

**CAPITAL A BERHAD**  
[Registration No.: 201701030323 (1244493-V)]  
("Capital A" or "the Company")  
(Incorporated in Malaysia)

Minutes of the Seventh Annual General Meeting of the Company ("**7th AGM**" or "**Meeting**") 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.

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Present & In Attendance: As per Attendance List

## **1.0 WELCOME & INTRODUCTION**

- 1.1 On behalf of the Board of Directors and the Company, Ms. Maryanna Kim, the emcee (the "**Emcee**") for the Meeting, welcomed the shareholders to the 7th AGM.
- 1.2 The Emcee then introduced the members of the Board, Senior Management, the Company Secretary and the representatives of the Company's auditors, Messrs Ernst & Young PLT, who were present at the Broadcast Venue and Senior Management who were in attendance via video conferencing.

## **2.0 CHAIRMAN OF THE MEETING**

- 2.1 The Chairman, Y. Bhg. Datuk Kamarudin bin Meranun (the "**Chairman**" or "**Datuk Kamarudin**"), took the chair of the Meeting.
- 2.2 Following a confirmation from the Company Secretary that there was a quorum present in accordance with the Company's Constitution, the Chairman declared the Meeting duly convened.

## **3.0 NOTICE OF THE MEETING**

- 3.1 The notice convening the Meeting dated 30 April 2024, having been circulated earlier was taken as read.
- 3.2 Before the Meeting proceeded with the items on the Agenda, the Chairman informed that all resolutions tabled at the Meeting would be voted by way of a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 3.3 The Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the polling process and Aldpro Corporate Services Sdn. Bhd. as Independent Scrutineer to verify the results of the poll.
- 3.4 Shareholders were informed that voting on the resolutions could be done at any time throughout the Meeting until the conclusion of the voting session and were welcomed to raise questions in real time by submitting questions via the query box.
- 3.5 The Chairman further highlighted that the Board and Senior Management team will address as many questions as possible during the question and answer (Q&A) session after the Meeting has deliberated on all items on the agenda. The responses to questions not addressed during the Q&A session due to time constraint would be e-mailed at the earliest possible, after the Meeting.

#### 4.0 SUMMARY OF THE BUSINESS OUTLOOK FOR 2024

- 4.1 The Chairman invited the Chief Executive Officer (“CEO”) of the Company, Y. Bhg. Tan Sri Anthony Francis Fernandes (“**Tan Sri Tony**”) to brief the shareholders on the business outlook for 2024. Tan Sri Tony took the shareholders through a presentation with a summary of the Group’s performance for the financial year 2023.
- 4.2 He highlighted that the revenue delivered at RM14.7 billion, surpassed financial year 2019 (FY2019) revenue by 24%, despite only operating at 80% of FY2019 aircraft. The Group contributed over RM2.4 billion in revenue while aviation revenue contribution reached RM13.6 billion. All segments saw significant YoY increase, indicating a strong recovery and growth momentum. Bigpay significantly narrowed its loss and there is a huge upside in the forthcoming year.
- 4.3 EBITDA recorded at RM1.9 billion represented a 38-fold increase from financial year 2022. EBITDA margin for Capital A group of companies and aviation business stood at 7% and 11% respectively.
- 4.4 Net cash from operating activities was RM1.4 billion, which was a notable improvement from previous years when cash flows were negative. A significant amount of cash were used to settle the existing debts and to bring the aircraft into operation.
- 4.5 He continued to brief the Meeting on the following matters:-

##### Aviation performance

- The load factor was 88%.
- Passengers carried increased to 57 million, representing 77% of FY2019.
- The increase in seat capacity to 65 million represented a significant recovery, reaching 74% of the seat capacity reported in FY2019.
- Out of a total fleet of 212 aircraft, 162 were in operation.
- Ancillary income increased to RM48 per pax and will continue to increase in the year.
- AirAsia was voted as the world’s best low-cost airline at the SKYTRAX WORLD AWARDS 2023 for the 14<sup>th</sup> consecutive year.
- The Philippine Government had allowed foreign shareholders to hold 100% stake in Philippine AirAsia.
- Starting from June 2023, the financial results of Thai AirAsia are fully consolidated into our financial statements, and thus, our results reflect fully the performance of our aviation business.
- The formation of a new airline in Cambodia with 51% stake.

##### Capital Aviation Services (“CAPAS”)

Under CAPAS, there are 2 main entities, namely Asia Digital Engineering (ADE) and Santan.

##### (i) ADE

- ADE had completed 100 c-checks in 2.5 years since its incorporation.
- The current baseline in Senai will be expanded by adding 2 additional hangars, making a total of 14 bay hangars which is expected to be completed by August 2024.
- It will be the biggest maintenance, repair and overhaul (“MRO”) in the world.

(ii) Santan

- Santan had sold 19.6 units of inflight products.
- It had sold >19,000 units of frozen meal within 2 months through partnership with leading retailers.

He also updated the Meeting on the performance of other companies under CAPAS.

Teleport

- Teleport delivered 29.9 million parcels and moved 198,848 tonnes on cargo tonnage.
- It became Southeast Asia's #1 air logistic on carried tonnage, overtaking Singapore Airline.
- It had inducted 3 A321F freighters called AWAN, PARI and BEI LNG.

Move Digital

- AirAsia Move had exceeded 15 million monthly active users and RM10 billion gross merchandise value ("GMV") in 2023.
- Completed 32.5 million transactions.
- Rebranded from airasia Superapp to airasia Move, and was awarded Asia's leading Online Travel Agency ("OTA") and Asia's best travel booking app by world Travel Tech 2023.
- BigPay had 1.5 million carded users.
- Bigpay year on year ("YoY") growth was 28% gross transaction value ("GTV") in 2023.

Capital A International (CAPI)

- Generated positive equity for the Group.
- CAPI will be listed on NASDAQ. Further update will be announced in July 2024.
- It will acquire the under-utilise brand in the Southeast Asia for loyalty income.

4.6 Tan Sri Tony further briefed the Meeting on the following sustainable achievements by the Company:-

- Guest Experience - Net Promoter Score raised from 36 to 51.
- Sustainable Supply Chain - 42% expenditure on local suppliers.
- Community Investment - AAF disbursed >RM91,690 to support expansion of social enterprises in Asean.
- Corporate Governance - Incorporated ESG risk categories into Enterprise Risk Management.
- Diversity & Inclusion - 7% female pilots.
- Health & Safety – achieved 7/7 Stars Safety Rating.
- Technology & Innovation - 6.5 million sheets of A4 paper saved through Digital Trip File.
- Climate Strategy - Operational efficiencies saving up to 40,971 tonnes of fuel and 129,469 tonnes of CO2 emissions.
- Capital A's ESG score ranked 15th out of 124 airlines by London Stock Exchange Group.
- Achieved score of 71%, highest among Asean-based carriers and among top performing global low-cost carriers.
- Awarded with AirAsia's GOLD Environmental Sustainability rating from the Centre for Aviation in its 2023 CAPA-Envest Global Airline Sustainability Benchmarking Report.
- Delivered the 11th lowest CO2 emissions per passenger and 12th lowest emission per seat in a survey of almost 80 airlines globally.

- Globally, Capital A earned a score of 40% in the latest S&P Corporate Sustainability Assessment, up from 32% in 2020.
  - Capital A's ESG score in Malaysia rose to 3.2 out of 5 in 2022, from 2.9 in 2020.
- 4.7 He then briefed the Meeting on the corporate exercise which involved the divestment of the aviation business.
- 4.8 The details of the transaction which will result in Capital A retaining 18% stake in AirAsia Group with the assumption of RM1 billion private placement by AirAsia Group. The equity holders of Capital A will own shares in 2 listed entities, i.e. Capital A and AirAsia Group. The targeted completion for the proposed aviation disposal is by quarter 4 of 2024 and the regularization plan by quarter 1 of 2025.
- 4.9 Tan Sri Tony went on update the shareholders on the business outlook for 2024, the strategic theme and the 5 businesses of the Group in the Meeting.
- 4.10 He then followed on with a presentation on the 2024 outlook for the following:-

#### Aviation Group

- It is expected that by the second quarter of 2024, 100% of the Group's fleet will be fully operational.
- The seat capacity and load factor will be increased to 90% each compared to pre-Covid levels.
- The Group had launched AirAsia Cambodia in May 2024 with inaugural domestic flights. The international routes are planned to begin in third quarter of 2024, expanding to 3 aircraft by end of the year.
- To restructure the existing loan and reduce current interest cost which stands at RM158 million.
- The Group is expected to reactivate 203 aircraft in quarter 2 2024 and the remaining will be reactivated in the second half of 2024.

#### CAPAS

- ADE is expanding its baseline capacity, with additional 6 hangars by quarter 3 2024 and additional 8 hangars by the fourth quarter of 2024.
- ADE is advancing the line maintenance operation in Cambodia (quarter 1 2024), Philippines (quarter 1 2024) and Indonesia (quarter 2 2024).
- Aims to be the fastest MRO turnaround.
- Santan aims to shorten the pre-booking cut off time for inflight meal from 24 hours to 1 hour and open more Santan counter at major airport to provide flexibility to the passengers.
- It is expected to expand Santan in-flight services to other airlines and go beyond airline to diversify the customer base.

#### Teleport

- To be the top 10 air logistic provider in Asia Pacific by volume and delivery within 24 hour any where in Asean.
- In 2024, the Group will simplify its products lineups into Teleport Air Cargo, Teleport Solutions and Teleport Next Day.
- Targeted to be pioneer in next-day e-commerce solution between China and Asean. Teleport will be the first point of contact for e-commerce volumes moving into Asean.
- Teleport continues to establish further partnerships beyond AirAsia's network. Air partners with VietJet Air Cargo and Pakistan International Airlines.

#### Move Digital

- Building AirAsia Move to be the top Asean OTA.
- To increase the monthly active user to 20 million.
- To enhance cross-selling opportunities across lines of business (“LOBs”).
- For BigPay, the Group will aim to focus on profitable segments.
- BigPay will have strategic partnerships with local banks to explore regional neobank.
- The company will expand to Thailand, followed by Indonesia and Philippines.

#### Capital A International (CAPI)

- To secure ownership of a portfolio of brands within the Group through Intellectual Property assignments.
- To have a brand extensions and collaborations, including licensing and merchandising.
- It is expected that AirAsia brand to be valued at USD2 billion by 2027.
- Finalise brand licensing agreements with non-airline businesses.

- 4.11 At the conclusion of the presentation by Tan Sri Tony, the Chairman informed that the Company had received a letter from the Minority Shareholder Watch Group (“**MSWG**”) for the 7th AGM. For the benefit of the shareholders, the questions raised in the MSWG’s letter, and the answers thereto were presented on the screen, and read out by the Emcee and answered by CEO respectively. The said questions and answers are stated in **Appendix 1** annexed herewith.

### **5.0 AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

- 5.1 The Chairman went on to inform that the first item on the Agenda was to receive the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon (“AFS and Reports”).

- 5.2 He explained that the AFS and Reports which were laid before the Meeting, were meant for discussion only because it does not require shareholders’ approval pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, it would not be put forth for voting.

- 5.3 The Chairman declared that the AFS and Reports were duly received.

### **6.0 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 TO BE HELD IN THE YEAR 2025**

- 6.1 The Chairman informed the Meeting that Ordinary Resolution 1 was to approve the payment of the Non-Executive Directors’ Remuneration as described in Explanatory Note B of the Notice of AGM for the period from 14 June 2024 until the next AGM of the Company to be held in the year 2025. He highlighted that there is an increase in the Directors’ remuneration.

- 6.2 The respective Non-Executive Directors who are also shareholders of the Company have abstained from voting on Ordinary Resolution 1.

- 6.3 The Chairman then put the Ordinary Resolution 1 to the Meeting for consideration.

**7.0 RE-ELECTION OF TAN SRI ANTHONY FRANCIS FERNANDES IN ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION**

7.1 The Meeting then proceeded to consider the re-election of Tan Sri Anthony Francis Fernandes who retires in accordance with Rule 119 of the Company's Constitution.

7.2 It was noted that Tan Sri Anthony Francis Fernandes being eligible for re-election, has offered himself for re-election to the Board.

7.3 The Chairman put Ordinary Resolution 2 to the Meeting for consideration.

**8.0 RE-ELECTION OF DATO' ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR IN ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION**

8.1 The Meeting went on to consider the next item on the Agenda which was concerning the re-election of Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar who retires by rotation pursuant to Rule 119 of the Constitution and, being eligible, has offered himself for re-election.

8.2 The Chairman put Ordinary Resolution 3 to the Meeting for consideration.

**9.0 RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION**

9.1 The Chairman put forward Ordinary Resolution 4 to the Meeting for consideration on the re-appointment of Ernst & Young PLT as external auditors of the Company and to authorise the Directors to determine their remuneration.

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

10.1 The Chairman informed the Meeting that Ordinary Resolution 5 if passed, will empower the Board of Directors to issue and allot shares at any time to such persons in their absolute discretion without first convening a general meeting, provided that the aggregate number of shares issued pursuant to this resolution during the preceding 12 months, does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at any point of time ("**the mandate**").

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

10.3 The Chairman put Ordinary Resolution 5, the full text of which was set out in the Notice of 6th AGM, to the Meeting for consideration.

**11.0 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

11.1 The Chairman informed the Meeting that since he is a related party to this proposal, he passed the Chair to Dato' Fam Lee Ee ("Dato' Fam") for the said resolution to be put to the Meeting.

11.2 Dato' Fam assumed the Chairmanship and informed the Meeting that Ordinary Resolution 6 was to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties, details of which were contained in the Circular to shareholders dated 30 April 2024.

11.3 He put forward the Ordinary Resolution 6 to the Meeting for consideration, and thereafter passed the Chair back to Datuk Kamarudin.

## **12.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

12.1 The Chairman informed the Meeting that the next item on the Agenda was in relation to the proposed renewal of share buy-back authority of the Company. The details were set out in the Circular/Statement to Shareholders dated 30 April 2024.

12.2 He put forward the Ordinary Resolution 6 to the Meeting for consideration

## **13.0 ANY OTHER ORDINARY BUSINESS**

13.1 It was noted that there was no notice of any other business been received by the Company.

## **14.0 Q&A SESSION**

14.1 The Chairman declared the commencement of the Q&A session and he reiterated that the questions received would not be answered in any sequence in relation to the agenda of the 7th AGM. The questions received in the online query box were moderated to avoid repetition and would only be answered once, and questions that were lengthy were summarised for reasons of brevity.

14.2 The Emcee read out the questions submitted by shareholders *via* the TIIH online platform prior to the Meeting, followed by selected questions submitted by remote participants *via* the online query box at the 7th AGM. A total of forty-six (46) questions were raised by shareholders and/or proxy holders and were addressed by the CEO, representative from Ernst & Young and Company Secretary respectively. The questions and answers are detailed in **Appendix 2** annexed herewith.

14.3 With that, the Chairman declared that the Q&A session closed.

14.4 Due to time constraint, it was noted that the remaining questions, clarifications and comments would be addressed accordingly, after the Meeting.

## **15.0 VOTING SESSION**

15.1 On conclusion of the Q&A session, the Chairman advised the shareholders and proxy holders to proceed to submit their vote *via* the RPV facilities as the polling process would conclude after 10 minutes; followed by a 30 minutes recess for the verification of the poll results by the Scrutineers and thereafter the declaration of the poll results. He then declared the 7th AGM adjourned.

## **16.0 ANNOUNCEMENT OF POLL RESULTS**

16.1 The Chairman called the Meeting to order at 12.42 p.m. for the declaration of the voting results which has been verified by the Scrutineers.

16.2 Based on the poll results, annexed herewith as **Appendix 3**, the Chairman declared that all resolutions that had been put to the Meeting were duly carried.

16.3 It was **RESOLVED** as follows: -

**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 TO BE  
HELD IN THE YEAR 2025**

"**THAT** 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 to be held in the year 2025, the details of which are disclosed in explanatory note B of the Notice of the AGM, be and is hereby approved."

**ORDINARY RESOLUTION 2  
RE-ELECTION OF TAN SRI ANTHONY FRANCIS FERNANDES IN  
ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION**

"**THAT** Tan Sri Anthony Francis Fernandes, a Director who retires by rotation pursuant to Rule 119 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**ORDINARY RESOLUTION 3  
RE-ELECTION OF DATO' ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR IN  
ACCORDANCE WITH RULE 119 OF THE COMPANY'S CONSTITUTION**

"**THAT** Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar, a Director who retires by rotation pursuant to Rule 119 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

**ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY  
AND TO AUTHORISE THE BOARD OF DIRECTORS TO DETERMINE THEIR  
REMUNERATION**

"**THAT** Ernst & Young PLT be and are hereby re-appointed as Auditors of the Company for the ensuing year at a remuneration to be determined by the Board of Directors of the Company."

**ORDINARY RESOLUTION 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 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) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the 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.”

#### **ORDINARY RESOLUTION 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.”

## **17.0 CLOSURE**

- 17.1 There being no other matters, the Chairman thanked all present for their active remote participation in the Meeting, and declared the 7th AGM of the Company closed at 12.45 p.m.

**ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 6 JUNE 2024 FOR AGM 2024**

Issues raised	Reply
<b>Operational and Financial Matters</b>	
<p>1. “The proposed disposal of the aviation business and proposed business combination with Aetherium to create Capital A International (CAPI) are only the first steps being explored in our pursuit of unlocking shareholder value and we are also looking ahead to more possibilities.”</p> <p>“For the remaining three businesses, we aim to undertake corporate exercises to unlock their values subject to conducive market conditions and the requisite approvals. Move Digital, Teleport and CAPAS may see possible spin-off listing or M&amp;A exercises and the final business to remain will inherit the listing status of Capital A Berhad” (Letter to shareholder dated 30 April 2024)</p> <p>(a) What specific businesses and assets will remain under Capital A after the disposal and various corporate exercises undertaken to unlock their value?</p> <p>(b) How will the remaining businesses be positioned to ensure sustainable growth and profitability?</p>	<p>(a) Following the proposed disposal of the aviation business, the businesses and assets that will remain under Capital A Berhad include:</p> <ol style="list-style-type: none"> <li>1. <b>Capital A Aviation Services (CAPAS)</b> which consists of engineering company Asia Digital Engineering, food services company Santan, and shared service centre DARTS among others. These businesses are integral to our aviation services portfolio and will continue to provide comprehensive support to the aviation industry.</li> <li>2. <b>Logistics and courier business, Teleport</b>, a leading air logistics provider in Asean will focus on expanding its logistics and cargo services across the region.</li> <li>3. <b>Move Digital</b> which consists of AirAsia Move and BigPay. AirAsia MOVE is a value-driven online travel agency providing flights, hotel stays, ground transportation, and other travel services. BigPay is an inclusive financial platform offering travel-related financial services, credit, and efficient money transfers.</li> <li>4. <b>Capital A International (CAPI)</b> which consists of AirAsia Brand Co., is envisioned to be a leading global brands and Intellectual Properties management powerhouse, leveraging our two-decade legacy of AirAsia brand assets and brand management expertise and track record.</li> </ol> <p>(b) With over 20 years of experience and a strong presence in Asean, we will leverage our expertise to ensure each business adheres to the principles of cost-efficiency and operational excellence. The businesses we developed - Capital A Aviation Services, Teleport, Move Digital and Capital A International - form a synergistic low cost, high value aviation and travel service ecosystem that are integrated to deliver sustainable growth and profitability while maintaining competitive advantages in their respective sectors.</p>

**ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 6 JUNE 2024 FOR AGM 2024**

<p>2.</p>	<p>Bursa Malaysia Securities Berhad had granted the Company an extension until 30 June 2024 to submit its regularisation plan to the relevant regulatory authorities.</p> <p>The Company has less than one month to submit its regularisation plan. Is the Company on track to make such a submission?</p>	<p>Before we can proceed with the submission of the PN17 regularisation plan, it is mandatory for us to first submit the aviation business disposal circular by the end of June 2024. After which, we target to submit the regularisation plan, hopefully within the given timeframe, and aim to complete execution by the end of this year.</p>
<p>3.</p>	<p>Capital A recorded revenue per available seat kilometre (ASK) of 20.27 sen and cost per ASK of 18.29 sen. (Page 26 of Annual Report 2023 “AR2023”)</p> <p>What is the revenue and cost per ASK for high-yield routes?</p>	<p>We generally do not disclose detailed information on the yield of specific routes, as this involves commercially sensitive decisions which may compromise our strategy.</p>
<p>4.</p>	<p>“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.” (Page 55 of AR2023)</p> <p>The Federal Aviation Administration (FAA) has issued a notice of proposed special conditions concerning the integral rear centre tank (RCT) of Airbus A321XLR. Airbus must demonstrate that the A321XLR provides sufficient post-crash fire safety performance of the fuel tank skin or structure to ensure that passengers and crew can evacuate safely if the integral RCT is exposed to external fuel-fed ground fire.</p> <p>How might the FAA's special conditions impact the Group's strategic objective of operating a converged fleet with extended flight ranges?</p>	<p>Airbus has indicated that they have made some design changes that include structural reinforcement and fuel tank protection, which address the regulations set by European Union Aviation Safety Agency (EASA) and the FAA. This design is not expected to significantly impact the unique range capability of approximately 8 hours of flight time. The design ensures that the aircraft retains its impressive long-range advantage, crucial to our network expansion and operational efficiency.</p> <p>Airbus has completed testing the changes and is processing the necessary certification documents. EASA certification is expected before the summer, with FAA validation to follow subsequently.</p> <p>AirAsia is scheduled to take delivery of its first XLR in 2027. The timely certification aligns well with our strategic plans to expand our long-haul network and enhance our fleet capabilities. The XLR has the potential to open up hundreds of new city pairs that are too small for an A330 but too long to operate by an A320. This will drive a new phase of long-haul growth, enhancing our strategy and tapping into markets where other airlines might not find it profitable to operate with widebody aircraft.</p>

**ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 6 JUNE 2024 FOR AGM 2024**

<b>Corporate Governance Matters</b>								
5.	<p>The table below sets forth the total remuneration of the Executive Directors of the Company for FY 2022 and FY 2023:</p>							
	<b>FY 2022</b>							
	RM'000							
	Fee	Allowance	Salary	Bonus	Benefits- in-kin	Other emoluments	Total	
	Datuk Kamarudin bin Meranun	5,000	-	7,325	-	-	-	12,325
	Tan Sri Anthony Francis Fernandes	5,000	121	7,233	-	-	-	12,354
	<b>FY 2023</b>							
	RM'000							
	Fee	Allowance	Salary	Bonus	Benefits- in-kin	Other emoluments	Total	
	Datuk Kamarudin bin Meranun	-	-	8,220	-	-	8,826	17,046
	Tan Sri Anthony Francis Fernandes			8,220	-	-	8,841	17,187

(a) The Group has always adhered to a compensation framework benchmarked against global standards and practices. In 2018, the total remuneration for each of the Executive Directors was approximately RM22 million, and in 2019 it was around RM29 million.

During the pandemic, both Executive Directors voluntarily took significant salary reductions while leading the Group through unprecedented challenges. Their leadership was crucial in navigating the crisis and ensuring the Group emerged stronger and more sustainable post pandemic.

As the Group continues its recovery, it is essential that the total compensation reflects these contributions and the overall improved performance. Therefore, the increase in Executive Directors salaries is aligning pay-for-performance practice. Despite the increase, FY2023 compensation remains below the 2018 and 2019 figures by 28% and 68% respectively.

The adjustments in compensation are a testament to the improved financial health and performance of the Group, acknowledging the Executive Directors' critical role in steering the company through challenging times and positioning it for future growth.

**ISSUES RAISED BY THE MINORITY SHAREHOLDERS WATCH GROUP VIDE ITS LETTER DATED 6 JUNE 2024 FOR AGM 2024**

	<p>(a) Please elaborate on the specific performance metrics and criteria used to justify the increased compensation. Were these metrics adjusted or modified in FY 2023 compared to previous years?</p> <p>(b) The Group will continue the journey it started in 2023 by focusing on five strategic themes. One of the strategic themes being cost conscious and lowest cost in its operating spaces, financially disciplined and focused on delivering positive cashflow and getting the best returns. (Page 60 of AR2023)</p> <p>How did the increase in executive compensation fit into the above strategic theme?</p>	<p>(b) The Executive Directors' total compensation aligns with our cost conscious strategy to get the best bang for the buck. The emphasis on pay-at-risk components tied to performance reflects best market practice and in alignment with recommendation by an external Independent Consultant (IC), who conducted a competitiveness assessment of the Executive Directors compensation to ensure alignment with market standards and practices.</p>
<p>6.</p>	<p>“As a result of this exercise, we plan to introduce a new carbon fee to supplement AirAsia fares. Structured to create minimal impact on airfares, the fee will be earmarked for decarbonisation purposes.”</p> <p>(a) While the carbon fee is structured to create minimal impact on airfares, what is the estimated additional cost per ticket for passengers? How will this vary across different routes and classes?</p> <p>(b) What metrics and evaluation processes will be used to assess the effectiveness of the carbon fee in contributing to AirAsia’s decarbonisation goals?</p>	<p>(a) A minimal fee of MYR1.00 per hour for a standard seat will be added to the fare or its equivalent in the local purchasing currency. Increments of MYR0.50 for each subsequent 30 minute flying block.</p> <p>(b) <b>Metrics:</b> The Group will monitor carbon emissions by using carbon intensity to measure efficiency improvements. Additionally, the Group will track the total revenue generated from carbon fees and ensure the collected fees will be exclusively used for reducing and offsetting the environmental impacts of air travel, including the purchase of Sustainable Aviation Fuel (SAF) and high quality carbon credits.</p> <p><b>Evaluation:</b> The collection of carbon fees will be audited annually by an independent third party as part of the Company’s financial audit.</p>

ISSUES RAISED BY THE SHAREHOLDERS

Issues raised	Reply																																																											
<p>1. <b>Impairment testing for goodwill and landing rights</b></p> <p>The carrying amounts of goodwill and landing rights allocated to the Group's cash generating units ("CGUs") are as follows:</p> <table border="1" data-bbox="224 395 1097 746"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Goodwill</th> <th colspan="2">Landing rights</th> </tr> <tr> <th>2023 RM'000</th> <th>2022 RM'000</th> <th>2023 RM'000</th> <th>2022 RM'000</th> </tr> </thead> <tbody> <tr> <td><b>CGU</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>BIG</td> <td>102,926</td> <td>102,926</td> <td>-</td> <td>-</td> </tr> <tr> <td>IAA</td> <td>38,394</td> <td>38,394</td> <td>374,600</td> <td>374,600</td> </tr> <tr> <td>PAA</td> <td>-</td> <td>-</td> <td>69,300</td> <td>69,300</td> </tr> <tr> <td>AAAGL</td> <td>7,334</td> <td>7,334</td> <td>-</td> <td>-</td> </tr> <tr> <td>BigPay</td> <td>5,275</td> <td>5,275</td> <td>-</td> <td>-</td> </tr> <tr> <td>AA.Com</td> <td>9,804</td> <td>9,804</td> <td>-</td> <td>-</td> </tr> <tr> <td>Velox</td> <td>109,733</td> <td>109,733</td> <td>-</td> <td>-</td> </tr> <tr> <td>AAV</td> <td>1,895,293</td> <td>-</td> <td>1,986,940</td> <td>-</td> </tr> <tr> <td></td> <td><b>2,168,759</b></td> <td>273,466</td> <td><b>2,430,840</b></td> <td>443,900</td> </tr> </tbody> </table> <p>The recoverable amounts of the CGUs have been measured based on their value in use which is based on calculations using cash flow projections from financial budgets approved by the management covering a five-year period.</p> <p>Page 15 of Financial Report:</p> <p>(b) Impairment assessment of intangible assets Quote, "Arising from the impairment review, the group impaired goodwill of RM161 million relating to AAV." Unquote</p> <p>(a): External Auditor, do you agree with the cash flow projections from financial budgets approved by the management on the Goodwill and Landing right intangible assets valuation that gave valuation of AAV Goodwill RM1,895,293,000: Landing rights RM1,986,940,000?</p> <p>(b): External Auditor, will there be more yearly over RM hundreds of millions impairment of goodwill and landing right for the coming years?</p>		Goodwill		Landing rights		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	<b>CGU</b>					BIG	102,926	102,926	-	-	IAA	38,394	38,394	374,600	374,600	PAA	-	-	69,300	69,300	AAAGL	7,334	7,334	-	-	BigPay	5,275	5,275	-	-	AA.Com	9,804	9,804	-	-	Velox	109,733	109,733	-	-	AAV	1,895,293	-	1,986,940	-		<b>2,168,759</b>	273,466	<b>2,430,840</b>	443,900	<p>(a) We have assessed the reasonableness of the cash flow projection provided by the management. We have also assessed impairment for goodwill. The landing rights valuation of RM1.98 million has been assessed by our component team (EY Thailand), and they have no further comments.</p> <p>(b) Impairment assessment on goodwill will be done on a yearly basis, and it is based on cash flow projections by the management.</p>
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ISSUES RAISED BY THE SHAREHOLDERS

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<b>Net current liabilities</b>		(12,669,239)	(8,509,066)	(6,754,176)																																																										
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**ISSUES RAISED BY THE SHAREHOLDERS**

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**31. LEASES (CONT'D.)**

**Group as a lessee (cont'd.)**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	2023 RM'000	2022 RM'000
At 1 January	15,057,880	14,295,294
Deemed acquisition of a subsidiary	4,301,600	-
Additions	599,382	67,117
Accretion of interest (Note 8(b))	852,954	705,152
Payments	(2,045,816)	(1,171,914)
Modifications	(241,836)	703,928
Exchange movements	664,616	458,303
<b>At 31 December</b>	<b>19,188,780</b>	<b>15,057,880</b>
Current	5,438,692	4,340,844
Non-current	13,750,088	10,717,036
	<b>19,188,780</b>	<b>15,057,880</b>

The maturity analysis of lease liabilities are disclosed in Note 41(c).

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	1,566,935	1,309,533
Interest expense on lease liabilities	852,954	705,152
Expense relating to short-term leases	25,549	27,922
Reversal of impairment of right-of-use assets	-	(552,290)
Reversal of impairment of finance lease receivables	-	(98,923)
<b>Total amount recognised in profit or loss</b>	<b>2,445,438</b>	<b>1,391,394</b>

The Group had total cash outflows for leases of RM2,045 million in 2023 (2022: RM1,200 million). The Group also had non-cash additions to ROU assets and lease liabilities of RM599 million (2022: RM67 million) and RM599 million (2022: RM67 million), respectively. Included in lease liabilities are lease rental payables amounting to approximately RM2,810 million (2022: RM2,282 million).

The FY2022 current lease liabilities include unpaid outstanding lease.

The cash flow in FY2023 represents the actual amount paid by the Group.

The Profit and Loss items relate to interest on lease, depreciation on Right of Use assets and short term lease expense.

**ISSUES RAISED BY THE SHAREHOLDERS**

	Note	Group	
		2023 RM'000	2022 RM'000 Restated
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,273,030	1,167,698
Repayment of borrowings		(396,936)	(309,485)
Payment of lease liabilities		(2,045,816)	(1,171,914)
<b>Net cash used in financing activities</b>		<b>(1,169,722)</b>	<b>(313,701)</b>
<p>External Auditor please explain the different FYE 2022 current lease liabilities is RM4,340,844,000 in FYE 2023 why total amount (lease) recognised in profit or loss: RM2,445,438,000. Payment of lease liabilities in cash flow: RM(2,045,816,000)?</p>			
5	External Auditor what it means by included in lease liabilities are lease rental payables amounting to approximately RM2,810 million?	This pertains to the outstanding amounts of lease rental due and payable owing to the lessors that remained unsettled as at 31 December 2023.	
6	<p>Referring: under MFRS 16:</p> <p>(i) On the Consolidated Income Statement, expenses which were previously included under aircraft operating leases will be replaced by finance costs – lease liabilities and depreciation of right of use asset;</p> <p>(ii) On the Consolidated Cash Flow Statement, operating lease rental outflows, previously recorded within net cash flow from operating activities, are classified as “net cash flow used in financing activities” for repayment of principal of lease liabilities.</p>	The management has decided to present EBITDA information within its statement of comprehensive income and this is allowed under MFRS.	

**ISSUES RAISED BY THE SHAREHOLDERS**

	<p>shareholder has referenced a quote by the late Charlie Munger, suggesting scepticism about the validity of EBITDA as a financial metric</p> <p>External Auditor can you please explain what Charlie Munger is trying to say on EBITDA?</p>	
7	<p>BOD why every quarter presented the EBITDA figure without stating “under MFRS 16: On the Consolidated Income Statement, expenses which were previously included under aircraft operating leases will be replaced by finance costs – lease liabilities and depreciation of right of use asset”</p>	<p>We trust that our shareholders and the investment community are aware of the changes brought about by the implementation of MFRS 16. Since its adoption on January 1, 2019, this standard has significantly altered the presentation of leases on our financial statements.</p> <p>We have consistently presented our EBITDA figures in accordance with this standard, and we believe that the impact of MFRS 16 is well understood by our investors.</p>
8	<p>Page 12 of Financial Report: External Auditor Going Concern Assessment:</p> <p>Quote, “The Group reported a loss for the year of RM96 million whilst the Company reported a loss for the year of RM1,960 million, for the financial year ended 31 December 2023. The group and the Company reported net operating cash flow of RM1,413 million and RM72 million respectively. As at 31 December 2023, the group current liabilities exceed its current assets by RM12,699 million. In addition, as at 31 December 2023, the Group reported a negative shareholders’ funds of RM8,762 million.” unquote</p> <p>External Auditor if total cash outflows for leases RM2,045 million under financing activities is moved back to previously recorded within net cash flow from operating activities what will be FYE2023 net operating cash flow?</p>	<p>The impact will be the reduction of cash flow from operating activities of the same amount.</p>

**ISSUES RAISED BY THE SHAREHOLDERS**

9	<p>External Auditor, from Sales in advance: RM2,025,298,000, Proceeds from borrowings: RM1,273,030,000 yet the Group only managed payment of lease liabilities: RM2,045,816,000 which is far off the amount of current lease liabilities reported at FYE 2022 RM4,340,844,000. What happens to the unpaid FYE 2022 current lease liabilities?</p>	<p>For the due and payable lease payments for FY2022 and prior year, the amount is recorded within trade and other payables in FY2023.</p>
10	<p>“Going Concern Assessment” (Refer page 12-13 of Financial Report).</p> <p>Quote, “Management had prepared a cash flow forecast as part of the assessment on whether the Group and the company will be able to continue as a going concern.” Unquote</p> <p>BOD, FYE 2023 current lease liabilities is RM5,438,692,000. What were the projected FY 2024 total amount (lease) recognised in profit or loss and amount payment of lease liabilities in cash flow from financing activities?</p>	<p>We anticipate that the total amount of lease expenses recognised in profit or loss and the payments of lease liabilities reflected in the cash flow from financing activities will be closely aligned with our strategic financial plans and operational needs.</p> <p>As of 1Q24, total lease payment as per cash flow statement is RM726 million and depreciation on ROU and Finance Cost of Lease Liabilities in income statement is RM767 million for operating and non-operating aircraft.</p>
11	<p>External Auditor looking back on FYE 2022 Management cash flow forecast on going concern is that cash flow forecast fulfilled as at FYE 2023 audited financial result?</p>	<p>From an operating cash flow perspective, the AOCs (AAB, IAA, and PAA) have a shortfall of RM259 million, while the net cash outflow from investing activities is RM159 million. However, the financing cash flow perspective shows a net inflow of RM2,346 million. AAV result is excluded to maintain comparability with the FY2022 forecast.</p>
12	<p>External Auditors if FYE 2022 Management cash flow forecast is far off the mark as per actual achieved then as at 31 December 2023, the group current liabilities exceed its current assets by RM12,699 million. Are Auditors satisfied and confident with management's cash flow forecast for year 2024 that the group will not default on the net current liabilities of RM12,699 million?</p>	<p>We have assessed the reasonableness of the cash flow projection provided by the management (Note 2.1). The going concern of the Group is dependent on the following:</p> <ol style="list-style-type: none"> <li>1. Successful implementation of a Revenue Bond program; and</li> <li>2. Continuous support from Group's lessors.</li> </ol>

**ISSUES RAISED BY THE SHAREHOLDERS**

<p>13</p>	<p>From Q4 FY 2023 quarterly report:</p> <p>Lease liabilities</p> <p>The lease liabilities amounting to RM18.7 billion includes deferred aircraft leases of approximately RM2.3 billion. The lease liabilities are supported by ROU assets of RM12.1 billion.</p> <p>The Group had completed the restructuring of a total of 161 aircraft leases up to the date of this report including the waiver of lease rentals in arrears, as well as reducing future lease rates with a corresponding longer lease term, where necessary, and return of aircraft.</p> <p>BOD, currently the Group has how many aircraft lessors? Will BOD kindly list down the aircraft lessors/lease companies the amount: lease liabilities owed, lease deferred, lease rental in arrear waive, future lease rate reduce with corresponding longer lease term and return of aircraft?</p>	<p>The Group currently has approximately 30 lessors. As part of our restructuring exercise, AirAsia successfully restructured USD688 million of arrears by extending leases to 18 years. With this extension, AirAsia had received an average lease reduction of 9%.</p>
<p>14</p>	<p>BOD any management or BOD team member/members has/have direct or indirect vested interest in the Group's aircraft lessors/lease companies?</p>	<p>The management and Board of Directors do not have direct or indirect vested interest in the Group's aircraft lessors and lease companies.</p>

**ISSUES RAISED BY THE SHAREHOLDERS**

<p>15</p>	<p>Page 40 of Financial Report: Funding</p> <p>The Group is currently engaging in discussion with lenders at different stages for debt and equity fundraising, with an estimated amount of RM3 billion. As at the date of this report, the Group has received commitment from investors for a Revenue Bond Program of up to USD365 million (equivalent to RM1.68 billion)</p> <p>The Revenue Bond program entails the conversion of outstanding lease payments of USD240 million (approximately RM1.1 billion) into bond (Tranche 1) and cash inflow of approximately USD125 million (approximately RM575 million) (Tranche 2) to finance working capital, maintenance cost and lease rentals. The revenue bond will be secured against passenger seat sales from identified routes and shares in a subsidiary. Tranche 1 of the Revenue Bond has a tenure of 2.5 years whereas Tranche 2 has tenure of 4 years. The bond is expected to be issued by mid of 2024.</p> <p>BOD what are the reasons aircraft lease companies/lessors demand for the conversion of outstanding lease payments of USD240 million (approximately RM1.1 billion) into bond (Tranche 1)?</p>	<p>The lessors did not demand the conversion of outstanding lease amounts into Revenue Bonds. The Revenue Bonds structure was introduced by AirAsia as a restructuring solution to manage these amounts. This approach helps us address financial obligations sustainably while providing lessors with regular income through the bonds.</p> <p>We believe this strategy supports our long-term stability and operational flexibility.</p>
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**ISSUES RAISED BY THE SHAREHOLDERS**

<p>16</p>	<p>Page 13 of Financial Report: Going Concern Assessment;</p> <p>Quote, “Critical to the going concern assessment are the Directors’ expectations of continuous support from the Group’s aircraft lessors” unquote</p> <p>BOD, is the move by lessors for the conversion of outstanding lease payments of USD240 million (approximately RM1.1 billion) into bond (Tranche 1) a sign of lessors losing their confidence in the Group ability to pay the outstanding lease payment?</p>	<p>We would like to clarify that this move is not an indication of lessors losing confidence in the Group's ability to meet its obligations. On the contrary, it demonstrates their trust in AirAsia Group's post-pandemic recovery plan. The conversion into bonds provides a structured and mutually beneficial approach to managing the outstanding lease payments accumulated during the covid period when none of our aircraft were operational. This move ensures financial stability and long-term viability for both the lessors and the Group.</p>
<p>17</p>	<p>Referring below Q1 2023 presentation</p> <p>Well positioned for growth with a total of 362 aircraft in orderbook to be delivered in the next 12 years. 73 aircraft have already been secured financing through Sales and Leaseback (SLB) arrangements with several lessors.</p> <p>BOD what is the latest status on the above?</p>	<p>As of now, there have been no changes since the last update.</p>

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<p>18</p>	<p>Refer to the article from BILYONARYO.COM dated 23 October 2023 Things are getting turbulent in Tony Fernandes’ Air Asia Philippines (AirAsia) adventure as the budget carrier has taken a nosedive, racking up a jaw-dropping P14 billion in losses over the past two years.</p> <p>Isla Lipana &amp; Co., the auditing firm, isn’t pulling any punches and is openly questioning whether Fernandes can navigate AirAsia through financial storm clouds.</p> <p>In the firm’s latest annual report, Isla Lipana said AirAsia’s massive losses -P7.9 billion in 2022 and P6.4 billion in 2021– which have pushed its capital deficiency to P39.9 billion or 60 times its original capital.</p> <p>Beyond these losses, AirAsia is grappling with unpaid obligations to creditors and aircraft lessors.</p> <p>As of 2022, AirAsia is mired in a liability quagmire, with P11 billion in dues and demandable payments and another P24 billion due within a year.</p> <p>The airline’s struggle to meet its obligations predates the pandemic. In 2018, it failed to meet financial commitments related to a P1.78 billion loan from BDO Unibank. The carrier managed to postpone payments to BDO as well as restructure its lease contracts with aircraft suppliers.</p> <p>Isla Lipana said these figures indicate that a “material uncertainty” exists on its ability to continue as a going concern.</p> <p>The PWC affiliate’s audit showed AirAsia’s cash reserves at a dangerously low P84 million; unpaid refunds to consumers at P774 million; and payables to suppliers rising 18 percent year-on-year to P16.9 billion.</p>	<p>Under the legislation of the Philippines, we understand that it is mandatory for the auditors of listed companies to present material uncertainty in their opinion when the entity is recording net current liability position.</p>
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<p>AirAsia’s parent company, Malaysia’s Capital A, submitted a letter to Isla Lipana mapping out a plan to lift the carrier out of its deep financial hole.</p> <p>This plan involves expanding operations in Japan, China, and Hong Kong, increasing agent numbers, introducing new products, maximizing cargo-related profits, improving yields and take-up rates, and stringent cost controls.</p> <p>Isla Lipana, however, remained steadfast in its assessment, with the auditing firm stating, “Our opinion remains unchanged on this matter” in a report dated May 2023”</p> <p>External Auditor, do you agree with PAA External Auditor Isla Lipana opinion on PAA FYE 2022 audited financial account of “material uncertainty” exists on its ability to continue as a going concern?</p>	
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<p>19</p>	<p>Summarised statements of financial position as at 31 December are as follows:</p> <table border="1" data-bbox="219 312 1102 533"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2023</th> <th colspan="2">2022</th> </tr> <tr> <th>IAA RM'000</th> <th>PAA RM'000</th> <th>AAV RM'000</th> <th>IAA RM'000</th> <th>PAA RM'000</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>1,627,381</td> <td>908,863</td> <td>8,094,574</td> <td>1,409,615</td> <td>709,801</td> </tr> <tr> <td>Current assets</td> <td>231,987</td> <td>242,429</td> <td>1,831,039</td> <td>116,294</td> <td>357,235</td> </tr> <tr> <td>Non-current liabilities</td> <td>(2,283,702)</td> <td>(1,679,148)</td> <td>(6,223,938)</td> <td>(1,992,676)</td> <td>(1,021,560)</td> </tr> <tr> <td>Current liabilities</td> <td>(1,965,010)</td> <td>(3,205,168)</td> <td>(2,573,670)</td> <td>(1,458,377)</td> <td>(3,100,251)</td> </tr> <tr> <td>Net (liabilities)/assets</td> <td>(2,389,344)</td> <td>(3,733,024)</td> <td>1,128,005</td> <td>(1,925,144)</td> <td>(3,054,775)</td> </tr> </tbody> </table> <p>External Auditor looking at the above PAA FYE 2022 and FYE 2023 financial figures above, is PAA financial health improving or deteriorating from FYE 2022 to FYE 2023?</p>		2023			2022		IAA RM'000	PAA RM'000	AAV RM'000	IAA RM'000	PAA RM'000	Non-current assets	1,627,381	908,863	8,094,574	1,409,615	709,801	Current assets	231,987	242,429	1,831,039	116,294	357,235	Non-current liabilities	(2,283,702)	(1,679,148)	(6,223,938)	(1,992,676)	(1,021,560)	Current liabilities	(1,965,010)	(3,205,168)	(2,573,670)	(1,458,377)	(3,100,251)	Net (liabilities)/assets	(2,389,344)	(3,733,024)	1,128,005	(1,925,144)	(3,054,775)	<p>Net liabilities of PAA have increased by RM678 million (22%) during the year, net cash flow has decreased by RM191 million (86%), and total comprehensive loss has decreased by RM110 million (19%).</p> <p>The Loss After Tax for FY2023 amounted to PHP 4.6 billion, compared to PHP7.9 billion in FY2022, indicating a significant improvement in our financial health with a reduction in losses by PHP3.3 billion.</p>
	2023			2022																																							
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<p>20</p>	<p>BOD, have you read the PAA FYE 2023 auditor report? What is the External Auditor of PAA opinion on PAA FYE 2023 audited financial account?</p>	<p>We are pleased to confirm that their opinion on the financial statements is “In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Philippines AirAsia Inc. doing business under the name and style of AirAsia (“the Company”) as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended, in accordance with Philippines Financial Reporting Standards (PFRS).”</p>																																									

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<p>21</p>	<p>Page 105 of Financial Report:</p> <p>On 16 May 2023, AA Com Travel Philippines, Inc (“ACTP”) a subsidiary of the Group, entered into a Share Sale and Purchase Agreement (“SPA”) with F&amp;S Holdings, Inc. to acquire the remaining 3,585,063 shares of AirAsia, Inc. (“AAI”), the parent company of Philippine AirAsia, Inc. (“PAA”), representing 60% of the total outstanding shares, for a consideration of USD16 million (approximately RM75 million). Effectively, AAI and PAA became wholly owned subsidiaries of the Group.</p> <p>BOD, previously the Group sold India AA to local JV partner and allowed Japan AA local JV partner to wind up Japan AA. What are the reasons the Group paid USD16 million to acquire 60% PAA (Red flagged by external auditor Isla Lipana on “material uncertainty” exists on its ability to continue as a going concern) from JV local partner F&amp;S Holdings, Inc?</p>	<p>The acquisition of a majority stake in Philippines AirAsia aligns with our Group's strategic focus on the Asean market, where the Philippines has long been recognised as one of our core and strategic market that holds significant growth potential within the region. Despite the challenges highlighted by the external auditor, we firmly believe in the long-term viability of the Philippine aviation industry.</p> <p>Rest assured, the decision to acquire PAA was made after careful consideration and thorough due diligence, taking into account both the opportunities and risks associated with the investment.</p> <p>Additionally, post-acquisition, we have gained a 35% market share in the Philippines market. We are confident that the acquisition of PAA will continue to contribute positively to our Group's long-term growth and value creation for our shareholders.</p>
<p>22</p>	<p>BOD, any management or BOD team member/members has/have direct or indirect vested interest in former PAA JV partner F&amp;S Holdings, Inc?</p>	<p>We can confirm that no member of the Board of Directors or the management team has any direct or indirect vested interest in our former PAA JV partner, F&amp;S Holdings, Inc.</p>

ISSUES RAISED BY THE SHAREHOLDERS

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Group		
31.12.2023	31.12.2022	1.1.2022
RM'000	RM'000	RM'000
	Restated	Restated

<b>Net current liabilities</b>	<b>(12,669,239)</b>	(8,509,066)	(6,754,176)
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	Note	Group		
		31.12.2023	31.12.2022	1.1.2022
		RM'000	RM'000	RM'000
			Restated	Restated

**Capital and reserves**

Share capital	33	<b>8,711,742</b>	8,654,977	8,457,172
Merger deficit	35	<b>(5,507,594)</b>	(5,507,594)	(5,507,594)
Foreign exchange reserve		<b>217,047</b>	1,178,273	601,494
Accumulated losses		<b>(12,321,978)</b>	(10,254,769)	(7,094,693)
Reserves	36(a)	<b>138,642</b>	204,020	161,321
Total shareholders' deficit		<b>(8,762,141)</b>	(5,725,093)	(3,382,300)
Non-controlling interests	13	<b>(1,862,596)</b>	(3,791,865)	(3,040,603)
Total deficit		<b>(10,624,737)</b>	(9,516,958)	(6,422,903)

External Auditor, by acquiring the 60% PAA how many billions net liabilities was transferred from PAA to the Group and how many billion negative equity from Non-controlling interest was transferred to shareholders' equity?

A total of approximately RM2.3 billion has been transferred as a result of the acquisition.

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<p>24</p>	<p>Referring CG report 2023</p> <p>Page 13: Intended Outcome: The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.</p> <p>The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>Company Secretary with billions of net liabilities/billion in negative equity transferred from PAA/Non-controlling interest to the Group/Shareholders did the BOD commit a breach of company's Code of Conduct and Ethics on integrity, transparency and fairness?</p> <p>For not immediately voluntarily announce the acquisition and published</p> <p>(a) The details of the consideration;          (b) The particulars of the transaction; and          (c) A statement that the directors, major shareholders or persons connected with them have no interest, direct or indirect, in the transaction.</p>	<p>The transaction did not meet the regulatory threshold for an immediate public announcement, and a voluntary announcement was not deemed necessary pursuant to our Corporate Disclosure Policy. The details were transparently disclosed in the quarterly financial report published on 31 May 2023, in full compliance with all relevant regulations and in alignment with our principles of integrity, transparency, and fairness.</p> <p>Notwithstanding the same, we take note of the comments raised.</p>
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<p>25</p>	<p>Referring below link:</p> <p>PART D – ACQUISITIONS AND DISPOSALS</p> <p><a href="https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5ce3b5c439fa264f32eb401/files/MAIN_Chap10_COI_Ors_26May2023_.pdf?1685095256">https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5ce3b5c439fa264f32eb401/files/MAIN_Chap10_COI_Ors_26May2023_.pdf?1685095256</a></p> <p>External Auditor is acquisition of 60% PAA valuation percentage ratio below 5%, above 5% but below 25% or above 25% as defined by above Bursa Chapter 10: Transactions?</p>	<p>The valuation percentage ratio falls within the range of 2.24%, this aligns with the criteria outlined in Chapter 10: Transactions of the Bursa Malaysia Listing Requirements.</p>
<p>26</p>	<p>Referring CG report 2023</p> <p>Page 10: Practice 1.5</p> <p>The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.</p> <p>Company Secretary, did BOD commit any offence in acquisition of 60% PAA under Company Act 2016 director fiduciary duty, Bursa rules and regulation Chapter 10: Transactions or offences under any other acts?</p>	<p>There was no offence committed. The Board carefully considered the overall interest and benefit of the Group, and exercised their fiduciary duty and care throughout the process.</p>

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Summarised statements of financial position as at 31 December are as follows:

	2023			2022	
	IAA RM'000	PAA RM'000	AAV RM'000	IAA RM'000	PAA RM'000
Non-current assets	1,627,381	908,863	8,094,574	1,409,615	709,801
Current assets	231,987	242,429	1,831,039	116,294	357,235
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Net (liabilities)/assets	(2,389,344)	(3,733,024)	1,128,005	(1,925,144)	(3,054,775)

Group effective holding 40.71% AAV listed in Thailand and effective holding 47.43% IAA listed in Indonesia. Both listed entities are governed by respective countries on listing and capital requirement and Corporate Governance.

AAV BOD had carried out a proper capital-raising and restructuring plan that put Thai AirAsia on the right footing for growth. BOD, any deadline for Indonesia listing IAA for a proper capital-raising and restructuring in order to reset its balance sheet and maintain its listing status?

The company has formulated strategic plans to address the financial and operational requirements of Indonesia AirAsia. However, at this juncture, we must await the completion of the aviation business disposal before we can proceed with any further actions.

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<p>28</p>	<p>Page 105 of Financial Report:</p> <p>On 31 May 2023, AAGL entered into a Master Brand Licensing Agreement (“MBLA”) with AirAsia Berhad (“AAB”) and also a Brand Sub Licensing Agreement (“SBLA”) with Thai AirAsia Co., Ltd (“TAA”) and Asia Aviation Public Company Limited (“AAV”), the parent company of TAA. Effective from 1 January 2023, the effective date specified in the SBLA, TAA has to comply with the branding and operation requirements and recommendations made by AAGL under the SBLA. Pursuant to this, AAGL has the power to direct the relevant activities of AAV and in accordance with MFRS 10, AAV, as a parent company of TAA, is therefore, deemed as a subsidiary of AAGL for accounting purposes effective from 1 June 2023.</p> <p>Referring:</p> <p>Information on Brand AA and AirAsia Brand</p> <p>Brand AA is the registered proprietor for all the rights in the AirAsia trade name and brand image ("AirAsia Brand") as well as a portfolio of other owned trademarks or intellectual property and is principally involved in the brand management of said brand and portfolio.</p> <p>In consideration of Brand AA providing reasonable know how, advice and guidance relating to the implementation of and/or adherence to the guidelines relating to the AirAsia Brand and operating requirements in relation to the aviation businesses, Brand AA is entitled to collect the royalties fee based on all the revenue generated by the airline operating companies (“AOC”) in relation to its affiliates’ aviation businesses and based on the royalty fee rate as set out below:</p> <p>AOCs Royalty fee rate: % AirAsia Aviation Group Limited: 1.0</p>	<p>(a) There are existing Brand Licensing Agreements that were signed by AirAsia Berhad (AAB) with the Air Operator Certificate (AOC) holders prior to the establishment of Brand AA Sdn Bhd. AAB was the owner of the AirAsia brand before it was acquired by Brand AA Sdn Bhd. Under these agreements, the AOCs are charged a royalty fee of 1.5% of their revenue.</p> <p>(b) The respective authorised persons of AOCs executed the Brand Licensing Agreement with AAB and AirAsia Aviation Group Limited.</p>
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**ISSUES RAISED BY THE SHAREHOLDERS**

	<p>AOCs which have executed the Brand Sub-Licensing Agreement:</p> <ul style="list-style-type: none"><li>(i) AirAsia Berhad (“AAB”)</li><li>(ii) Thai AirAsia Co Ltd</li><li>(iii) PT Indonesia AirAsia</li><li>(iv) Philippines AirAsia Inc</li><li>(v) AirAsia X Berhad 0.5%</li><li>(vi) Thai AirAsia X Co Ltd 1.5%</li></ul> <p>(a) BOD, if before newly acquired company Brand AA Sdn Bhd (formerly known as ADD Data Sdn Bhd) and signing of Master Brand Licensing Agreement (“MBLA”) with AirAsia Berhad (“AAB”) and also a Brand Sub Licensing Agreement (“SBLA”) no royalty fees was paid to the Group.</p> <p>(b) May I know who signed the Brand Licensing Agreement on behalf of?</p> <ul style="list-style-type: none"><li>(i) Thai AirAsia Co Ltd royalty fees rate 1.0%</li><li>(ii) PT Indonesia AirAsia royalty fees rate 1.0%</li><li>(iii) AirAsia X Berhad royalty fees rate 0.5%</li><li>(iv) Thai AirAsia X Co Ltd royalty fee rate 1.5%</li></ul>	
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29	BOD, what are the reasons BOD of these independent listed companies readily agreed to pay royalty fees?	<p>The decision to agree to pay royalty fees was made after careful consideration of the benefits associated with the Brand Licensing Agreement. The royalty fees are justified by the following reasons:</p> <p><b>Brand Value:</b> The AirAsia brand holds significant value and leveraging it can enhance marketability, customer trust, and competitive advantage for the companies.</p> <p><b>Strategic Alignment:</b> Aligning with the overarching brand strategy supports cohesive marketing efforts and strategic initiatives, benefiting all parties involved.</p> <p><b>Financial Viability:</b> The financial projections indicated that the benefits derived from using the brand would outweigh the cost of the royalty fees, contributing positively to the companies' growth and profitability.</p> <p>These factors were crucial in the BODs' decision to agree to the payment of royalty fees.</p>
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**ISSUES RAISED BY THE SHAREHOLDERS**

<p>30</p>	<p>(a) A shareholder would like to know if it is legally permissible for the Boards of Directors of our aviation listed companies in Thailand, Indonesia, and Malaysia to comply with the branding and operational requirements set forth by AirAsia Group, such as paying royalty fees that were not previously imposed, instead of acting solely in the best interests of the listed companies. Could you please provide clarification on this matter?</p> <p>(b) referring to the recent announcement of the divestment of the Group's aviation assets to AirAsia X (AAX) as detailed in the following link: <a href="#">The Edge Malaysia Article</a>. The divestment of AirAsia Aviation Group Ltd (AAAGL) is expected to give rise to a pro forma gain of RM4.69 billion to Capital A, while the disposal of AirAsia Bhd (AAB) would result in a gain of RM6.07 billion. The shareholder expresses concern that the deal might be a zero-sum game, where what The Group gains is AAX's losses. Specifically, AAX is expected to take on total borrowing and lease liabilities amounting to RM23,271,794,000 with gearing of 23.96 times. Could you elaborate on how these liabilities will be managed and mitigated?</p>	<p>(a) Compliance with AirAsia Group's branding and operational requirements by our aviation listed companies in Thailand, Indonesia, and Malaysia is voluntary and governed by legally binding agreements. While our primary duty is to act in the best interests of shareholders, these agreements may be necessary to maintain strategic partnerships and access resources within the AirAsia network, ultimately benefiting our companies and shareholders.</p> <p>(b) The transaction was strategically structured to position AirAsia Group as the largest low-cost carrier in Asia, which presents significant opportunities for growth and market dominance. By consolidating our aviation assets under AirAsia X, we aim to streamline operations, optimise fleet utilisation, and strengthen our competitive position in the market.</p> <p>Becoming the largest low-cost carrier in Asia will not only enhance AirAsia Group's profitability and market share but also bring significant benefits to the entire aviation group. It will enable us to leverage economies of scale, drive operational efficiencies, and enhance our overall competitiveness in the aviation industry.</p>
<p>31</p>	<p>External Auditor what is the likelihood that AAX/New Aviation Group default on payment on current liabilities: Lease liabilities, borrowing, aircraft maintenance, trade and other payables, etc?</p>	<p>We are not in the position to answer this question on behalf of AAX.</p>

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<p>32</p>	<p>In the event of a default, could the Board of Directors of both Capital A and AirAsia X potentially face legal repercussions, such as charges of Wrongful or Fraudulent Trading under Section 540 and Section 539 of the Companies Act 2016?</p> <p><b>Wrongful Trading</b></p> <p>In the CA 2016, an offence of wrongful trading is captured in section 539(3) that:</p> <p>“...an officer of the company who knowingly was a party to the contracting of a debt had, at the time the debt was contracted, no reasonable or probable ground of expectation, after taking into consideration the other liabilities, if any, of the company at the time, of the company being able to pay the debt, commits an offence...”</p> <p><b>Fraudulent Trading</b></p> <p>Whereas section 540(1) of the CA 2016 stipulates an offence of fraudulent trading as below:</p> <p>“If it appears... that any business of the company has been carried on with intent to defraud the creditors of the company or creditors of any other person or for any fraudulent purpose, the Court may declare that any person who was knowingly a party to the carrying on of the business in that manner shall be personally responsible...”</p> <p>If an offence under section 539(3) has been made out, offenders may be punishable with a maximum imprisonment of 5 years or a maximum fine of RM500,000, or both. Reading together with section 540 of the CA 2016, it is added that the offender may even bear personal liabilities for the payment of the whole or any part of the company’s debt without any limitation of liability upon a court’s declaration</p>	<p>At all times, the Board of Directors of Capital A acts in the best interest of the Company, exercising due care and diligence, and ensuring compliance with relevant legal and regulatory requirements.</p>
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**ISSUES RAISED BY THE SHAREHOLDERS**

33	<p>If Capital A needs to be delisted from Bursa to get more time and space to do a proper capital-raising and restructuring plan and relist in the future, will the Board of Directors do so rather than a rush job that might land everyone in a bad place?</p>	<p>Our foremost priority is to develop a plan that maximises benefits for all stakeholders, including our valued shareholders. We are committed to conducting a thorough assessment of the situation and exploring all available options to ensure the long-term sustainability and growth of Capital A.</p> <p>Rest assured, any decision regarding the future direction of Capital A will be made after extensive analysis and with the sole aim of creating value for our shareholders while safeguarding the interests of all stakeholders.</p>
34	<p>How does Capital A plan to avoid the scenario where firms like Grab and Gojek, upon listing, experienced significant devaluation that persisted for years? Considering Capital A operates in a similar industry, what strategies are in place to prevent such a downturn in valuation?</p>	<p>AirAsia MOVE operates within the online travel agency (OTA) sector, distinct from the ride-hailing industry dominated by Grab and Gojek. Comparisons to companies like Agoda and Trip.com are more fitting and provide a clearer understanding of our market dynamics and business strategies. Additionally, Grab and Gojek listed during a period of historically unprecedented low interest rates, when tech valuations globally peaked. Our entry into the market does not occur under similar circumstances, making a direct comparison less applicable.</p> <p>Our focus is on sustainable growth rather than merely achieving topline growth or grabbing market share at the expense of profitability. We emphasise strong unit economics and a sustainable business model. For instance, AirAsia MOVE has demonstrated five consecutive quarters of positive EBITDA as of 1Q2024. We prioritise cost efficiency, rooted in our low-cost parent model, ensuring effective profitability management while continuing to grow. Additionally, our MAU grew by 42% in 2023 compared to 2022, and our MTU in Q1 2024 increased by 2% from Q4 2023, showcasing robust user engagement.</p>

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		<p>BigPay, although not yet profitable, had achieved the first gross profitable quarter in 4Q2023, and aims to ensure that its entire product portfolio displays positive unit economics by the end of 2024.</p> <p>Our strategic initiatives include leveraging technology for operational efficiency, such as AI for future trip planning and targeted marketing, and forming strategic partnerships to enhance our market position. These measures ensure that we are well-prepared to avoid the pitfalls of devaluation seen in other companies and remain resilient in the competitive OTA landscape.</p> <p>While BigPay in particular has recharted its path to become sustainably profitable in the long-run. This is a marked difference to the growth-at-all-costs strategies of many tech IPOs that went to market a few years ago.</p>
35	<p>Following the disposal of the airline business to AirAsia Group, can Capital A confirm if it will proceed with listing the Capital A International (Holding co to AirAsia brand) on the NYSE, or are there any changes to the timeline for the listing?</p>	<p>Yes, we are continuing with the plans to list Capital A International in the US stock exchange listing (NYSE or Nasdaq) due to the positive interest shown by the investor community. This listing is not a requirement and is independent of our efforts to resolve our PN17 status.</p>
36	<p>What is ADE's timeline to serve external airlines and the breakeven timeline before generating profit and cash from operation due to external airlines services?</p>	<p>ADE has already commenced serving third-party airlines and has successfully achieved profitability and also generated positive cash flow from its operation.</p>

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37	Following the disposal of the airline business, which sectors within Capital A require fundraising, and what is the estimated amount needed?	The Group remains open to explore fundraising opportunities that align with our strategic objectives and may require capital for expansion. If such opportunities present themselves and offer potential for growth, we are willing to consider fundraising to capitalise on them and strive to further expand our business.
38	How many AirAsia MOVE passes have been sold to date?	AirAsia Move have sold approximately 245,000 passes.
39	Could the Group provide more details on the strategies for rejuvenating AirAsia MOVE? Additionally, does the Group have any plans to review the sustainability or applicability of AirAsia MOVE?	Our strategic plan focuses on enhancing platform UX and personalisation to ensure a seamless user experience, optimising inventory and forming strategic partnerships to offer competitive pricing and diverse travel options, and strengthening the AirAsia MOVE brand by launching unique travel products tailored to the Asean region. By concentrating on these key areas, we aim to rejuvenate AirAsia MOVE and ensure its long-term sustainability and applicability.
40	At a recent IATA conference, it was mentioned that airfares are expected to decrease, albeit not returning to pre-covid levels. Does Capital A anticipate a similar trend in terms of airfares for its airlines?	<p>We are not member to IATA and we are operating the low-cost air carriage.</p> <p>We agree that airfares are unlikely to return to pre-COVID levels due to higher oil prices and the strengthening of the USD against Asean currencies. We anticipate average airfares to remain above RM250 per passenger due to the continuous addition of capacity in the airline industry.</p>
41	Are Capital A Airlines and ADE affected by aviation supply chain issues, particularly difficulties in obtaining aircraft parts, which could impact the full reactivation of Capital A's fleet?	Supply chain challenges have impacted maintenance progress, resulting in slower aircraft the reactivation for both Capital A Airlines and ADE in the previous year. Nonetheless, our aim remains to reactivate all aircraft by the end of this year.

**ISSUES RAISED BY THE SHAREHOLDERS**

<p>42</p>	<p>What is the current status of the collaboration with Trip.com and ANT International?</p>	<p>Capital A and ANT International have identified and agreed on the key areas of focus. Currently, AirAsia Aviation, AirAsia MOVE, and BigPay are in discussions with ANT counterparts on cross-platform marketing promotions, Integration of BigPay into the Alipay+ ecosystem, FX solutions to hedge against currency volatility for AirAsia, sharing cybersecurity knowledge and best practices and collaborating on sustainability initiatives (CSR) initiatives.</p> <p>AirAsia MOVE and Trip.com are in discussions and explorations on several areas which includes activating special rates to boost bookings via Trip.com and increase market share, expand flight offerings for a more comprehensive travel experience for our customers and enhance customer service and strengthen cybersecurity through shared expertise.</p> <p>Trip.Com also provides hotel supply to AirAsia Move.</p>
<p>43</p>	<p>Most regional airlines, such as Singapore Airlines, Malaysia Airlines, Scoot, AirAsia X, and Thai Airways etc, reported profits or record profits in 2023. These airlines operate in environments very similar to Capital A, which enjoys rising air travel demand post-COVID, but also faces challenges like forex exposures, fuel price volatility, rising operating costs, high fleets' depreciation/leasing costs etc. Please explain in details why only Capital A is still making a loss.</p>	<p>Unlike Singapore Airlines, the Company received very little financial support from the Government. The Company was only able to operate with 30% of its aircraft fleet and it involved a substantial amount of monies to bring back the 203 aircraft. This was further exacerbated by the supply chain issues. In the event the Company had received financial support from the banking industry, it would be able to operate with all its aircraft when the borders opened and thus, would be able to achieve similar results as the other airline companies mentioned.</p> <p>The net loss incurred in financial year 2023 was also contributed by the unrealised forex losses due to the volatility of Asean currently, particularly, Ringgit Malaysia. It is anticipated that the Company would record a positive gain in the next quarter as the Company will revalue its assets and liabilities in its balance sheet.</p> <p>As for AirAsia X, it underwent a scheme of arrangement and debt restructuring exercise. This enabled AirAsia X to manage its debts as well as operational challenges. As such, AirAsia X was able to bring back its aircraft into operation effectively.</p>



**ISSUES RAISED BY THE SHAREHOLDERS**

44	to fully transform into a core business of digital business (superApp and BigPay), it requires intensive capital like what we seen in “Grab Company”. Does management has enough capital to fully venture into this area aside from using borrowing? Any projected amount of such investment in mind?	<p>The Company does not have the same level of operation and capital resources like Grab and some of the digital companies. One of the reason the structure was created was to raise capital independently rather than at the Group level. This is to allow investors to invest in specific businesses.</p> <p>It was also important to note that apart from Bigpay, all other non-airline businesses are profitable in terms of Earnings Before Interest, Taxes and Amortization (EBITA). The Company is not actively seeking funds for its non-airline businesses. However, after the completion of the corporate exercise, its digital business may require some capital, although not to the extent needed by larger digital companies.</p>
45	If Capital A Consultancy’s bid for Sri Lanka Airline is successful, will Capital A Consultancy totally take over or buy Sri Lanka Airline?	Currently, we do not have any intention to acquire airlines outside Asean. Capital A Consultancy was set up to share our low-cost carrier knowledge and best airline practices outside our core market.
46	Referring to the presentation slides on injecting Capital A’s airlines businesses into new entity AirAsia Group in return of 18%. (a) Can you please explain why Capital A’s sizeable airlines business only able to get 18% of the AirAsia Group? (b) Who are the other shareholders in AirAsia Group? (c) Will this 18% be held under Capital A, or be distributed to shareholders?	<p>(a) 18% is Capital A’s shareholding in the new AirAsia Group after distribution-in-specie and successfully raising RM1 billion in private placement. Given our current financial position, we are not able to distribute all the shares we obtain from this exercise back to shareholders, by which we will end up holding 18%.</p> <p>(b) Shareholders in AirAsia Group: Capital A (18.4%), new private placement investors (24.6%), founders (include indirect) (14.5%), existing AAX and Capital A shareholders (42.4%)</p> <p>(c) 18% will be held under Capital A for now. Once our financial position (shareholder fund position of Capital A) strengthens, the objective is to distribute all back to shareholders.</p>

**POLL RESULTS VERIFIED BY THE SCRUTINEERS****CAPITAL A BERHAD**

(201701030323 (1244493-V))

**Seventh Annual General Meeting**Broadcast Venue at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur,  
64000 KLIA, Selangor Darul Ehsan, Malaysia

On 13-June-2024 at 10:00AM

**Result On Voting By Poll**

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	1,297,760,293	96.2881	633	81.4672	50,028,244	3.7119	144	18.5328	1,347,788,537	100.0000	777	100.0000
Ordinary Resolution 2	1,343,432,494	99.5516	699	88.5932	6,050,445	0.4484	90	11.4068	1,349,482,939	100.0000	789	100.0000
Ordinary Resolution 3	1,341,300,895	99.5213	682	87.3239	6,451,344	0.4787	99	12.6761	1,347,752,239	100.0000	781	100.0000
Ordinary Resolution 4	1,341,566,995	99.5368	707	89.8348	6,243,144	0.4632	80	10.1652	1,347,810,139	100.0000	787	100.0000
Ordinary Resolution 5	1,096,925,835	81.2855	675	85.8779	252,546,304	18.7145	111	14.1221	1,349,472,139	100.0000	786	100.0000
Ordinary Resolution 6	314,308,453	98.1052	686	87.7238	6,070,404	1.8948	96	12.2762	320,378,857	100.0000	782	100.0000
Ordinary Resolution 7	1,342,014,945	99.4422	694	87.8481	7,528,094	0.5578	96	12.1519	1,349,543,039	100.0000	790	100.0000



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	1,673,800	4	360,402	23
Ordinary Resolution 2	3,000	2	336,800	13
Ordinary Resolution 3	1,673,800	4	396,700	19
Ordinary Resolution 4	1,673,800	4	338,800	13
Ordinary Resolution 5	3,000	2	347,600	16
Ordinary Resolution 6	1,029,088,082	7	355,800	15
Ordinary Resolution 7	3,000	2	276,700	12

\* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

# These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

