel is set to offer Muslim travellers more than 30 new researched destinations across Asia and Europe, from Almaty to Azerbaijan. Meanwhile, IKHLAS Umrah plans to introduce more attractive packages across premium, economy and super economy categories to suit different budgets. Under its value-add Umrah Plus option, pilgrims can even stop over in exciting destinations such as Kazakhstan. The objective is to capture the interest of more pilgrims across Asean.

Sustainability Statement

The focus this year is on championing the spirit of doing more with less to resonate with our practice of delivering positive sustainable action with the resources we have. In addition, we describe new initiatives introduced as well as the progress and achievements of existing initiatives throughout the year.

This statement should be read along with our 2023 Sustainability Report for a more comprehensive disclosure on our sustainability performance.

Reporting Framework, Guidelines & Indices

This Statement was developed based on international and local sustainability guidelines, standards and frameworks to provide our stakeholders with meaningful disclosures. The list includes Bursa Malaysia Securities Berhad's Main Market Listing Requirements on Sustainability Statements in Annual Reports with guidance from its Sustainability Reporting Guide (3rd Edition). We have also referred to the Global Reporting Initiative (GRI) Standards 2021.

Other frameworks and guidelines taken into consideration:

- FTSE4Good Bursa Malaysia (F4GBM) Index
- Dow Jones Sustainability Index (DJSI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations' Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance (MCCG)

Reporting Scope and Boundaries

This Statement covers the sustainability performance of Capital A and its subsidiary companies for the reporting period from 1 January 2023 to 31 December 2023, unless stated otherwise.

Following the acquisition of full equity in TAA, disclosures for our airlines this year include our Thai AOC whereas in 2021 and 2022 we reported only on MAA, IAA and PAA. Our last sustainability report was published in April 2023.

Forward-Looking Statements

This report contains certain forward-looking statements which reflect the Group's expectation of future value creation as well as financial and non-financial performance. Such statements are based on current assumptions and circumstances which could change, hence necessarily involve uncertainties. Unforeseen events and risks may arise beyond the Group's control, leading to actual results differing from those stated in the statements.

Assurance

To ensure the accuracy and integrity of our disclosures, this Statement has been reviewed by Capital A's Sustainability Working Group (SWG), and endorsed by the Board of Directors. Disclosures in this report have been reviewed by the Group's internal audit department through the Sustainability Report 2023 assurance process.

Contact Us

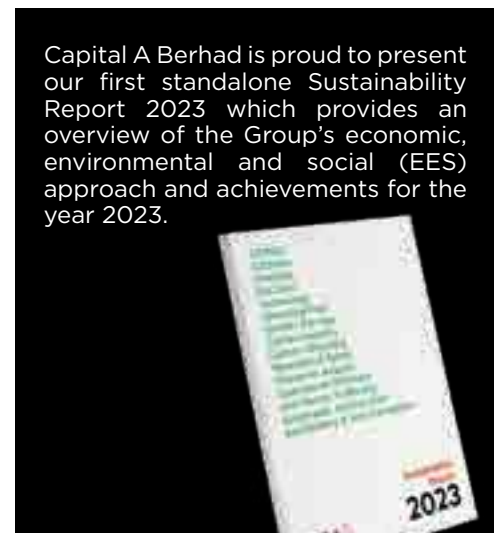
In order to continuously improve our reporting and sustainability efforts, we welcome ideas and comments from our stakeholders. Please direct your enquiries, feedback or comments on Capital A's sustainability performance to:



sustainability@airasia.com

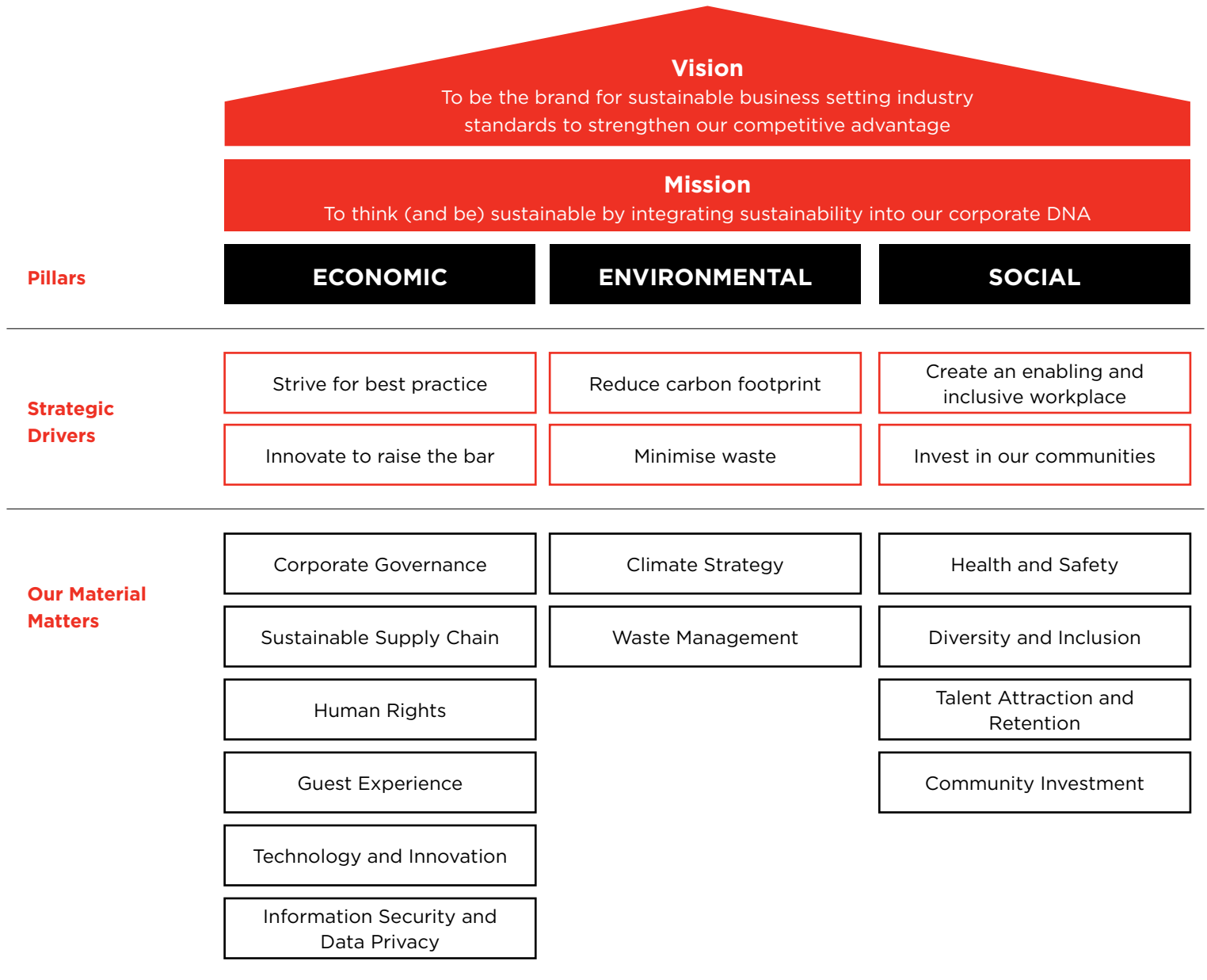


capitala.com/sustainability.html



Capital A Berhad is proud to present our first standalone Sustainability Report 2023 which provides an overview of the Group's economic, environmental and social (EES) approach and achievements for the year 2023.

Sustainability Approach



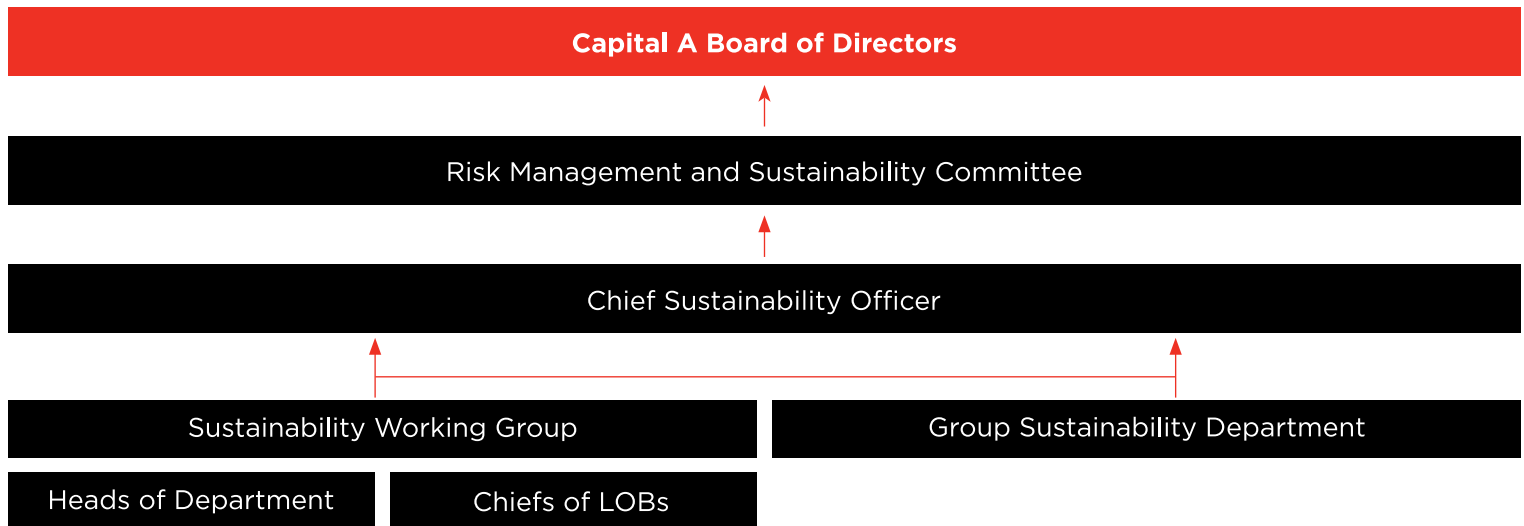
Key SDG Alignment



Our Sustainability Redbook was designed to complement the Group’s five-year business strategy, outlining a net zero roadmap as we progress towards our sustainability objectives. Under the economic, environmental and social pillars, we identified six strategic drivers to deliver outcomes categorised under 12 material topics. We have set internal time-bound targets for the short, medium and long term to track our progress towards our goals.

As the sustainability landscape is dynamic, we will keep reviewing our goals and targets to improve the Sustainability Redbook and align our business objectives with the global sustainability agenda.

Sustainability Governance



Capital A's Board of Directors has overall responsibility for the Group's sustainability strategy and approach to climate change with the assistance of the Risk Management and Sustainability Committee (RMSC). The RMSC, which meets every quarter, is responsible for providing Board-level oversight and assessing the Group's strategic direction, policies, principles and practices on sustainability and risk management matters.

The Board Sustainability Committee (BSC) is a collaborative body consisting of both members of the AirAsia Aviation Group Limited (AAAGL) board and independent expert advisors. Its primary role is to offer oversight and guidance on the development and execution of the sustainability strategy, as well as the management of Environmental, Social, and Governance (ESG) risks and opportunities. With three members of the AAAGL board serving on the BSC, regular updates on the progress of sustainability initiatives are communicated to the broader AAAGL board, which in turn shares pertinent information with the Capital A board where necessary. Additionally, the CSO is responsible for directly providing any significant sustainability updates to the Capital A board as needed.

Introduction of Two Esteemed Sustainability Board Advisers

Our Aviation arm, AirAsia Aviation Group Limited (AAAGL), has a standalone Board Sustainability Committee (BSC) to ensure board oversight and guidance specific to aviation sustainability. In the second quarter of 2023, we appointed two distinguished advisers Tan Sri Dr Jemilah Mahmood, professor of Planetary Health and member of advisory councils for Foreign Policy Malaysia, Health White Paper and Malaysian Red Crescent, and Dr Veerathai Santiprabhob, former Governor of the Bank of Thailand.



**Tan Sri Dr
Jemilah Mahmood**



**Dr Veerathai
Santiprabhob**

Their unwavering commitment to sustainability, coupled with their extensive expertise serving in public institutions position them as invaluable assets to our committee.

The RMSC is supported by the Chief Sustainability Officer (CSO) who leads the Sustainability Department and spearheads Capital A's sustainability efforts through the Group's sustainability strategies and initiatives. The Sustainability Department's tasks include reporting, identifying key sustainability risks and opportunities, stakeholder engagement and implementation of sustainability initiatives. The CSO also provides regular updates on sustainability progress to the RMSC and Board of Directors, and supports the RMSC in making informed decisions that incorporate sustainability perspectives into business decisions.

The CSO also chairs the Sustainability Working Group (SWG), a cross-functional committee comprising heads of department and sustainability representatives from all LOBs. At quarterly SWG meetings, matters such as new reporting requirements, best practices and ongoing sustainability initiatives are discussed.

During the reporting year, the SWG and the RMSC convened to discuss the following matters:

- ESG assessment outcomes
- Sustainability strategy, targets and initiatives
- Sustainability performance and updates



For more information on our governance, please refer to page 96 of this Annual Report.

Material Matters

Materiality assessments are integral to our sustainability strategy as they enable us to identify the environmental, economic and social (EES) issues that might affect our business and our stakeholders. To ensure that the EES issues remain relevant and aligned with current sustainability trends and regulatory shifts, we conduct a materiality assessment every two years, and review the material matters annually.

Materiality Assessment

In 2023, we undertook a comprehensive materiality exercise to identify EES issues that are relevant to our business and stakeholders' expectations. The assessment, involving a total of 1,101 key internal and external stakeholders, followed the following three steps:

1. Identify →	2. Prioritise →	3. Validate
<p>Following a review of our existing material matters, we researched potential material issues based on emerging risks, Bursa Malaysia's common set of prescribed sustainability matters, international sustainability rankings and indices as well as peer companies' sustainability disclosures. A total of 12 material matters were identified.</p>	<p>An online materiality survey was distributed to all key stakeholders, inviting them to rank our 12 identified material matters according to the level of importance to them as well as our performance thus far. Results of the assessment were plotted in a materiality matrix graded from high to very high importance.</p>	<p>The final list of material matters, together with stakeholder feedback and the materiality matrix, were presented to the Board of Directors for review and validation.</p>



■ Economic ● Environmental ▲ Social

2023 Materiality Assessment Updates

- "Health & Safety" has become the most important material matter from the perspective of stakeholders.
- New inclusion of material matters: "Human Rights" and "Diversity & Inclusion".
- "Guest Experience", "Information Security" and "Corporate Governance" continue to remain in the Top 5 material matters.
- "Supply Chain Management" has been renamed "Sustainable Supply Chain".
- "Technology & Innovation" has been added as a separate material matter.

Note:

In line with Bursa Malaysia's enhanced sustainability requirements under the Listing Requirements on the common material matters:

1. "Anti Corruption" is covered under "Corporate Governance"
2. "Energy Management" and "Water" are managed under "Climate Strategy"
3. "Labour Practices and Standards" are managed under "Diversity & Inclusion" and "Human Rights"

Sustainability Progress

Material Matters	Why It Matters	Risks	Opportunities	2023 Performance
ECONOMIC				
Corporate Governance	Given that our business covers a broad range of portfolios (airlines, aircraft MRO, ride-hailing, delivery, fintech, e-commerce, logistics, edutech, etc.), it is important for us to practise the highest standard of integrity	Breaches of laws and regulations and activities such as corruption resulting in reputational and financial loss	Adherence to the highest standards and best practices	<p>100% new joiners completed live training on the Code</p> <p>100% new Allstars completed ABAC Policy training</p> <p>Introduced Gift Declaration Form</p> <p>Incorporated ESG risk categories into ERM</p> <p>Begun addressing climate-related risks in Business Continuity Plan (BCP)</p>
Sustainable Supply Chain	As a responsible organisation with a wide range of critical suppliers across our LOBs, our supply chain can impact the Group's sustainability progress	Unsustainable procurement resulting in risks of losing competitive advantage	By integrating sustainability practices into the supply chain, we are able to mitigate risks associated with environmental, social and regulatory factors.	<p>1,499 new suppliers</p> <p>22,656 total suppliers</p> <p>111 critical suppliers</p> <p>42% expenditure on local suppliers</p>
Human Rights	Like all businesses, we face the risk of being exposed to human rights abuses in our own operations and supply chain, especially given that the aviation industry affects several industries with human rights impact	Violations of human rights might lead to reputational damage, loss of stakeholders' trust and a breach of Employment Law	Reputation as a fair employer attracts various benefits and high-quality talents	<p>2,965 Allstars completed anti-harassment training</p> <p>7,835 Allstars completed anti-trafficking e-learning module</p>


Sustainability Progress (cont'd)

Material Matters	Why It Matters	Risks	Opportunities	2023 Performance
ECONOMIC (CONT'D)				
Guest Experience	Our continued success is dependent on our guest experience and satisfaction. By staying ahead of their expectations, we build long-term value creation for our customers	Inability to meet guests' demands might damage our brand and reputation	Regular interaction with guests enable continuous improvement of our products and services	<p>31.9 million guests performed self check-in</p> <p>20.2 million guests used AskBo</p> <p>>1.2 million active FACES guests</p> <p>77% on-time performance</p> <p>88% load factor for short-haul flights</p> <p>NPS score of 52</p> <p>> 750,000 online users utilised on-demand learning platform to upskill</p> <p>94% BigPay customer satisfaction</p> <p>93% airasia academy customer satisfaction score</p>
Technology & Innovation	Technology and Innovation are key to our success and sustainable growth. By providing seamless digital solutions, we ensure the company's competitive advantage against competitors	Loss of competitive advantage and relevance, and market share erosion	Creating a digital experience that is both seamless and distinctive for customers	<p>Estimated 6.5 million sheets of A4 paper saved through Digital Trip File</p> <p>99.9% Google Cloud migration</p> <p>14.2 million monthly active users on airasia MOVE</p>
Information Security & Data Privacy	Given the extensive volume of data pertaining to Allstars and customers, it is essential for us to safeguard sensitive information and uphold regulatory compliance	Exposure to data breaches and leakage due to ineffective cybersecurity measures resulting in the loss of business and customer information and trust	Execution of strategic information security programme to achieve world-class standards	<p>82.1% Allstars completed information security awareness training</p> <p>No material breaches of financial, customer or employee data</p>

Material Matters	Why It Matters	Risks	Opportunities	2023 Performance
ENVIRONMENTAL				
Climate Strategy	With the proliferation of climate change events in recent years, it is important to mitigate and adapt to climate-related risks, and ensure proper resource management for business resilience	Deprioritised from getting business funding by financial institutions as well as reputational damage	Effective emissions management and strategic net zero roadmap will help raise our ESG valuation	64.4 gCO₂/ASK 74 gO₂/RPK 129,469 tonnes CO₂ avoided through fuel efficiency programme 4.8 million tonnes CO₂ of Scope 1 emissions 9,971.64 tonnes CO₂ of Scope 2 emissions 1.18 million tonnes CO₂ of Scope 3 emissions
Waste Management	Efficient waste management is vital to avoid unnecessary waste generation. It also contributes to operational efficiency and cost savings, enhances brand reputation and supports long-term sustainability	Failure to meet stakeholders' expectations in terms of managing waste may pose reputational risks	Effective waste management inculcates sustainable practices in employees and communities	1,003.1 tonnes of non-hazardous waste generated 49% waste diverted from disposal 18,784kg RedQ office waste recycled 1,130kg of used cooking oil recycled 1,715 life jackets upcycled
SOCIAL				
Health & Safety	Ensuring the health and safety of our stakeholders is of utmost importance as it directly influences our licence to operate and the trust customers place in us	Unsustainable Occupational Safety, Health and Environment (OSHE) performance resulting in business and operational impact	Inculcation of a safety culture among Allstars leading to increased operational reliability	> 23,250 safety reports filed > 200,586 safety training hours 0 fatalities 7.0 Lost Time Incident Rate 68 work-related injuries recorded 7/7 Stars Safety Rating

Sustainability Progress (cont'd)

Material Matters	Why It Matters	Risks	Opportunities	2023 Performance
SOCIAL (CONT'D)				
Diversity & Inclusion	Diversity across a company brings in different ideas and experiences, and widens access to the best talent, leading to an improved company culture	Lack of diversity can limit the variety of perspectives and ideas, hindering innovation and creativity	By leveraging diversity and inclusion, we can create a more equitable workplace and drive positive business outcomes	<p>17% women at Board level</p> <p>32% women in leadership positions</p> <p>100% retrenched Allstars back into operations</p> <p>7% female pilots</p> <p>8.9% women engineers</p> <p>23.9% women in IT</p>
Talent Attraction & Retention	The implementation of our business strategies relies heavily on our employees. As a responsible employer, we aim to provide a safe and decent working environment for our people	Insufficient pool of competent persons to drive sustainable values across the LOBs	Robust talent management plans to produce capable talent	<p>RM3.7 million invested in training and development</p> <p>7 average training hours per employee</p> <p>25 score for employee NPS survey</p>
Community Investment	As a company that operates across Asean, we have the responsibility to empower people through skills development and education programmes	Potential financial/brand implications when there is imbalance in social, economic and environmental needs	Investment in communities strengthens not only our relationships, but our credibility and sustainability commitments	<p>RM244,097 awarded to support the growth and expansion of social enterprises in Asean through AirAsia Foundation</p> <p>RM119,616.70 in contributions for uplifting and empowering communities in Asean</p> <p>914 Allstar volunteering hours</p>

 For further information on our sustainability performance, please refer to our standalone Sustainability Report 2023 2023 at capitala.com/sustainability.html.

Task Force on Climate-related Financial Disclosures

Since 2022, we have been an official Task Force on Climate-related Financial Disclosures (TCFD) supporter, analysing and reporting on the risks of climate change to our business, following TCFD’s recommendations. TCFD reporting provides an overview of our climate-related governance, strategy, risks, metrics and targets. We have begun exploring how different future climate scenarios could impact our business beginning with physical risks, and we are currently looking into tools for modelling scenarios related to climate-induced financial risks.



TCFD Pillars	Governance	Strategy	Risk Management	Metrics and Targets
	<p>Governance on climate-related risks and opportunities</p>	<p>The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy and financial planning</p>	<p>The processes used to identify, assess and manage climate-related risks</p>	<p>The metrics and targets used to assess and manage relevant climate-related risks and opportunities</p>
<p>Achievements in 2023</p>	<ul style="list-style-type: none"> Maintain Board and senior management oversight through relevant committees Increase Board awareness through quarterly updates on ESG and climate-related matters 	<ul style="list-style-type: none"> Develop Capital A’s net zero strategy Set internal carbon price 	<ul style="list-style-type: none"> Include ESG and climate related risks in the Group’s framework Plan to manage climate change as a risk in the Enterprise Risk Management system 	<ul style="list-style-type: none"> Monitor Scopes 1, 2 and 3 Commit to net zero emissions by 2050

For a detailed disclosure on the potential financial impact and mitigation strategies of our transitional and physical risks, please refer to page 61-64 of the Sustainability Report 2023.

Performance Table

Indicator	Measurement Unit	2023
Corporate Governance		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	12.90
Management	Percentage	9.10
Executive	Percentage	15.40
Non-Executive	Percentage	37.20
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	2
Human Rights		
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	20
Sustainable Supply Chain		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.00
Information Security & Data Privacy		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Climate Strategy		
Bursa C4(a) Total energy consumption	Megawatt	20,362,567.00
Bursa C9(a) Total volume of water used	Megalitres	102,067.000000
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	4,847,717.50
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,971.64
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,179,003.50
Water Consumption	Cubic meters	102,067.00
Waste Management		
Bursa C10(a) Total waste generated	Metric tonnes	1,003.10
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	494.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	508.90
Health & Safety		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	7.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	861
Diversity & Inclusion		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	73.70
Senior Management Above 50	Percentage	26.30
Management Under 30	Percentage	1.50
Management Between 30-50	Percentage	80.30
Management Above 50	Percentage	18.20
Executive Under 30	Percentage	29.90
Executive Between 30-50	Percentage	67.70
Executive Above 50	Percentage	2.40
Non-Executive Under 30	Percentage	53.40
Non-Executive Between 30-50	Percentage	45.10
Non-Executive Above 50	Percentage	1.60
Gender Group by Employee Category		
Senior Management Male	Percentage	70.80
Senior Management Female	Percentage	29.20
Management Male	Percentage	78.30
Management Female	Percentage	21.70
Executive Male	Percentage	59.00
Executive Female	Percentage	41.00
Non-Executive Male	Percentage	71.30
Non-Executive Female	Percentage	28.70
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.00
Female	Percentage	17.00
Under 30	Percentage	0.00
Between 30-50	Percentage	17.00
Above 50	Percentage	83.00
Talent Attraction & Retention		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	64
Management	Hours	1,720

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2023
Executive & Non-Executive	Hours	15,374
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.30
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	27
Management	Number	231
Executive	Number	1,134
Non-Executive	Number	607
Community Investment		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	363,713.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	751

Performance Table (cont'd)

ECONOMIC				
Indicators	2021	2022	2023	
Corporate Governance				
Number of cases reported via askPAC	130	190	281	
Number of cases reported via whistleblowing platforms	19	19	13	
Number of bribery and corruption cases reported	0	0	2	
Sustainable Supply Chain				
Total Number of Suppliers	20,631	23,245	22,656	
Total Number of New Suppliers	2,482	2,614	1,499	
Total Number of Critical Suppliers	233	158 ^a	111	
Total Number of Local Suppliers ^b	895	1,326	2,912	
Total Spend on Local Supplier (RM) ^p	RM575,651.48	RM694,325,442	RM 3,010,656,236	
Human Rights				
Allstars Completed Anti-Harassment Training	-	4,437	2,965	
Guest Experience				
Customer satisfaction	Airlines			
	• NPS	• 60	• 36	
	• CSAT	• 67%	• 47%	
	airasia MOVE			
	• NPS	• 66	• 57	
	• CSAT	• 25% (delivery); 75% (hotel & SNAP); 50% (flight OTA)	• 35% (delivery); 48% (hotel & SNAP); 36% (flight OTA)	• 49 • 55% (live chat); 44% (email)
	BigPay (CSAT)	88%	90.9%	
	GTR (NPS)	50	26	
	Teleport	-	-	
	airasia academy	90%	93%	
On time performance	80%	77%	77%	
Percentage of short-haul flight (<6 hours) with more than 15 minutes delay	20%	23%	23%	
Load Factor for short haul (less than 6 hours) (%)	74%	84%	88%	
Technology & Innovation				
Migration of data storage to cloud-powered system	-	98%	99.9%	
Information Security & Data Privacy				
Total number of information security breaches or other cybersecurity incidents	0	2	0	
Total amount of fines / penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0	

a. Scope expanded to include suppliers that serve the Group Procurement, ADE and Santan entities.

b. Excludes fuel, aircraft purchase & lessors.

ENVIRONMENT				
Indicators	2021	2022	2023	
Climate Strategy				
Scope 1 (tonnes CO ₂ e)	391,324.92	1,917,390.18	6,036,692.60 ^a	
Scope 2 (tonnes CO ₂)	3,495.7	4,459.3	9,971,641.8 ^b	
Scope 3 (tonnes CO ₂)	N/A	410,250.65	1,179,003.5	
Fuel Consumption (tonnes)	190,767.3	822,516.8	1,534,064.1 ^a	
Carbon Intensity Ratio (gCO ₂ /RPK)	98.2	78.6	74.0	
Carbon Intensity Ratio (gCO ₂ /ASK)	69.7	65.7	64.4	
Specific fuel consumption (litres/100RPK)	3.79	3.4	3.0	
Non-renewable electricity purchased (MWh) ^c	6,607	8,660	15,083	
Energy use intensity (kWh/m ² /yr)	97.7	86.5	96.9	
NOx emissions (tonnes) ^d	261	1,191	2,675	
NOx emissions intensity (gNO _x /RPK) ^d	0.0629	0.0544	0.041	
SOx emissions (tonnes) ^e	29	127	285	
Volatile Organic Compounds (VOC) emissions (kg) ^e	98,752	438,746	985,861	
Waste Management				
Scheduled Waste	Solid Waste (tonnes)	522.66	1,343.35	3,042.93
	Liquid Waste (litres)	7,384.90	5,437.64	26,795.49
Non-Hazardous Waste (tonnes) ^f	204.0	568.6	1,003.1	
Recyclable Waste (kg) ^h	2,287	4,160	18,784	
Food Waste (kg)	1,712.5	110,109	765,416	

a. Inclusive of Scope 1 emissions from aircraft, ground operations, and Teleport freighters.

b. Expanded scope to include the RedStation and RedChain offices in Malaysia.

c. Includes chillwater electricity consumption for the HVAC system in RedQ, our HQ in Malaysia.

d. NOx emissions and compliance data are obtained from the ICAO Emissions Bank issue 28C dated 20 July 2021. The NOx emissions value per landing and takeoff (LTO) cycle is based on the weighted average of AirAsia's fleet composition as of FY2021.

e. According to the US EPA, sulphur dioxide (SO₂) represents the highest composition of SOx emissions, hence SO₂ is considered as SOx for the purpose of calculations. SO₂ and VOC emissions data are sourced from US EPA's Generic Aircraft Type Emission Factors table.

f. Non-hazardous waste for AirAsia Malaysia and AirAsia Indonesia only include general waste from offices as cabin waste is managed by airport authorities. Non-hazardous waste for AirAsia Philippines and AirAsia Thailand only includes cabin waste collected from our flights as office waste is managed by airport authorities.

g. RedNest office in Thailand and RedPoint office in the Philippines does not track its recycled waste due to the nature of its location where it is managed by airport authorities.

h. Inclusive of AirAsia Malaysia and AirAsia Indonesia only.

Performance Table (cont'd)

SOCIAL				
Indicators		2021	2022	2023
Health & Safety*				
Total man hours worked		16,906,680	29,792,304	38,881,088
Number of recordable work-related injuries		65	69	68
Main types of work-related injuries		1. Ergonomic related injuries 2. Other body part injury	1. Ergonomic related injuries 2. Other body part injury	1. Ergonomic related injuries 2. Other body part injury
Lost Time Injury (originally Number of lost days)		145	958	1,306
Lost Time Injury Frequency Rate (LTIFR) <i>LTIFR = (lost time injuries / total hours worked) * 1000000</i>		8.6	32.2	33.59
Incident rate		2.1	5.4	3.80
Severity rate		6.3	41.9	33.60
Accident rate ^a <i>Harmonized accident rate per million sectors</i>		0	0	0
Safety Training^b				
Safety Training Hours		17	17,158	200,586
Average Safety Training Hours per Employee		0.04	9	233
Diversity & Inclusion^c				
Total Number of employees		14,618	11,469	21,063
Distribution by Gender	Female	5,037 (34.5%)	3,937 (34.3)	7,069 (33.6%)
	Male	9,581 (65.5%)	7,532 (65.7%)	13,994 (66.4%)
Distribution by Employment Type	Full time	Female	6,822 (34.8%)	5,562 (34.9%)
		Male	12,799 (65.2%)	10,385 (65.1%)
	Total	19,621	15,947	17,428
Contract	Female	-	-	1,408 (38.7%)
	Male	-	-	2,227 (61.3%)
	Total	-	-	3,635
Talent Attraction & Retention				
New hires	By Gender	Female	397 (49%)	1,409 (41.3%)
		Male	418 (51%)	2,000 (58.7%)
		Total	3,409	3,868
By Age Group	Below 30 years	423	2,097	3,438
	30-50 years	384	1,270	1,324
	Above 50 years	384	1,270	67
By Employee Category	Senior Management	-	-	26
	Management	-	-	231
	Executive	-	-	1,488
	Non-Executive	-	-	3,084
Open positions filled by internal candidates		364	1,605	1,336

SOCIAL					
Indicators		2021	2022	2023	
Talent Attraction & Retention (cont'd)					
Employee turnover rate (%)	Female	-	-	14.4%	
	Male	-	-	10.7%	
Percentage of Turnover by Employee Category and Gender	Senior Management	Female	-	17.9%	
		Male	-	13.7%	
	Management	Female	-	-	17.6%
		Male	-	-	8.5%
	Executive	Female	-	-	13.5%
		Male	-	-	11.2%
	Non-Executive	Female	-	-	15.8%
		Male	-	-	11.1%
Employee attrition rate (%)	Female	-	-	20.7%	
	Male	15.4%	12.2%	14.8%	
Training					
Amount invested in training (RM)		10.5 million	113.9 million	3.7 million	
Average training hours per employee ^d	By Gender	Female	-	16.5	5.5
		Male	-	10.0	7.5
		Average	-	12	6.6
Average training hours per employee ^d	By Employee Category	Senior Management	-	0.0	16.0
		Management	-	3.6	22.6
		Executive	-	5.4	5.3
		Non-Executive	-	0.6	0.0
Performance Evaluation ^d		-	90%	100%	
Community Investment					
AirAsia Foundation - Grants Awarded (RM)		RM78,320	RM51,051.50	RM244,097.42	
AirAsia Foundation - Amount disbursed (RM)		RM60,000	RM30,767.50	RM89,692.60	
Contributions to the Community (RM)		RM678,056.00	RM532,057	RM119,616.71	
Number of Volunteering hours		N/A	628	914	

*Note: Data restated to include TAA to reflect the financial reporting scope for comparability.

- Accident rate based on the Malaysian Ministry of Transport Air Accident and Serious Incident Report: <https://www.mot.gov.my/en/aviation/reports/statistics-and-accident-report-aaib>
- Due to the Covid-19 pandemic, safety training hours in 2021 were limited to essential topics, reflecting the challenging operational environment.
- Data for 2021 and 2022 include only three AOCs, AirAsia Malaysia, AirAsia Indonesia, and AirAsia Philippines. Data for the year include four AOCs, with TAA being reintroduced to reflect the financial reporting scope.
- Training hours and performance are solely from the aviation arm as governed by the Centre of Excellence talent team.

Corporate Governance Overview Statement

The Board of Directors (Board or Directors) of Capital A Berhad (Capital A or the Company) is committed to ensuring robust corporate governance (CG) and takes responsibility for the maintenance of high standards of transparency, accountability and integrity across Capital A’s group of companies (the Group).

In building a sustainable Asean airline and technology-based Group focused on travel, lifestyle, logistics and financial services through an all-in-one Asean super app, the Board is mindful of its accountability towards its shareholders and various stakeholders. The Board and senior management are committed to providing effective leadership, promoting uncompromising ethical standards and ensuring excellence in CG standards and practices throughout the Company. The Company will strive continuously to enhance its overall CG practices to reflect changing conditions and emerging sound principles, as appropriate.

The Board is pleased to present an overview of the Company’s CG practices during the financial year ended 31 December 2023 (FYE 2023) with reference to the three (3) key CG principles as set out in the Malaysian Code on Corporate Governance 2021 (MCCG) as follows:-

Principle A:	Principle B:	Principle C:
Board Leadership and Effectiveness;	Effective Audit and Risk Management; and	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement has been prepared in compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia)¹ and should be read together with the Corporate Governance Report 2023 of the Company (CG Report) which discloses the application of all practices set out in the MCCG, any departures thereof and the alternative measures in place within the Company during FYE 2023. The prescribed CG Report is available on the Company’s corporate website at www.capitala.com.

Principle A: Board Leadership and Effectiveness

1. Board Responsibilities

The Board is responsible for governing, guiding and overseeing the overall management of the Group and retains full and effective control over the affairs of the Group. It reviews the Group’s policies and strategies, enforces standards of accountability, actively oversees the conduct, management and business affairs of Capital A, and monitors the senior management’s performance. The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustains long-term shareholder value while safeguarding the interests of all its stakeholders. It works closely with the senior management to ensure that the operations of the Company are conducted prudently within the framework of relevant laws and regulations.

Directors have independent access to the advice and services of the qualified and experienced Company Secretary to ensure effective functioning of the Board. The Directors may seek advice from senior management on issues pertaining to their respective jurisdiction, as well as independent professional advice in discharging their duties.

The Board recognises that having clearly defined roles and responsibilities for the Board and senior management is important to strike a reasonable balance between the strategy foundation and policymaking, while conforming to the roles of executive supervision and accountability.

¹ Compliance with paragraphs 15.08A(3) and 15.25 as well as Practice Note 9 of MMLR on the preparation of Nomination Committee statement and Disclosure of CG related Information.

Delegation of the Board's authority to senior management for the day-to-day management and operations of the business is subject to defined limits of authority of the Group and monitoring by the Board. There are matters reserved for the Board's consideration, which include the financial results, the Group's business plan, material capital investment matters and acquisitions and disposal of assets or business.

The Board is guided by its Board Charter which sets out the duties and responsibilities of the Board in discharging its fiduciary duties. The Board Charter is reviewed as and when necessary and upon any new regulations or laws that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the Company's corporate website at www.capitala.com.

The positions of the Chairman and the Chief Executive Officer (CEO) are held by different individuals to ensure balance of power and authority. The roles and responsibilities of the Chairman and CEO are specified in the Board Charter.

The Chairman is responsible for providing leadership to the Board and ensuring the smooth and effective functioning of the Board. The Chairman presides at all Board meetings and general meetings of the Company, ensuring that procedural rules are followed consistently in the conduct of meetings, and that decisions made are formally recorded and adopted.

The CEO is responsible for the day-to-day management and business operations of the Group's businesses and implementation of the Board's policies and decisions. The CEO is supported by the senior management team which includes the positions of CEO, President (Aviation), President (Commercial), President (Ventures), Chief Financial Officer, Executive Directors of Asia Aviation Capital Limited and CEO of AirAsia Shared Services. The CEO provides direction for managing strategic business development as well as for high-value and high-impact investments within the Group in accordance with the business plans and within the budgets approved by the Board. He also focuses on talent and succession planning for the senior management team to ensure optimal performance, and ensures that a strong, positive and unique culture exists and becomes a strategic advantage for the Group.

The Board has established the following Board Committees to assist in the oversight of various areas of its duties:-

- Audit Committee
- Risk Management and Sustainability Committee
- Nomination and Remuneration Committee
- Safety Review Board

Each Committee has its own terms of reference, which set out the functions, responsibilities and authorities of the Committee. The terms of reference are reviewed by each Committee as and when necessary. The Board retains full responsibility for the direction and control of the Group.

In carrying out its governance oversight, the Board has also emphasised the importance of embracing integrity and ethical values across the Group. In this regard, various departments within the organisation are assessed for risks related to corruption. Risk control, due diligence and anti-bribery and anti-corruption controls are carried out on these departments to reduce, mitigate and prevent potential risks.

To improve the overall organisational effectiveness and uphold the integrity of the Company, the Company has put in place the following policies:-

- (a) Code of Conduct & Ethics
- (b) Anti-Corruption and Anti-Bribery Policy
- (c) Whistleblowing Policy

Corporate Governance Overview Statement (cont'd)

The said policies are published on the Company’s website at www.capitala.com.

The Board and Board Committee meetings for each financial year are scheduled in advance before the end of the preceding financial year, to enable the Directors to plan and coordinate their own schedules. The Board meets at least once every quarter with additional meetings convened as and when necessary for special matters. All Board Committee meetings are conducted separately from the Board meetings. The Chairman of each Committee reports to the Board on the proceedings and deliberations of the meetings as well as makes recommendations to the Board on matters under the Board’s purview. The ultimate responsibility for decision-making lies with the Board.

The attendance of members of the Board and Board Committee meetings during FYE 2023 is as follows:-

Director	Board	Audit Committee	Nomination and Remuneration Committee	Risk Management and Sustainability Committee	Safety Review Board
Datuk Kamarudin bin Meranun	11/11				
Tan Sri Anthony Francis Fernandes	11/11				
Dato’ Abdel Aziz @ Abdul Aziz bin Abu Bakar	11/11	11/11	6/6	4/4	
Dato’ Fam Lee Ee	11/11	11/11	6/6		4/4
Dato’ Mohamed Khadar bin Merican	11/11	11/11		4/4	3/4
Surina Binti Shukri (demised on 29 February 2024)	8/11		4/6	3/4	

Notes:  Chairman
 Non-Member

During FYE 2023, the Board met eleven (11) times inclusive of special Board meetings. The Directors complied with the MMLR of Bursa Malaysia in relation to meeting attendance. The Board is satisfied with the level of commitment given by its members towards fulfilling their duties and responsibilities. The Committees will continue to assist the Board of Capital A in discharging its duties.

2. Board Composition

During the financial year, the Board had six (6) Directors – two (2) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The current size and composition provide an adequate mix of knowledge, skills and expertise which assists the Board in effectively discharging its stewardship and responsibilities.

The composition of the Board fulfilled the MMLR of Bursa Malaysia which requires at least two (2) Directors or one-third (1/3) of the Board members, whichever is higher, to be Independent Directors. In the event of any vacancy on the Board of Directors which results in non-compliance in the composition of the Board, the Board must fill the vacancy within three (3) months.

The Board has in place a policy which limits the tenure of an Independent Director to nine (9) years in line with Practice 5.3 of the MCCG. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders’ approval through a two-tier voting process. As of the date of this statement, none of the Independent Directors has served the Board for more than nine (9) years.

The Company has implemented procedures for the nomination and election of Directors through the Nomination and Remuneration Committee (NRC). The NRC is responsible for assessing the performance of the Board and Committees, as

well as making recommendations on the nomination policy, succession planning framework, talent management, training programmes and any related matters for the Directors and senior management.

The NRC assesses candidates based on the leadership skills, gender, digital savviness, entrepreneurial mindset, knowledge and experience required by Capital A. The Company recognises the benefits of having a diverse Board.

In line with its Board Diversity Policy, selection of candidates to join the Board is in part dependent on the pool of candidates with the necessary skills, knowledge and experience. The NRC will review the nominees for directorship and membership of committees by going through their profiles; and will interview the shortlisted candidates to ensure they are suitable and of sufficient calibre for recommendation to the Board for approval.

Capital A's diverse Board includes and makes good use of differences in skills, regional and industry experience, background, race, ethnicity, age and other attributes of the Directors. The Board had a composition of 50% independent directors during FYE 2023.

The Board has established a Directors' Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-appointment of Directors to the Boards of the Group. The policy serves as a guide for the NRC and the Board in their review and assessment of candidates proposed for appointment to the Board as well as assessment of Directors seeking re-election.

The Directors' Fit and Proper Policy is made available on Capital A's website at www.capitala.com.

During the year, the Board, through the NRC, conducted the annual assessment on the effectiveness of the Board as a whole, the Board Committees, the individual Directors and the term of office and performance of the Audit Committee and its members. The NRC reviewed the summary results thereof and recommended proposed improvement(s) to the Board for approval. Each Director undertook an evaluation of the Board in terms of its mix and composition, quality of information and decision-making, boardroom activities, Board's relationship with the management, and environmental, social and governance (ESG) parameters.

The NRC was satisfied that the Board and Board Committees comprised the right composition of members and provided useful recommendations in assisting the Board in its decision-making. Consequently, the conduct of Board meetings was efficient and effective. The individual Directors have been good and effective in the overall discharge of functions and duties.

An evaluation of the independence of the Independent Directors was also carried out to assess their competency to continue in office as independent directors on a self-assessment basis. It was concluded that each Independent Director has fulfilled the criteria for "independent directors" as set out under the MMLR of Bursa Malaysia and are able to carry out their duties independently.

In addition, the NRC also reviewed and recommended to the Board the annual re-election of Directors who are to retire pursuant to the Company's Constitution for shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Constitution of Capital A provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting (AGM) of the Company. Each Director must retire from office once every three (3) years and is eligible to offer him/herself for re-election or re-appointment. The Constitution of Capital A also provides that a Director who is appointed during the year will be subject to re-election at the next AGM following his/her appointment.

In determining whether to recommend a director for re-election, the NRC considers the fit and proper criteria of Character and Integrity, Experience and Competence as well as Time and Commitment as outlined in the Directors' Fit and Proper Policy of the Company.

In compliance with Paragraph 15.08 of the MMLR of Bursa Malaysia, the Directors recognise the importance and value of continuous professional development to keep abreast with changes in the aviation and digital industries, as well as new statutory and regulatory requirements.

Corporate Governance Overview Statement (cont'd)

During FYE 2023, the Directors attended and participated in training programmes, conferences and seminars that covered the areas of corporate governance, finance, global business developments and relevant industry updates, enhancing their ability to discharge their duties effectively.

Details of training programmes, conferences and seminars attended by the Directors during the financial year are outlined below:

Name	Programmes
Datuk Kamarudin bin Meranun	<ul style="list-style-type: none"> • IFoA Asia Conference 2023 - Institute and Faculty of Actuaries (panelist) on 25 September • Cyber Resilience Training by Phished Academy on 6 October (in-house) • BizJihad Forum organised by Lembaga Zakat Selangor (panelist) on 14 November
Tan Sri Anthony Francis Fernandes	<ul style="list-style-type: none"> • Visa Asia Pacific Senior Client Council Meeting on 13-16 February • Asia Business Council 2023 Spring Forum on 15-17 March • 2023 Milken Institute Global Conference on 30 April-3 May • 3rd Qatar Economic Forum on 23-25 May • APEC III Business Advisory Council (ABAC) for 2023 on 27-30 July • Visa Executive Program on 19-20 August • ASEAN Business and Investment Summit (ABIS) on 3-4 September • 43rd ASEAN Summit and Dialogue with ASEAN Leaders on 5-7 September • Forbes Global CEO Conference on 11-12 September
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption Refresher Training on 29 November
Dato' Fam Lee Ee	<ul style="list-style-type: none"> • Malaysia-China Economic Development Cooperation Forum 2023 organised by Malaysia-China Economic Development Association on 25 March • National Economics Forum 2023 organised by National Chamber of Commerce and Industry Malaysia on 18 May • Cybersecurity Briefing organised by Capital A (in-house) on 30 March • Henan (China) - Malaysia Fair for Economy & Trade organised by Malaysia-China Business Council (MCBC) on 9 June • 1st International ESG Forum 2023 on Cultivation & Practices Towards Sustainability, organised by Universiti Tunku Abdul Rahman on 15 June • Paris Air Show on 17 June - 20 June • AirAsia Sustainability Day 2023 on 27 June • 21st Century Maritime Silk Road Expo Promotion Conference organised by MCBC & China Council for the Promotion of International Trade on 14 July • AirAsia Safety Workshop on 10 August • Green Investment Towards a Circular Economy Conference organised by Star Media Group on 15 August • Exploring Blockchain in Legal Industry by Chainalysis organised by Messrs Gan & Zul on 27 September • Khazanah Megatrend Forum 2023 "Chinese New Economy and Globalisation - The Sequel by Dr. Eric Li" on 1 October • International Commercial Dispute Prevention & Settlement Organisation Council Meeting on 9 November • The next Gen-AirAsia Brand and creative on 21 December (in-house)

Name	Programmes
Dato' Mohamed Khadar bin Merican	<ul style="list-style-type: none"> Actuarial briefing organised by Tune Protect Group on 5 January (in-house) Malaysia cybersecurity briefing organised by BNP Paribas on 7 February (in-house) Understanding the cybersecurity landscape organised by Asia School of Business on 19 June Board oversight of climate risks and opportunities organised by Asia School of Business on 10 October JC3 - Journey to Zero Conference 2023 on 23-25 October Islamic Finance Training organised by BNP Paribas on 5 December (in-house) ABC talk by Malaysian Anti-Corruption Commission organised by Tune Protect Group on 6 December (in-house) Sustainability training organised by BNP Paribas on 11 December (in-house)
Surina Binti Shukri (demised on 29 February 2024)	<ul style="list-style-type: none"> CISL Training Session: Global Pressure and Trends on 11 January FIDE Forum: Can America Stop China's Rise? Will ASEAN Be Damaged? on 12 January Blockfest Singapore 2023 on 17 February Bursa Malaysia Immersive Experience: The Board "Agender" on 13 March Briefing on Cybersecurity by Mandiant on 30 March CISL Training Session 3: The End of Business-as-Usual and Evolving Board Duties on 14 April Anti-Bribery & Anti-Corruption Training - Promoting Good Governance on 21 June

3. Remuneration

The NRC assists the Board in discharging its responsibilities in the determination of the remuneration and compensation of the Directors and senior management of the Company.

During FYE 2023, the NRC carried out a review of the remuneration policy as well as structure and package of each Director, subsequently reporting its findings to the Board of Directors.

The aggregate remuneration of the Directors for the financial year is set out below:-

Director	Fees	Other fees	Salaries	Other emoluments	Total	Meetings, travelling and other allowances
Datuk Kamarudin bin Meranun	-	-	8,220,000.00	8,826,400.00	17,046,400.00	-
Tan Sri Anthony Francis Fernandes	-	-	8,220,000.00	8,841,470.00	17,187,050.00	125,579.00
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	262,500.00 [^]	***55,000.00 **35,000.00 *60,000.00	-	-	412,500.00	64,000.00
Dato' Fam Lee Ee	262,500.00 [^]	**55,000.00 *60,000.00 **55,000.00	-	-	432,500.00	64,000.00
Dato' Mohamed Khadar bin Merican	262,500.00 [^]	*75,000.00 **35,000.00 ***35,000.00	-	-	407,500.00	58,000.00
Surina binti Shukri (demised on 29 February 2024)	262,500.00 [^]	**35,000.00 ***35,000.00	-	-	332,500.00	36,000.00

[^] From 15 June 2023 to 31 December 2023 pro-rated based on the basic Board fee of RM262,500 each per annum approved at the Sixth AGM.

* AC fee per annum as approved at the Sixth AGM.

** NRC fee per annum as approved at the Sixth AGM.

*** RMSC fee per annum as approved at the Sixth AGM.

[^] SRB fee per annum as approved at the Sixth AGM.

~ The meeting allowance shall be RM2,000 per meeting.

Corporate Governance Overview Statement (cont'd)

3.1. Remuneration and Succession Planning

The Company places strong emphasis on the development and growth of its staff, fondly known as Allstars. This is evidenced by Capital A's continuous commitment to grooming successors across the Group, in the spirit of One AirAsia. A Group Talent Policy and Succession Planning Framework have been instituted to identify and build a robust Group talent pipeline. Talent reviews are conducted with senior management to calibrate and map talent needs across the Group's different locations and identify future leaders.

The Group Talent function oversees structured talent entry and development initiatives, including leadership development programmes, coaching, cross-functional and cross-country assignments.

Principle B: Effective Audit and Risk Management

1. Audit Committee

The Audit Committee (AC) of the Company comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC is chaired by Dato' Mohamed Khadar bin Merican, who is an Independent Non-Executive Director of the Company. The chairman of the AC is not the chairman of the Board.

The AC comprises members from diverse backgrounds with a wide range of qualifications, skills and experience necessary to discharge their duties. The Company has a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before qualifying for appointment to the AC. None of the current members of the AC is a former key audit partner of the Group's auditors.

A summary of the work done by the AC during the financial year is set out in the Audit Committee Report in the Annual Report.

2. Risk Management and Internal Control Framework

The Board has established a Risk Management and Sustainability Committee (RMSC) to oversee the risk management framework, policies and sustainability initiatives of the Group. As at FYE 2023, the RMSC of the Company comprises three (3) Non-Executive Directors, a majority of whom are Independent Directors. It is chaired by Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar, who is a Non-Independent Non-Executive Director of the Company.

The RMSC enables the Board to identify, evaluate and manage key areas of risk exposures and sustainability performance to safeguard the Company's assets, and meet the expectations of its shareholders, employees and other stakeholders.

In fulfilling its responsibilities in risk management and sustainability, the RMSC is assisted by the Risk Management Department and Group Sustainability Department, respectively.

A management-level risk committee (MRC) was established in 2019 to increase the participation of senior management in risk management processes. The MRC is tasked with reviewing the key risks of Capital A prior to submission to the RMSC every quarter.

Similarly, sustainability concerns are driven by a Sustainability Working Group (SWG), headed by the Chief Sustainability officer and assisted by the respective heads of department.

The SWG submits the Company's progress to the RMSC on a quarterly basis, following which the RMSC reports to the Board.

Further information on the risk management and internal controls within the Group is set out in the Statement of Risk Management and Internal Control in the Annual Report.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**1. Communication with Stakeholders**

Capital A is committed to communicating openly, regularly and effectively with shareholders and investors. Information on the Group's business activities and financial performance is disseminated through various mediums including the general meetings, annual reports, quarterly announcements on financial results, relevant announcements and circulars to Bursa Malaysia and through the Company's website at www.capitala.com.

Capital A has a dedicated Investor Relations team which supports the senior management in their active participation in investor relations activities, including road shows, conferences and quarterly investor briefings with financial analysts, institutional investors and fund managers.

Capital A continues to fulfil its disclosure obligations as per Bursa Malaysia's Corporate Governance Guidelines with regards to the handling and disclosure of material information to the public. All disclosures of material corporate information are disseminated in an accurate, clear and timely manner via Bursa Malaysia announcements.

2. Conduct of General Meetings

The general meeting serves as the principal forum for interaction among shareholders, the Directors and management. It provides an opportunity for shareholders to seek clarification on any queries they may have and to better understand the Group's performance, financial position and other matters of concern. Shareholders are encouraged to actively participate in the question and answer ("Q&A") session.

The AGM in 2023 was conducted on a fully virtual basis through live streaming and online remote voting via the remote participation and voting facilities (RPV). Shareholders who registered for remote participation joined the live streaming of the proceedings of the AGM and posed questions to the Board via real-time submission of typed text and also cast their votes online via RPV. All the Directors, Chief Financial Officer, management team and external auditors were in attendance at the AGM and responded to shareholders' questions during the meeting.

The Company will continue to leverage technology to conduct the upcoming AGM virtually through live streaming and online remote voting via the RPV. This will enable shareholders to participate fully in the AGM without the need to be physically present at the venue.

Pursuant to Paragraph 8.29A of the Listing Requirements, all the resolutions set out in the notice of AGM of the Company will be put to vote by poll and an independent scrutineer will be appointed to validate the votes cast at the AGM. The outcome of the AGM will be announced to Bursa on the same day.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the results and the cash flow of the Group for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group for FYE 2023, the Group has adopted approved applicable accounting standards in Malaysia and complied with the provisions of the Companies Act, 2016.

The Directors are also responsible for ensuring that the Company and the Group keep proper accounting records. In addition, the Directors have overall responsibility for proper safeguarding of the assets of the Company and of the Group and taking reasonable steps for the detection and prevention of fraud or other irregularities.

This CG Overview Statement was approved by the Board of Directors of Capital A on 25 April 2024.

Audit Committee Report

This report outlines the activities of the Audit Committee (the AC) of Capital A Berhad (Capital A) for the financial year ended 31 December 2023 (the Financial Year).

This Report has been reviewed by the AC and approved by the Board of Directors (the Board) of Capital A on 25 April 2024 for inclusion in this Annual Report.

The AC assists the Board in fulfilling its duties with respect to its oversight responsibilities over the Capital A Group (the Group). The AC is committed to its role of ensuring the integrity of the financial reporting process; external and internal audit processes and compliance with legal and regulatory matters; evaluating the overall adequacy and effectiveness of the systems of internal controls; and the review of related party transactions and other matters that may be specifically delegated to it by the Board. The AC's responsibility for the internal audit of the Group is fulfilled through reviews of the quarterly and other reports of the Group Internal Audit Department (GIAD).

Composition of the Audit Committee

The AC, established by the Board, comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Members of the AC elect among themselves an Independent Director, who is not the Chairman of the Board of Capital A, as Chairman of the AC. The Terms of Reference of the AC is approved by the Board and complies with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The composition of the AC complies with the requirements of paragraph 15.09(1)(c) of the MMLR and is set out in Capital A's Corporate Governance Overview Statement (CGOS) on page 96 of this Annual Report. Members of the AC are subject to annual evaluations, and the committee's composition is reviewed annually by the Board.

Training

A summary of training programmes attended by members of the AC during the financial year is set out in the CGOS on pages 100 to 101 of this Annual Report.

Attendance of Meetings

A total of eleven (11) meetings were held during the financial year, attendance for which are set out in the CGOS on page 98 of this Annual Report.

The AC meets on a scheduled basis during a financial year, and as and when required. The AC is assisted by an independent GIAD in carrying out its functions.

The Chief Executive Officer (CEO) of Capital A, Group CEO Aviation, President Ventures, Group Chief Financial Officer (GCFO), Head of Group Internal Audit, Chief Legal Officer of Capital A and Head of Group Risk Management are invited to attend AC's meetings to assist the committee in its deliberations as and when necessary.

Summary of the work of the Audit Committee

The AC's duties and responsibilities are set out in its Terms of Reference, which is available on the Group's corporate website at [capitala.com/misc/Terms_of_Reference-Capital_A_Audit_Committee_updated_\(30_May_23\).pdf](https://capitala.com/misc/Terms_of_Reference-Capital_A_Audit_Committee_updated_(30_May_23).pdf)

The AC is guided by its Terms of Reference in discharging its duties and responsibilities. The Terms of Reference was approved by the Board, and is aligned with the provisions of the MMLR of Bursa Malaysia, Malaysian Code on Corporate Governance (MCCG), Corporate Governance Guide, and the Institute of Internal Auditors Inc. (IIA) AC Charter model.

During the financial year, the AC carried out the following activities in the discharge of its roles and responsibilities:

Internal Audit

- Mandated the GIAD to report directly to the AC.
- Reviewed the adequacy of the Internal Audit Charter (IAC).
- Approved the IAC, which defines the purpose, authority, scope and responsibility of the Internal Audit function within the Group.
- Reviewed the scope, functions, budget, competency and resources of the GIAD, and that it had the necessary independence and authority to carry out its work professionally and with impartiality and proficiency.
- Reviewed and approved the Internal Audit plan and Internal Audit budget for the Group.
- Reviewed Internal Audit Reports of Capital A and its affiliates, and ensured that appropriate and prompt remedial actions were taken by the Management on lapses in controls or procedures identified by the GIAD.
- Monitored that all agreed action plans by the GIAD were implemented in a timely manner.
- Reviewed the performance of the GIAD, including the internal assessment of the internal audit function.
- Undertook the performance appraisal of the Head of Group Internal Audit.
- Approved the appointment or termination of senior staff of the GIAD.
- Noted the resignations of GIAD staff, together with the reasons for their resignations.
- Reviewed reports on ad-hoc investigations performed by the GIAD and monitored that appropriate actions were taken in relation to those investigations.
- Reviewed the results of the external assessment performed on the internal audit function.

External Audit

- Considered and recommended the appointment of the External Auditors and their audit fees.
- Monitored the External Auditors' performance and reviewed their independence and objectivity.
- Discussed with the External Auditors, before the audit commenced, the audit plan, which included the scope, methodology and timing of the audit, as well as areas of audit emphasis for the year under review.
- Discussed and coordinated with other external auditors in the Group.
- Reviewed major findings raised by the External Auditors and Management's responses, and monitored that all recommendations arising from the audit were properly implemented, including the status of the previous audit recommendations.
- Discussed matters arising from the interim and final audits with a view to further improving controls in the Group.
- Met with the External Auditors without the presence of the Management.
- Provided a line of communication between the Board and the External Auditors.
- Ensured coordination between the Internal and External Auditors.
- Reviewed the extent of assistance and cooperation extended by the Group's employees to the External Auditors, ensuring that all information required by the External Auditors was made available to them.
- Reviewed and monitored the provision of non-audit services by the External Auditors, ensuring these did not compromise the independence of the External Auditors.
- Obtained from the External Auditors a formal written statement delineating all relationships between the External Auditors and the Group, as required by the International Standard on Auditing 260, modified as appropriate based on the Malaysian guidelines for auditors' independence, and obtained confirmation from them that they are, and have been, independent throughout the conduct of the audit engagement.
- Kept updated by the External Auditors on changes in the Malaysian Financial Reporting Standards and the International Financial Reporting Standards to ensure the Group's readiness to implement the necessary and to understand the implications, if any, on the Group's Financial Statements.

Financial Reporting and Bursa Malaysia Announcements

- Reviewed and recommended for the Board's approval the quarterly and annual management accounts of the Group and Capital A.
- Reviewed and recommended for the Board's approval the Annual Financial Statements to Bursa Malaysia for the Group and Capital A.
- Reviewed and recommended for the Board's approval the Quarterly Financial Statements to Bursa Malaysia for the Group and Capital A.

For purposes of the above, the AC considered any changes in the accounting policies and practices as well as their implementation, compliance with accounting standards and other legal and regulatory requirements, significant and unusual events, significant adjustments arising from the audit process, material litigation, the going concern assumption and, where applicable, reviewed the Group's corporate disclosure policies and procedures (as they pertain to accounting, audit and financial matters) to ensure compliance with Bursa Malaysia's disclosure requirements.

Audit Committee Report (cont'd)

Related Party Transactions

- Reviewed related party transactions and conflict of interest situations that arose, persisted or that could arise within the Group including measures taken to resolve, eliminate or mitigate such conflicts; and ensured such transactions were undertaken on an arm's length basis in the best interest of the Group and Capital A, where appropriate recommending to the Board for approval.
- Reviewed the process used to procure shareholders' mandate for recurrent related party transactions.

Investigations

- Considered major findings of internal investigations and Management's response.
- Reviewed Capital A's procedures for detecting fraud and whistleblowing.

Internal Controls

- By way of discussions with key Senior Management and through the review of the process undertaken by the GIAD and the External Auditors, evaluated the overall adequacy and effectiveness of:
 - > the system of internal controls, including controls within information technology;
 - > the Group's finance, accounting and audit organisations and personnel; and
 - > the Group's policies and compliance procedures with respect to business practices.
- Reviewed the establishment of policies and procedures relating to anti-bribery and anti-corruption to prevent any offences under the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018 or any other applicable anti-bribery and anti-corruption laws in jurisdictions where the Group operates.
- Conducted regular reviews on the performance, efficiency and effectiveness of the ABAC Policies.
- Reviewed the employee code of business practice, vendor code of business practice, the whistleblowing policy, as well as the outcome of any cases investigated.

Annual Report

- Further information on the AC's activities in discharging its functions and duties for the Financial Year and how it has met its responsibilities are provided in the Corporate Governance (CG) Report in accordance with Practice 9.1 of the MCCG.
- The AC has reviewed the Statement of Risk Management and Internal Control and the CGOS prior to their inclusion in the Group's Annual Report.

Annual Review of the Terms of Reference of the Audit Committee

- Reviewed and assessed the adequacy of the Terms of Reference of the AC annually, and where necessary, obtained the assistance of the Management, Group's External Auditors and external legal counsel, and recommended changes to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has a well-established in-house GIAD to assist the AC in carrying out its functions. The GIAD maintains its independence through reporting directly to the AC. The GIAD plans and supervises internal audit services across all subsidiaries and associated companies in the Group, including the various Airline Operating Companies (AOCs). The internal audit teams in the respective AOCs have a reporting line to the Head of Group Internal Audit. The GIAD reviews and compiles their reports in the form of a Group Internal Audit Report to be submitted and presented to the AC for its review and deliberation.

The GIAD is guided by its IAC which provides independence and reflects the roles, responsibilities, accountability and scope of work of the department and is aligned with the International Professional Practice Framework (IPPF) on Internal Auditing issued by the Institute of Internal Auditors. The Head of Group Internal Audit reports functionally to the AC and administratively to the GCFO of Capital A.

The principal responsibility of the GIAD is to undertake regular and systematic reviews of the systems of internal controls so as to provide reasonable assurance that the systems continue to operate efficiently and effectively. The GIAD adopts a risk-based audit methodology with reference to the five elements of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), i.e. control environment, risk assessment, control activity, information and communication as well as monitoring, to develop its audit plans by determining the priorities of the internal audit activities, consistent with the strategies of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with Capital A's policies, procedures and regulatory responsibilities.

The audits cover the review of the adequacy of risk management, the strength and effectiveness of the internal controls, compliance with both internal and statutory requirements, governance and management efficiency, among others. The audit reports are submitted to the AC for review. Key control issues and agreed action plans are highlighted to enable the AC to execute its oversight function. The agreed action plans are also forwarded to the Management for their attention and further action. The Management is responsible for the implementation of corrective actions within the required time frame.

On 11 January 2024, GIAD confirmed its organisational independence to the AC, with the Head of Group Internal Audit and all internal auditors signing the Annual Code of Ethics and Conflict of Interest Declaration for the financial year indicating they were and had been independent, objective and in compliance with the Code of Ethics and Conflict of Interest as per IPPF in carrying out their duties for the financial year.

The AC reviews and approves the human resources requirements of GIAD and IADs in other AOCs to ensure the function is adequately resourced with competent and proficient internal auditors.

The total costs incurred by GIAD in discharging its functions and responsibilities during the financial year amounted to RM1,882,963 compared to RM1,963,812 in the financial year ended 31 December 2022.

Further information on the resources and the name and qualifications of the Head of Group Internal Audit are provided in the CG Report in accordance with Practice 11.2 of the MCCG.

INTERNAL AUDIT ACTIVITIES DURING THE FINANCIAL YEAR

The GIAD implements a risk-based methodology in establishing its strategic and annual audit plan, which determines the areas or units to be audited. During the Financial Year, the AC reviewed, challenged and approved the audit plans for the GIAD and the respective IADs. In doing so, the AC ensured, among others, consistency in the audit methodology deployed, as well as robustness in the audit planning process.

The GIAD remains committed to equipping our internal auditors with adequate knowledge and proficiency. About RM15,836 was spent on training in the areas of auditing skills, technical skills and personal development via inhouse, online and external training during the Financial Year. Each staff attended an average of ten (10) training days for the year.

Further information on the resources, objectivity and independence of the Head of Group Internal Audit and internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the MCCG.

During the financial year, audit reviews were conducted based on the internal audit plan approved by the AC. The GIAD and IADs in other AOCs completed and reported on 69 audit assignments, including ad-hoc requests, which were requested by the Board, AC or Senior Management, and those which arose from reports pursuant to the Group's Whistleblowing Policy. The audits covered a wide range of areas, including balance sheet reviews of the aviation entities, credit card chargeback processes, reviews of staff claims, duty travel and the leave process, vendor payment process, expenses reviews, reviews of outsourcing readiness, engineering, inflight operations, export and import finance processes, guest services, ramp and ground support equipment, fuel management, contract management, e-commerce business, cargo, corporate safety, finance and accounting and legal processes. They also encompassed key systems such as the Navitaire, Warehouse Management System (WMS) and the super app software development methodology.

The Head of Group Internal Audit, together with the respective team leaders, attended the AC meetings to brief the AC on audit results and significant matters raised in the detailed GIAD report, including findings provided by the respective IADs.

Internal audit reports detailing audit findings are provided to Management who respond to the actions to be taken. Monthly follow-ups are carried out to monitor the progress of corrective actions until they are completed and closed off. The GIAD submits audit reports to the AC every quarter on the status of audit plans, audit findings, and agreed actions to be taken by Management on the findings. The GIAD's reports and follow-up actions are also presented to the relevant Board Committees and CEOs of the AOCs and other Lines of Business (LOBs).

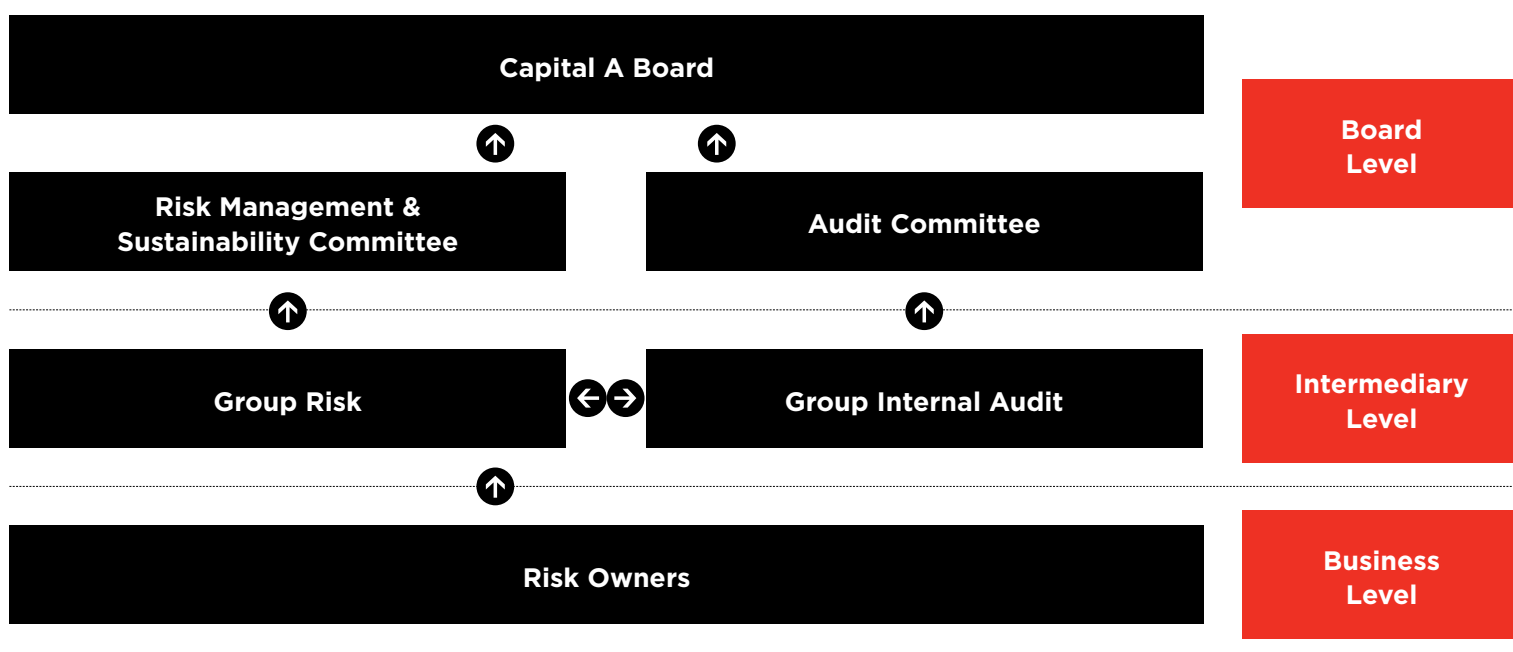
GIAD digitalisation and data initiatives

GIAD embraces digitalisation in line with the Group strategy to drive continuous improvement through automation. In Quarter 3 of 2023, dashboards to support the continuous auditing of stations were completed. GIAD also introduced the usage of data analytics on engagements to increase assurance levels and enhance the efficiency of the audit processes.

Statement on Risk Management & Internal Control

Capital A Berhad is committed to maintaining a sound system of risk management and internal control. This Statement of Risk Management and Internal Control for the financial year ended 2023 (Financial Year) is made by the Board of Directors (the Board) in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) and guided by the Malaysian Code on Corporate Governance (as at 28 April 2021) and the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers.

GOVERNANCE



Board of Directors

The Board is committed to and responsible for implementing and maintaining a robust risk management and internal control environment. The Board acknowledges that the risk management and internal control systems are designed to manage and minimise risks as it may not be possible to totally eliminate the occurrence of unforeseeable circumstances or losses.

Risk Management and Sustainability Committee

The Board has delegated the governance of the Group’s risks to the Risk Management and Sustainability Committee (RMSC). The RMSC comprises three (3) Non-Executive Directors with a majority of Independent Directors.

One of the roles of RMSC, is to assist and enable the Board to evaluate key areas, including its exposure, oversee and recommend the Enterprise Risk Management (ERM) strategies, frameworks and policies of the Group, implement and maintain sound ERM frameworks, Business Continuity Plan (BCP) and inculcate a risk awareness culture within the Group. In fulfilling its responsibilities in risk management, the RMSC is assisted by Group Risk.

The duties and responsibilities of the RMSC are set out in its Terms of Reference which is available on the Group’s corporate website.

Management

The Management team is responsible for ensuring that policies and procedures on risk management and internal control are effectively implemented. The Management team is accountable for identifying and evaluating risks as well as achieving business goals and objectives within the risk parameters proposed by the Management and approved by the Board.

Group Risk

Group Risk develops risk policies, sets minimum standards, provides guidance on risk related matters, coordinates risk management activities with other departments, as well as monitors the Group's risks.

Audit Committee

The Audit Committee (AC) monitors the adequacy and effectiveness of the system of internal controls through a review of the results of work performed by Internal Auditors and External Auditors and discussions with Senior Management.

The AC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC Report is disclosed on pages 104 to 107 of this Annual Report. The duties and responsibilities of the AC are set out in its Terms of Reference which is available on the Group's corporate website.

Group Internal Audit Department

The Group Internal Audit Department (GIAD) reviews the Group's systems of internal controls and evaluates the adequacy and effectiveness of the controls, risk management and governance processes implemented by Management through the execution of audit engagements. GIAD adopts a risk-based approach in determining the auditable areas and frequency of audits of the Group. The GIAD's functions are disclosed in the AC Report on pages 106 to 107 of this Annual Report.

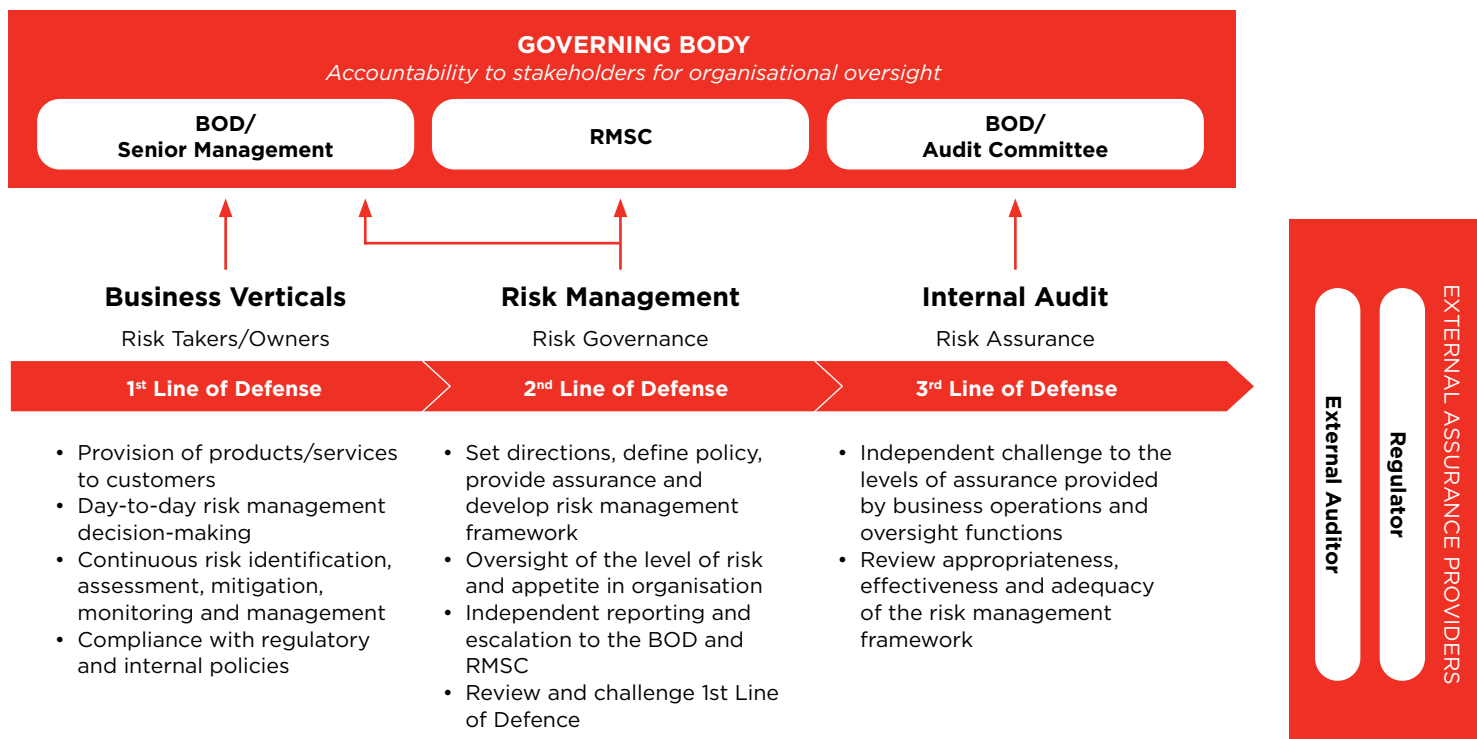
ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The ERM framework embedded in the ERM policy supports the Group in making risk-informed decisions by standardising the process of identifying, evaluating and managing risks faced by the Group.

The ERM framework covers the following key features:

- Roles and responsibilities of the RMSC, Management, Group Risk and all employees.
- Guidance on Risk Management processes and tools.
- Guidance on Business Continuity Management.

The Group has established a structured process and lines of defence for risk management within the ERM framework as follows:



Statement on Risk Management & Internal Control (cont'd)

KEY RISKS AND MITIGATION

Risk Management Initiatives in 2023

During the financial year, Group Risk focused on building a strong risk culture via engagements and workshops. The focus was also to strengthen governance by enhancing the ERM policy to be robust and enable a systematic approach in managing risk as the Group moved up in the risk maturity path. The policy also incorporated ESG risk categories to manage material ESG risks within the Group.

A key initiative in 2023 was to institutionalise an adequate risk management process towards driving the right risk culture within the Group. The Risk Culture is being driven by a strong tone from the top, strengthened/echoed by the middle and executed at the bottom to implant the expected values of good risk management behaviour at all levels of the organisation.

Group Risk also continued to support the Crisis Management Teams across the Group to respond to events affecting business continuity and conducted BCP exercises for key systems, functions and stations to minimise significant operational disruptions in the event of a crisis across the Group.

The Group's significant risks and mitigating actions are as highlighted in the Key Risks and Mitigation section from pages 48 to 50 of this Annual Report.

INTERNAL CONTROL

The Key Internal Control Structure in place to assist the Board to maintain a proper internal control system are:

- The Board of Capital A has established four (4) committees, namely the AC, RMSC, Nomination and Remuneration Committee (NRC) and Safety Review Board (SRB) to assist it in executing its governance responsibilities. Further information on the various Committees of the Board is provided in the Corporate Governance Overview Statement from pages 96 to 103 of this Annual Report.
- Regular management and operations meetings are conducted by Senior Management of the various Lines of Business within the Group.
- The authority delineates authorisation limits for various levels of management and matters reserved for collective decision by the Board to ensure proper identification of accountabilities and segregation of duties.
- Internal policies, procedures and processes are documented, periodically reviewed and readily made available to employees across the Group.
- A detailed budgeting process has been established. In addition, the Group has a reporting system on actual performance against the approved budgets, which requires explanations for significant variances and plans by Management to address such variances.
- The Safety Department with oversight of the SRB and Group Safety, provides strategic high-level decisions and guidance to ensure the risks of aviation and operational activities are reduced and controlled to a safe and efficient level. Full compliance with regular health and safety audits, as well as IATA Operational Safety Audit (IOSA) certification ensures effective safety risk management in the Group.

- People and Culture policies and procedures are in place to govern recruitment, appointment, performance management, compensation, reward mechanisms, discipline, termination and dismissal of employees and ensure compliance of the same with all applicable laws and regulations.
- The Group maintains adequate insurance and physical safeguards on assets to ensure these are sufficiently covered against any incident that could result in material losses.
- Information and Data Security systems, policies, standards, procedures, guidelines, organisation structures and processes have been established to ensure confidentiality, integrity and availability of information.
- The Group has a Code of Conduct (the Code) that sets out the standards and ethics that everyone in Capital A is expected to adhere to. The Code also sets out the circumstances in which an employee, officer or director would be deemed to have breached the Code, after due inquiry, and disciplinary actions that can be taken against them if proven guilty.
- The Whistleblowing Policy provides a platform for employees and third parties to report instances of unethical behaviour, actual or suspected fraud or dishonesty, or a violation of the Code in a safe and confidential manner through the Whistleblowing Channel (www.capitala.com/whistleblowing_channel.html). The Group expects its employees to act in the Group's best interest and maintain high principles and ethical values. The Group will not tolerate any irresponsible or unethical behaviour that would jeopardise its good standing and reputation.

CONCLUSION

Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

The Board has received assurance from the Group Chief Executive Officer (GCEO), Presidents and Group Chief Financial Officer (GCFO) of Capital A that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. For areas which require improvement, action plans are being developed with implementation dates being monitored by the respective Heads of Department. The Board also receives quarterly updates on key risk management and internal control matters through its Board Committees. Based on assurance received from Management and updates from the Board Committees, the Board is of the view that the Group risk management and internal control systems were operating adequately and effectively during the financial year under review up to the date of approval of this statement.

The disclosure in this statement does not include the risk management and internal control practices of Capital A's material joint ventures.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is in accordance with the resolution of the Board of Directors of the Group on 25 April 2024.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There are no proceeds raised from corporate proposals during the financial year ended 31 December 2023.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business), entered into by the Company and its subsidiaries, involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its Group for financial year ended 31 December 2023 by the auditors, or firm or companies affiliated to the auditors are as follows:

	Company RM'000	Group RM'000
Audit Fees	399	2,351
Non-Audit Fees	4,099	4,099

The non-audit fees comprised mainly fees paid to the external auditors for review of Statement on Risk Management and Internal Control, tax compliance and advisory service.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Group was granted shareholders' mandate to enter into recurrent related party transactions ("RRPT") of a revenue or trading nature with related parties at the Sixth Annual General Meeting held on 15 June 2023.

The information on the aggregate value of the relevant RRPTs during the financial year ended 31 December 2023 is as follows:

Transacting No.	Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2023)
REVENUE/INCOME				
1.	AirAsia X Berhad ("AAX")	Provision of the rights to operate scheduled air services under the "AIRASIA" trade name and livery of AirAsia Berhad ("AAB") and Brand AA Sdn Bhd ("Brand AA").	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM5,276,523
2.	AAX	Supply of in flight entertainment system, hardware, software, content and updates by Rokki Sdn Bhd.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
3.	AAX	Provision of operational services by AirAsia (Guangzhou) Aviation Service Limited to AAX in China.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	CNY2,646,540 (RM1,720,188)
4.	AAX	Sale of loyalty points from BIGLIFE Sdn Bhd ("BIGLIFE"), which operates and manages a loyalty programme branded as the Airasia Rewards Programme.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM1,381,352
5.	Thai AirAsia X Co. Ltd. ("TAAX")	Provision of the rights to operate scheduled air services under the "AIRASIA" trade name and livery of AAB and Brand AA.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM10,112,071
6.	TAAX	Provision of operational services by AirAsia (Guangzhou) Aviation Service Limited to TAAX in China.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	CNY632,340 (RM410,279)
7.	TAAX	Sale of loyalty points from BIGLIFE, which operates and manages a loyalty programme branded as the Airasia Rewards Programme.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil

Additional Compliance Information (cont'd)

No.	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2023)
REVENUE/INCOME				
8.	Tune Insurance Malaysia Berhad ("TIMB")	Provision of travel insurance by TIMB to AAB's customers for journeys originating in Malaysia, resulting in sales commission received by AAB.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM7,749,228
9.	Tune Protect Group Berhad ("TPGB")	Provision of the right to access AAB's customer database for TPGB to conduct marketing on TPGB's and/or third-party insurance products and the provision of management services by TPGB to Capital A Group's travel insurance business.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM2,002
10.	TPGB	TPGB's subscription to advertising services in Rokki Sdn. Bhd's portal.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
11.	Tune Talk Sdn Bhd ("Tune Talk")	Provision of advertisement services on Capital A's Wifi portal.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
12.	Tune Talk	Provision of services for sales of travellers' sim cards. This will be part of the advertisement services on Capital A's Wifi portal stated in item number 11 above.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
13.	Notel Management Sdn Bhd ("Notel Management")	Provision of advertisement services on Capital A's Wifi portal.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
14.	Epsom College Malaysia Sdn. Bhd. ("Epsom")	Service Agreements for Move Travel Sdn Bhd (fka: AirAsia.Com Travel Sdn Bhd) ("AirAsia.Com") to provide services related to managing digital media activities for Epsom.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
15.	TAAX	Information Technology System and Security Services provided by AAB to TAAX.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
16.	TPGB	Service Agreements between AirAsia.Com and TPGB to provide services related to managing digital media activities to TPGB.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM1,122,245
17.	Tune Talk	Service Agreements between AirAsia.Com and Tune Talk to provide services related to managing digital media activities to Tune Talk.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
18.	ECML Hotels Sdn. Bhd. ("ECML Hotels")	Service Agreements between AirAsia.Com and ECML Hotels to provide services related to managing digital media activities to ECML Hotels.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM37,736
19.	Ikhlas Com Travel Sdn. Bhd. ("IKHLAS")	Commercial Agreement between AirAsia.Com and IKHLAS for the purpose of charging IKHLAS for using the AirAsia SuperApp.	Interested Directors and Major Shareholders Datuk Kamarudin bin Meranun	Nil

Transacting No. Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2023)	
REVENUE/INCOME				
20.	TPGB	Distribution Agreement between AirAsia.Com and TPGB for the management of insurance business. This includes the Agency Agreement between AirAsia.Com and TIMB, a subsidiary of TPGB, to appoint AirAsia.Com as a registered corporate agent of TIMB to transact insurance business on airasia.com website and mobile application on behalf of TIMB in exchange for commission.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
21.	Tune Insurance Public Company Limited ("TPT")	Media Services Agreement between AirAsia.Com and TPT for the management of digital media activities.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM41,854
22.	Tune Protect Re Ltd ("TPR")	Service Agreement between AirAsia SEA Sdn. Bhd. ("AirAsia SEA") and TPR for AirAsia SEA to provide refund service on insurance premium for the guests of AirAsia.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM72
23.	TAAX	Provision of platform services by AirAsia.Com: Online distribution of TAAX flight inventory via the airasia.com domain or airasia Superapp mobile app owned/operated by AirAsia.com	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM12,571,697
24.	AAX	Provision of platform services by AirAsia.Com: Online distribution of AAX flight inventory via the airasia.com domain or airasia Superapp mobile app owned/operated by AirAsia.com	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM57,908,074
25.	AAX	Provision of the following shared services by AirAsia SEA and AirAsia SEA Limited (Thailand) ("AirAsia SEA TH/IHQ")/ AirAsia Aviation Management Services Sdn. Bhd. ("AAAMS")/Fleet Consolidated Pte Ltd. to AAX: (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; (d) Refunds; (e) Customer Support; (f) Facilities; (g) Procurement; (h) Network management center, safety, operational quality assurance and ground operations; (i) Airline strategy, fleet, network, scheduling and regulatory affairs; (j) Airport partnerships and incentives; (k) Information security; and (l) Supply chain	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM7,710,130

Additional Compliance Information (cont'd)

Transacting No. Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2023)
REVENUE/INCOME			
26. TAAX	<p>Provision of the following shared services by AirAsia SEA and AirAsia SEA TH/IHQ/AAAMS/Fleet Consolidated Pte Ltd. to TAAX:</p> <ul style="list-style-type: none"> (a) Finance and accounting support operation services; (b) People department support operation services; (c) Information and technology operation support services; (d) Refunds; (e) Customer Support; (f) Facilities; (g) Procurement; (h) Network management center, safety, operational quality assurance and ground operations; (i) Airline strategy, fleet, network, scheduling and regulatory affairs; (j) Airport partnerships and incentives; (k) Information security; and (l) Supply chain 	<p>Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun</p>	RM3,543,080
EXPENSES			
27. AAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the Airasia Rewards Programme operated and managed by BIGLIFE for AAX's flights and other ancillary products and services.	<p>Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun</p>	RM327,680
28. AAX	Purchase of AAX's cargo transportation capacity by Teleport Everywhere Private Limited or its subsidiaries including, Teleport Commerce Malaysia Sdn. Bhd. ("Teleport") on routes operated by AAX.	<p>Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun</p>	USD33,105,316 (RM149,031,398)
29. TAAX	Purchase of TAAX's cargo transportation capacity by Teleport on routes operated by TAAX.	<p>Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun</p>	USD15,422,149 (RM15,795,728)
30. TAAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the Airasia Rewards Programme operated and managed by BIGLIFE for TAAX flights and other ancillary products and services.	<p>Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun</p>	Nil

Transacting No.	Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2023)
EXPENSES				
31.	Notel Management	The contract for this RRPT(s) was signed between Notel Management and AirAsia SEA for the provision of hotel services to Capital A Group and/or its affiliates and/or its guests at corporate rates provided by Notel Management as hotel operator that manages hotels on behalf of the following entities that directly invoice the respective entities of Capital A Group: 1. OHG Services Sdn. Bhd.; and 2. ECML Hotels.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM6,122,919
32.	TPGB	To participate in the BIG Loyalty Programme as a merchant partner to purchase BIG Points from BIGLIFE for the purpose of awarding it to TPGB's subscribers.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM17,297
33.	Ikhlas Com Travel and Umrah Sdn. Bhd.	Partnership agreements between IKHLAS and Ikhlas Com Travel and Umrah Sdn. Bhd. for the usage of Ministry of Tourism, Arts and Culture (Inbound, Outbound, Ticketing and Umrah) travel agent licence.	Interested Directors and Major Shareholders Datuk Kamarudin bin Meranun	Nil
34.	Intrinsic Capital Management Sdn. Bhd.	Partnership agreements between IKHLAS and Intrinsic Capital Management Sdn. Bhd. for the usage of studio venue located at Ukay Boulevard.	Interested Directors and Major Shareholders Datuk Kamarudin bin Meranun	RM3,000
35.	AAX	Line Maintenance Agreement between Asia Digital Engineering Sdn. Bhd. and AAX for the provision of resources to ensure the smooth operations of aircraft maintenance which include manpower, tooling and store.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM13,054,194
36.	AAX	Partnership agreements between IKHLAS and AAX for the commercial arrangement to appoint IKHLAS as an exclusive Sales & Distribution partner for the Saudi sectors that AAX is offering.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM2,825,078
37.	AAX	Santan Restaurant Sdn. Bhd. to enter into an agreement for supply chain services with AAX to supply airline catering, merchandise and duty free to AAX as part of its inflight services.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM10,139,219
38.	AAX	Act as acquirer for all Close Loop Transactions and responsible for including but not limited to, acquiring, servicing, billing to, collecting from, setting the Merchant Rate and authorising of BigPay Card transactions.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	RM67,782
39.	AAX	Provision of the rights to operate scheduled air services under the "AIRASIA" trade name and livery of Brand AA.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil
40.	TAAX	Provision of the rights to operate scheduled air services under the "AIRASIA" trade name and livery of Brand AA.	Interested Directors and Major Shareholders Tan Sri Anthony Francis Fernandes Datuk Kamarudin bin Meranun	Nil

The Related Parties relationships are as per the Circular/Statement to shareholders dated 28 April 2023 which was approved at the Annual General Meeting held on 15 June 2023.

Additional Compliance Information (cont'd)

5. EMPLOYEES SHARE OPTION SCHEME (“ESOS”)

On 2 August 2021, the Company had implemented a long-term incentive scheme (“LTIS”) comprising of Employees Share Option Scheme (“ESOS”) and a Share Grant Scheme, which involves up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible employees and directors (“Eligible Employees”) of Capital A and its subsidiaries (excluding dormant subsidiaries) (“Group”) at any point of time throughout the duration of the LTIS. The ESOS is currently the only existing employees’ share option scheme under the Company.

Some of the details of the ESOS are set out below:-

Date of grant of options	Exercise price per option RM	Number of options				
		Granted	Balance as of 1 January 2023	Exercised	Lapsed	Balance as of 31 December 2023
3 August 2021	0.7425	159,400,000	126,200,000	-	20,200,000	106,000,000

(a) No options were granted to the Executive Directors of the Company under the ESOS. The options granted to the senior management was approximately 11.67%.

(b) The Non-Executive Directors of the Company are not eligible to participate in the ESOS.

Analysis of Shareholdings

as at 1 April 2024

ORDINARY SHARES

Total number of issued shares	:	4,254,679,350
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

Size of shareholdings	No. of		No. of	
	shareholders	%	shares	%
Less than 100	470	0.512	9,455	0.000
100 - 1,000	20,904	22.787	13,788,547	0.324
1,001 - 10,000	45,703	49.820	219,394,682	5.156
10,001 - 100,000	21,720	23.676	686,336,651	16.131
100,001 to less than 5% of issued shares	2,936	3.200	2,309,664,933	54.285
5% and above of issued shares	3	0.003	1,025,485,082	24.102
	91,736	100.000	4,254,679,350	100.000

SUBSTANTIAL SHAREHOLDERS

	No. of ordinary shares			
	Direct interest	%	Indirect interest	%
Tune Live Sdn. Bhd.	509,000,000 ⁽¹⁾	11.963	-	-
Tune Air Sdn. Bhd.	516,485,082 ⁽²⁾	12.139	-	-
Positive Boom Limited	332,498,504 ⁽³⁾	7.815	-	-
Tan Sri Anthony Francis Fernandes	1,600,000 ⁽⁴⁾	0.037	1,025,485,082 ⁽⁶⁾	24.103
Datuk Kamarudin bin Meranun	2,000,000 ⁽⁵⁾	0.047	1,025,485,082 ⁽⁶⁾	24.103
Choi Chiu Fai, Stanley	-	-	332,498,504 ⁽⁷⁾	7.815

Notes:

(1) Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Live Sdn. Bhd.

(2) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Air Sdn. Bhd.

(3) Shares held under own name, UOB Kay Hian Nominees (Asing) Sdn. Bhd. and Kenanga Nominees (Asing) Sdn. Bhd. for Positive Boom Limited.

(4) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tan Sri Anthony Francis Fernandes

(5) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Datuk Kamarudin bin Meranun.

(6) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd.

(7) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Positive Boom Limited.

Analysis of Shareholdings (cont'd)
as at 1 April 2024

DIRECTORS' SHAREHOLDINGS

	No. of ordinary shares			
	Direct interest	%	Indirect interest	%
Tan Sri Anthony Francis Fernandes	1,600,000 ⁽¹⁾	0.037	1,025,485,082 ⁽²⁾	24.103
Datuk Kamarudin bin Meranun	2,000,000 ⁽¹⁾	0.047	1,025,485,082 ⁽²⁾	24.103
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar bin Merican	100,000 ⁽³⁾	*	-	-

Notes:

* Negligible.

(1) Shares held under HSBC Nominees (Tempatan) Sdn Bhd.

(2) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Air Sdn. Bhd. and Tune Live Sdn. Bhd.

(3) Shares held under Alliance Group Nominees (Tempatan) Sdn. Bhd.

THIRTY LARGEST SHAREHOLDERS

Name of shareholders	No. of shares held	%
1 HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Credit Suisse AG, Singapore For Tune Air Sdn. Bhd.</i>	516,485,082	12.139
2 RHB Capital Nominees (Tempatan) Sdn Bhd <i>RHB Islamic Bank Berhad Pledged Securities Account For Tune Live Sdn Bhd</i>	260,469,710	6.121
3 HSBC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Credit Suisse AG, Singapore For Tune Live Sdn. Bhd.</i>	248,530,290	5.841
4 Positive Boom Limited	167,098,704	3.927
5 Kenanga Nominees (Asing) Sdn Bhd <i>Exempt An For Guotai Junan Securities (Hong Kong) Limited (Client Account)</i>	164,756,000	3.872
6 Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	155,159,000	3.646
7 HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt An For BNP Paribas Singapore Branch (Local)</i>	113,000,000	2.655
8 Citigroup Nominees (Asing) Sdn Bhd <i>CBHK PBGSG For Global Asean Investment Limited</i>	84,000,000	1.974
9 Cartaban Nominees (Tempatan) Sdn Bhd <i>RHB Trustees Berhad For Kenanga Absolute Return Fund</i>	73,655,634	1.731
10 RHB Capital Nominees (Asing) Sdn Bhd <i>Aimia Inc.</i>	55,235,845	1.298
11 HSBC Nominees (Asing) Sdn Bhd <i>BJB Zur For Shiva Fernandes</i>	49,650,000	1.166
12 Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn. Bhd. (2)</i>	47,284,659	1.111
13 Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG For Oasis Investments II Master Fund Ltd.</i>	41,634,200	0.978

Name of shareholders	No. of shares held	%
14 Cartaban Nominees (Tempatan) Sdn Bhd <i>icapital.biz Berhad</i>	36,854,100	0.866
15 Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	27,500,000	0.646
16 Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 - Wawasan</i>	20,000,000	0.470
17 Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	18,498,800	0.434
18 Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund PPES For PIMCO RAE Emerging Markets Fund</i>	18,237,700	0.428
19 Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	14,639,100	0.344
20 Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Kiang Ann (7005892)</i>	14,237,800	0.334
21 HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Bank Julius Baer & Co. Ltd. (Singapore Bch)</i>	14,086,733	0.331
22 Kong Goon Khing	13,999,000	0.329
23 Cartaban Nominees (Asing) Sdn Bhd <i>The Bank Of New York Mellon For First Trust Emerging Marketssmall Cap Alphadex Fund</i>	12,777,800	0.300
24 Goh Hian Tim	12,000,000	0.282
25 CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Lim Chee Hwa (PB)</i>	11,514,800	0.270
26 CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Nyuk Sang @ Freddy Lim (MQ0423)</i>	10,666,666	0.250
27 Tabung Warisan Negeri Selangor	10,000,000	0.235
28 Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (LBF)</i>	8,181,700	0.192
29 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For UBS AG Singapore (Foreign)</i>	8,169,900	0.192
30 Affin Hwang Nominees (Asing) Sdn Bhd <i>Phillip Securities Pte Ltd For Rakuten Securities Inc</i>	7,389,300	0.173

Analysis of Redeemable Convertible Unsecured Islamic Debt Securities (“RCUIDS”) Holdings as at 1 April 2024

RCUIDS 2021/2028

Total number of RCUIDS issued : 942,729,819
 Conversion price of RCUIDS : RM0.75 each
 Expiry date of RCUIDS : 29 December 2028
 Voting rights : No voting rights

Size of holdings	No. of RCUIDS holders		No. of RCUIDS	
		%		%
Less than 100	596	6.476	27,588	0.002
100 - 1,000	2,386	25.929	1,457,820	0.154
1,001 - 10,000	4,430	48.141	18,198,909	1.930
10,001 - 100,000	1,531	16.637	46,756,190	4.959
100,001 to less than 5% of issued RCUIDS	254	2.760	214,890,276	22.794
5% and above of issued RCUIDS	5	0.054	661,399,036	70.157
	9,202	100.000	942,729,819	100.000

DIRECTORS' RCUIDS HOLDINGS

	No. of RCUIDS			
	Direct interest	%	Indirect interest	%
Tan Sri Anthony Francis Fernandes	-	-	343,028,359 ⁽¹⁾	36.387
Datuk Kamarudin bin Meranun	-	-	343,028,359 ⁽¹⁾	36.387
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar bin Merican	250,000 ⁽²⁾	0.027	-	-

Notes:

(1) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sky Accord Sdn. Bhd.
 (2) RCUIDS held under Alliance Group Nominees (Tempatan) Sdn. Bhd.

THIRTY LARGEST RCUIDS HOLDERS

Name of RCUIDS holders	No. of RCUIDS held	%
1 Citigroup Nominees (Tempatan) Sdn Bhd <i>Kenanga Investors Berhad For Sky Accord Sdn. Bhd.</i>	343,028,359	36.386
2 Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For Kenanga Investors Bhd</i>	141,419,110	15.001
3 Kenanga Nominees (Asing) Sdn Bhd <i>Exempt An For Guotai Junan Securities (Hong Kong) Limited (Client Account)</i>	64,918,666	6.886
4 Citigroup Nominees (Tempatan) Sdn Bhd <i>CBHK PBGSG For Calvin Lau Chuen Yien</i>	56,333,333	5.975
5 M & A Nominee (Asing) Sdn Bhd <i>For Positive Boom Limited</i>	55,699,568	5.908
6 Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn. Bhd. (2)</i>	44,957,915	4.768
7 DB (Malaysia) Nominee (Asing) Sdn Bhd <i>Exempt An For Deutsche Bank AG Singapore (Maybank SG PWM)</i>	22,500,000	2.386
8 Cartaban Nominees (Tempatan) Sdn Bhd <i>RHB Trustees Berhad For Kenanga Absolute Return Fund</i>	17,645,300	1.871
9 HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt An For BNP Paribas Singapore Branch (Local)</i>	15,999,999	1.697
10 Cartaban Nominees (Tempatan) Sdn Bhd <i>Icapital.biz Berhad</i>	9,760,733	1.035
11 Leong Yeng Kit	8,483,333	0.899
12 Lau Chuen Wai William	6,000,000	0.636
13 CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Lim Chee Hwa (PB)</i>	3,754,933	0.398
14 HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Rozman Bin Omar</i>	2,460,000	0.260
15 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Teck Soon</i>	2,405,600	0.255
16 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Beh Lee Fong (E-SS2)</i>	2,254,800	0.239
17 Kenanga Nominees (Tempatan) Sdn Bhd <i>Kho Chai Yam</i>	2,222,333	0.235
18 CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Mohammed Amin Bin Mahmud (MM1004)</i>	2,206,000	0.234

**Analysis of Redeemable Convertible Unsecured Islamic Debt Securities (“RCUIDS”) Holdings (cont’d)
as at 1 April 2024**

Name of RCUIDS holders	No. of RCUIDS held	%
19 Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Mohammed Rashdan Bin Mohd Yusof</i>	1,790,900	0.189
20 Citigroup Nominees (Asing) Sdn Bhd <i>Legal & General Assurance (Pensions Management) Limited (A/C 1125250001)</i>	1,688,591	0.179
21 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Kee Yek (E-SS2)</i>	1,274,500	0.135
22 HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	1,241,832	0.131
23 UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teo Kwee Hock</i>	1,158,700	0.122
24 Syed Faisal Albar Bin Syed A.R Albar	1,100,000	0.116
25 Ng Fung Lang	1,000,000	0.106
26 Ng Loo Soon	1,000,000	0.106
27 Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	962,033	0.102
28 AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kho Chai Yam</i>	940,166	0.099
29 Lai Ming Chun @ Lai Poh Lin	887,600	0.094
30 Mohammed Amin Bin Mahmud	835,700	0.088

Analysis of Warrants Holdings

as at 1 April 2024

WARRANTS 2021/2028

Total number of outstanding warrants	:	649,670,148
Conversion price of warrants	:	RM1.00 each
Expiry date of warrants	:	29 December 2028
Voting rights	:	No voting rights

Size of holdings	No. of warrants holders		No. of warrants	
		%		%
Less than 100	931	8.945	44,090	0.006
100 - 1,000	3,602	34.607	1,911,771	0.294
1,001 - 10,000	3,783	36.347	15,115,738	2.326
10,001 - 100,000	1,621	15.574	56,044,278	8.626
100,001 to less than 5% of issued warrants	469	4.506	334,330,537	51.461
5% and above of issued warrants	2	0.019	242,223,734	37.284
	10,408	100.000	649,670,148	100.000

Directors' Warrants Holdings

	No. of Warrants			
	Direct interest	%	Indirect interest	%
Tan Sri Anthony Francis Fernandes	-	-	171,514,179 ⁽¹⁾	26.400
Datuk Kamarudin bin Meranun	-	-	171,514,179 ⁽¹⁾	26.400
Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar bin Merican	-	-	-	-

Note:

(1) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sky Accord Sdn. Bhd.

Analysis of Warrants Holdings (cont'd)
as at 1 April 2024

THIRTY LARGEST WARRANTS HOLDERS

Name of Warrants holders	No. of Warrants held	%
1 Citigroup Nominees (Tempatan) Sdn Bhd <i>Kenanga Investors Berhad For Sky Accord Sdn. Bhd.</i>	171,514,179	26.400
2 Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For Kenanga Investors Bhd</i>	70,709,555	10.883
3 Kenanga Nominees (Asing) Sdn Bhd <i>Exempt An For Guotai Junan Securities (Hong Kong) Limited (Client Account)</i>	32,459,333	4.996
4 Citigroup Nominees (Asing) Sdn Bhd <i>CBHK PBGSG For Global Asean Investment Limited</i>	28,166,666	4.335
5 Positive Boom Limited	27,849,784	4.286
6 Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn. Bhd. (2)</i>	21,225,742	3.267
7 RHB Capital Nominees (Asing) Sdn Bhd <i>Aimia Inc.</i>	20,245,568	3.116
8 DB (Malaysia) Nominee (Asing) Sdn Bhd <i>Exempt An For Deutsche Bank AG Singapore (Maybank SG PWM)</i>	11,250,000	1.731
9 Syed Hossin Bin Wan Hamit	10,509,300	1.617
10 HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt An For BNP Paribas Singapore Branch (Local)</i>	7,999,999	1.231
11 Kok Yoon Lim	6,534,100	1.005
12 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For OCBC Securities Private Limited (Client A/C-NR)</i>	6,352,182	0.977
13 Cartaban Nominees (Tempatan) Sdn Bhd <i>Icapital.biz Berhad</i>	4,880,366	0.751
14 Lau Chuen Wai William	3,000,000	0.461
15 Sin Hock	2,699,300	0.415
16 Maybank Nominees (Tempatan) Sdn Bhd <i>Tan Kean Cheng</i>	2,247,000	0.345
17 Tee Boon Keat	2,100,000	0.323
18 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Beh Lee Fong (E-SS2)</i>	2,064,500	0.317
19 Koay Swee Teik	2,017,800	0.310

Name of Warrants holders	No. of Warrants held	%
20 Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd For Tam Thin Choy</i>	2,000,000	0.307
21 Public Invest Nominees (Asing) Sdn Bhd <i>Exempt An For Phillip Securities Pte Ltd (Clients)</i>	1,950,571	0.300
22 CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tay Moy Koh (Segamat-CL)</i>	1,886,800	0.290
23 CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Lim Chee Hwa (PB)</i>	1,877,466	0.288
24 Maybank Nominees (Tempatan) Sdn Bhd <i>Lian Choy Ling</i>	1,680,000	0.258
25 Liew Loo Chon	1,650,000	0.253
26 Tee Boon Kee	1,650,000	0.253
27 Theng Yoke Weng	1,650,000	0.253
28 Chan Kean Cheong	1,400,000	0.215
29 Tan Kean Cheng	1,340,900	0.206
30 Eg Kaa Chee	1,327,600	0.204

List of Properties Held

Owner of Building	Postal Address/ Location of Building	Description/ Existing Use of Building	Tenure/Date of Expiry of Lease	Built-Up Area	Approximate Age of Building	Audited Net Book Value As At 31 Dec 2023 ('000)
AirAsia Berhad	Part of PT.39, Taxiway Charlie at KLIA, KLIA	Non- permanent structure/ aircraft maintenance hangar	29 February 2024 ⁽¹⁾	2,400 sqm	21 years	1,304
	RedQ, Jalan Pekeliling 5, Kuala Lumpur International Airport 2 (KLIA2), KL International Airport, 64000 Sepang, Selangor Darul Ehsan.	Permanent Structure/ Office building & car park	31 January 2034 ⁽²⁾	56,000 sqm	7 years	131,616
Asia Digital Engineering Sdn Bhd ⁽³⁾	RedChain Engineering Building, Jalan KLIA S3, Southern Support Zone, 64000 KLIA, Selangor Darul Ehsan, Malaysia.	Permanent Structure/ Office building	31 January 2034 ⁽⁴⁾	21,227 sqm	6 years	43,717

⁽¹⁾ The land area occupied is approximately 2,400 square metres. The land is owned by Malaysia Airports (Sepang) Sdn. Bhd. (MAB). The properties completion date was on December 2003. Revaluation of properties has not been carried out on any of the above properties to date.

⁽²⁾ This refers to the date of expiry of the concession from Malaysia Airports Holdings Berhad for the plot of land occupied by the AirAsia Headquarters (RedQ).

⁽³⁾ RedChain was transferred to ADE in December 2021. Currently, in the process of novation and estimated to complete by June 2024.

⁽⁴⁾ This refers to the date of expiry of the concession from Malaysia Airports Holdings Berhad for the plot of land occupied by the AirAsia Engineering Complex (RedChain).

Capital A Berhad (formerly known as AirAsia Group Berhad) does not hold any properties under its name.

Owner of Building	Postal Address/ Location of Building	Description/ Existing Use of Building	Tenure/Date of Expiry of Lease	Built-Up Area	Approximate Age of Building	Non-Audited Net Book Value As At 31 Dec 2023 (IDR Billions)
PT Indonesia AirAsia	Jalan Marsekal Surya Darma No.1, Sub-District of Selampang Jaya, District of Batuaceper, City of Tangerang, Province of Banten, Postcode 15127, Indonesia	Permanent Structure/ Office building & car park	Owned (Mortgage with CIMB)	11,200 sqm	9 years	321

DESCRIPTION OF THE PREMISES

RedHouse is an office building with a total building area of 11,200 square metres on a 12,463-square metre site with the following attributes:

Key Information

Registered Owner	PT AirAsia Mitra Investama	
Address	Jalan Marsekal Suryadharma, the Sub-District of Selampang Jaya, District of Neglasari, City of Tangerang, Province of Banten, Indonesia	
Type of Asset	Operational	
Type of Property	Office	
Year of Construction	2014	
Land Title	Under 13 Hak Guna Bangunan (Right to Build) and 2 Serifikat Hak Milik (Freehold) Land Certificates	
Land Use Planning	Trading and services uses (Kawasan Peruntukkan Perdagangan dan Jasa)	
Ownership	Ownership or time sharing with Freehold Certificate (SHM) and Rights to Build (SHGB)	
Number of Storeys	6	
Floor Areas	Main building 1st Floor Building - 1,847 sqm 2nd Floor Building - 1,558 sqm 3rd Floor Building - 1,833 sqm 4th Floor Building - 1,833 sqm 5th Floor Building - 1,880 sqm 6th Floor Building - 690 sqm Slab Concrete Building - 668 sqm Flat Roof Building - 781 sqm	Supporting Building Management Building - 158 sqm

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of Capital A Berhad (“Capital A” or the “Company”) will be conducted on a virtual basis through live streaming and online remote voting from the broadcast venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) via **TIIH Online** website at <https://tiih.online> on Thursday, 13 June 2024 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2023.

Please refer to Explanatory Note A.

2. To approve the Directors’ fees, allowances and benefits payable to Non-Executive Directors’ as set out in the explanatory note for the period from 14 June 2024 until the next Annual General Meeting of the Company to be held in the year 2025.

(Ordinary Resolution 1)

Please refer to Explanatory Note B.

3. To re-elect the following Directors who retire by rotation in accordance with Rule 119 of the Company’s Constitution and, being eligible, have offered themselves for re-election:-

(a) Tan Sri Anthony Francis Fernandes; and

(b) Dato’ Abdel Aziz @ Abdul Aziz Bin Abu Bakar.

(Ordinary Resolution 2)

(Ordinary Resolution 3)

Please refer to Explanatory Note C.

4. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.

(Ordinary Resolution 4)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions:-

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

“**THAT**, subject to the Companies Act, 2016 (“Act”), the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company and approvals of the relevant authorities, where required, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot new shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being **AND THAT** the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation for the additional shares so issued **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier.”

(Ordinary Resolution 5)

Please refer to Explanatory Note D.

6. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular/Statement to Shareholders dated 30 April 2024, provided that such arrangements and/or transactions which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the “Proposed RRPT Mandate”).

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) it is revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate.”

Please refer to Explanatory Note E.

(Ordinary Resolution 6)

Notice of Annual General Meeting (cont'd)**7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

“THAT, subject to the Act, the Company’s Constitution, Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company through Bursa Securities and to take all such steps as are necessary (including the opening and maintaining of a central depository account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company, subject further to the following:-

- i. the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase; and
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company.

THAT such authority shall commence immediately upon the passing of this resolution until:

- a. the conclusion of the next AGM of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of the purchase of its own ordinary shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authorities.

AND THAT upon completion of the purchase(s) of the ordinary shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to cancel all the ordinary shares so purchased or retain all the ordinary shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act) or retain part thereof as treasury shares and cancelling the balance, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.”

Please refer to Explanatory Note F.

(Ordinary Resolution 7)

8. To transact any other business of which due notice shall have been given.

By Order of the Board

CYNTHIA GLORIA LOUIS
(SSM PC NO. 201908003061) (MAICSA 7008306)
CHEW MEI LING
(SSM PC NO. 201908003178) (MAICSA 7019175)

Company Secretaries
Selangor Darul Ehsan, Malaysia
30 April 2024

IMPORTANT NOTES

VIRTUAL AGM

- (i) The Seventh Annual General Meeting of the Company (“7th AGM”) will be held on a virtual basis through live streaming and online remote voting from the Broadcast Venue using Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn Bhd which are available on its TIIH Online website at <https://tiih.online>. Please follow the procedures as set out in the **Administrative Note** for the 7th AGM which is available on the Company’s website at www.capitala.com to register, participate, speak and vote remotely via the RPV.
- (ii) The **Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act** which requires the Chairman of the meeting to be present at the main venue of the 7th AGM.
- (iii) **No members or proxies shall be physically present at the Broadcast Venue on the day of the 7th AGM.**

APPOINTMENT OF PROXY

- (i) A member who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 7th AGM of the Company via RPV is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. Where two (2) proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
- (ii) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (iii) A member who is an exempt authorised nominee for multiple beneficial owners in one securities account (“Omnibus Account”) may appoint any number of proxies in respect of the Omnibus Account.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (v) All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA Selangor, Malaysia or lodged electronically via the **TIIH Online** website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting. **Faxed copies of the duly executed form of proxy are not acceptable.**

Notice of Annual General Meeting (cont'd)

- (vi) Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company's Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the AGM.
- (vii) A member who has appointed a proxy or authorised representative or attorney to participate in the 7th AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Note.
- (viii) For the purpose of determining members who shall be entitled to attend the 7th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 5 June 2024. Only depositors whose names appear on the Record of Depositors as at 5 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.
- (ix) Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all resolutions set out in the notice of 7th AGM will be put to vote by poll.
- (x) By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 7th AGM or any adjournment thereof.

EXPLANATORY NOTES:**A. Audited Financial Statements for the financial year ended 31 December 2023**

The Audited Financial Statements under Agenda item 1 is meant for discussion only as the provision of Section 340(1) of the Act does not require formal approval of shareholders. As such, this item is not put forward for voting.

B. Ordinary Resolution 1 - Payment of Directors' Remuneration

The Board affirmed for an increase in:-

- the basic board fee from RM262,500 per annum to RM290,000 per annum;
- audit committee chairman fee from RM75,000 per annum to RM110,000 per annum; and
- audit committee member fee from RM60,000 per annum to RM75,000 per annum,

for the period from 14 June 2024 until the next Annual General Meeting of the Company to be held in the year 2025 as shown below:-

Non-Executive Directors' Fees (per annum)	Non-Executive Chairman (RM)	Per Non-Executive Director/Per other Committee Member (RM)
Board of Directors	N/A	290,000
Audit Committee	110,000	75,000
Nomination and Remuneration Committee	55,000	35,000
Safety Review Board	55,000	35,000
Risk Management and Sustainability Committee	55,000	35,000

Non-Executive Directors' Benefits (per attendance by each Director or committee member)	Board of Directors (RM)	Board Committees (RM)
Meeting allowance	2,000	2,000

Other Non-Executive Directors' Benefits		
Insurance premiums on medical coverage, and other claimable expenses incurred in the course of carrying out their duties.	Up to a total amount of RM100,000 for all Non-Executive Directors.	

At this 7th AGM, the Company is seeking its shareholders' approval for the payment of the remuneration to the Non-Executive Directors of the Company for the period commencing 14 June 2024 until the next AGM to be held in the year 2025 in accordance with the remuneration structure as set out above, on a monthly basis and/or as and when incurred.

C. Ordinary Resolutions 2 and 3 - Re-election of Directors

In accordance with Rule 119 of the Company's Constitution, Tan Sri Anthony Francis Fernandes and Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar ("retiring directors") are due to retire by rotation, and being eligible, have offered themselves for re-election at the 7th AGM.

The Board through the Nomination and Remuneration Committee ("NRC") had undertaken an annual assessment evaluation and fit and proper assessment of the retiring directors.

The retiring directors have met the fit and proper criteria of Character and Integrity, Experience and Competence as well as Time and Commitment as set up in the Directors' Fit and Proper Policy of the Company and the Board is satisfied with the performance and contribution of the retiring directors. The Board has deliberated and endorsed the NRC's recommendation on their re-election and recommended the re-election of the retiring directors for approval by the shareholders at the forthcoming 7th AGM.

The profiles of the retiring directors who are standing for re-election are set out in the Company's Annual Report 2023.

Notice of Annual General Meeting (cont'd)**D. Ordinary Resolution 5 - Authority to issue and allot shares pursuant to the Act**

The proposed Ordinary Resolution 5, if passed, will empower the Directors to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to this mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. This mandate sought is a renewal of the mandate which was approved by shareholders at the last AGM held on 15 June 2023. As at the date of this notice, the Company has not issued any new shares under this mandate which will lapse at the conclusion of the 7th AGM.

The renewal of the general mandate, if approved, will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid any delay or costs involved in convening a general meeting for such issuance of shares.

This mandate will, unless revoked or varied by the Company in the general meeting, expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

E. Ordinary Resolution 6 - Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Proposed Ordinary Resolution 6, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature set out in the Circular/Statement to Shareholders of the Company dated 30 April 2024 which are necessary for the Group's day-to-day operations. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

Please refer to the Circular/Statement to Shareholders dated 30 April 2024 for further information.

F. Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority

The proposed adoption of Ordinary Resolution 7 is for the purpose of renewing the authority granted by the shareholders of the Company at the last AGM held on 15 June 2023. The aforesaid proposed renewal will allow the Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company.

This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Circular/Statement to Shareholders dated 30 April 2024.

Glossary

Airlines

Aircraft at end of period	Number of aircraft owned or on lease for more than one month at the end of the period
Aircraft utilisation	Average number of block hours per day per aircraft operated
Available seat kilometre (ASK)	Total seats flown multiplied by the number of kilometres flown
Average fare	Passenger seat sales, surcharges and fees divided by number of passengers
Block hours	Hours of aircraft service, measured from the time the aircraft leaves the terminal at the departure airport to the time it arrives at the terminal at the destination airport
Capacity	Number of seats flown
Cost per ASK (CASK)	Revenue less net operating profit divided by available seat kilometres
Cost per ASK, excluding fuel (CASK ex fuel)	Revenue less net operating profit and aircraft fuel expenses, divided by available seat kilometres
Load factor	Number of passengers as a percentage of capacity
Operating aircraft at end of period	Number of operational aircraft at the end of the period, excluding operational and maintenance spares
Passengers carried	Number of earned seats flown, including seats sold to passengers (including no-shows), seats provided for promotional purposes and seats provided to staff for business travel
Revenue per ASK (RASK)	Revenue excluding lease income divided by available seat kilometres
Revenue passenger kilometre (RPK)	Number of passengers multiplied by the distance (in kilometres) they have flown
Stage Length	Length of a one-way flight journey

Digital, Logistics and Aviation Services

Average monthly gross booking value	Average booking price for all bookings of super app products in a month
Average monthly active users (MAU)	Number of unique users who visit a site within the month
Carded users	Number of users with an active card
Tonnage (tonnes)	Cargo capacity sold and utilised
Number of deliveries	Number of parcels sold and delivered
Inflight products	Number of units sold for perishable and non-perishable food and beverages, duty free and merchandise products
Flights handled	Number of flights handled
Cargo handled (tonnes)	Cargo handling in tonnes

This page has been intentionally left blank

CAPITAL A BERHAD

[Registration No.: 201701030323 (1244493-V)]

Incorporated in Malaysia

FORM OF PROXY

CDS Account No.: (Nominees Account Only)	No. of shares held:

I/We _____ NRIC No./Passport No./Co. No.: _____
(FULL NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN BLOCK LETTERS) (COMPULSORY)

of _____
(FULL ADDRESS)

telephone no. _____, email address _____

being a member(s) of CAPITAL A BERHAD ("the Company") hereby appoint:-

Full Name in Block Letters	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:-	Telephone no.		
	Email address		

*and/or

Full Name in Block Letters	NRIC No./Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:-	Telephone no.		
	Email address		

*or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy(ies) to vote in my/our name and on my/our behalf at the Seventh Annual General Meeting ("7th AGM") of the Company to be conducted on a virtual basis through live streaming and online remote voting from the broadcast venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") via TIIH Online website at <https://tiih.online> on Thursday, 13 June 2024 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:

		FOR	AGAINST
Ordinary Business			
Ordinary Resolution 1	To approve the Directors' fees, allowances and benefits payable to Non-Executive Directors for the period from 14 June 2024 until the next Annual General Meeting of the Company.		
Ordinary Resolution 2	Re-election of Tan Sri Anthony Francis Fernandes as a Director		
Ordinary Resolution 3	Re-election of Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar as a Director		
Ordinary Resolution 4	Re-appointment of Ernst & Young PLT as Auditors and to authorise the Directors to determine their remuneration		
Special Business			
Ordinary Resolution 5	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 6	Proposed renewal of shareholders' mandate and new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature		
Ordinary Resolution 7	Proposed Renewal of Share Buy-Back Authority		

(Please indicate with an "X" in the appropriate box how you wish your vote to be cast. In the absence of specific instruction, the proxy(ies) will vote or abstain from voting at his/her discretion.)

* Delete if not applicable.

Signed this _____ day of _____ 2024

Signature(s)/Common Seal of Member(s)

IMPORTANT NOTES

VIRTUAL AGM

- (i) The Seventh Annual General Meeting of the Company ("7th AGM") will be held on a virtual basis through live streaming and online remote voting from the Broadcast Venue using Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd which are available on its **TIIH Online** website at <https://tiih.online>. Please follow the procedures as set out in the **Administrative Note** for the 7th AGM which is available on the Company's website at www.capitala.com to register, participate, speak and vote remotely via the RPV.
- (ii) The **Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016** which requires the Chairman of the meeting to be present at the main venue of the 7th AGM.
- (iii) **No members or proxies shall be physically present at the Broadcast Venue on the day of the 7th AGM.**

APPOINTMENT OF PROXY

- (i) A member who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 7th AGM of the Company via RPV is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. Where two (2) proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
- (ii) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (iii) A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (v) All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor, Malaysia or lodged electronically via the **TIIH Online** website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting. **Faxed copies of the duly executed form of proxy are not acceptable.**
- (vi) Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company's Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the AGM.
- (vii) A member who has appointed a proxy or authorised representative or attorney to participate in the 7th AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Note.
- (viii) For the purpose of determining members who shall be entitled to attend the 7th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 5 June 2024. Only depositors whose names appear on the Record of Depositors as at 5 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.
- (ix) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of 7th AGM will be put to vote by poll.
- (x) By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 7th AGM or any adjournment thereof.

PLEASE FOLD HERE



The Company Secretaries
CAPITAL A BERHAD
[Registration No.: 201701030323 (1244493-V)]

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

PLEASE FOLD HERE

Capital A

Capital A Berhad
[Registration No.: 201701030323 (1244493-V)]

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

Tel : (603) 8660 4333
Fax: (603) 8660 7711
Email : capitala_ir@airasia.com

