

**CAPITAL A BERHAD (“CAPITAL A” OR “COMPANY”)
LETTER OF INTENT BETWEEN CAPITAL A AND ADVANCED NEW TECHNOLOGIES (SINGAPORE)
HOLDING PTE. LTD. (“ANT”)**

1. INTRODUCTION

The Board of Directors of the Company (“**Board**”) wishes to announce that the Company, had on 29th March 2024 entered into a Letter of Intent (“**LOI**”) with Advanced New Technologies (Singapore) Holding Pte. Ltd. (“**ANT**”) to collaborate for an extensive partnership that is expected to redefine online travel, payments and fintech within the ASEAN region.

The Company and ANT shall hereinafter be collectively referred to as the “**Parties**” and individually referred to as “**Party**”.

2. INFORMATION OF THE LOI PARTIES

Information on Capital A

Capital A is a conglomerate with investments and operations in (i) MOVE Digital Sdn. Bhd. (“**MOVE Digital**”) which covers fintech (held under Big Pay Pte Ltd including its subsidiaries (collectively, “**BigPay**”)) and ecommerce (held under AirAsia Superapp Sdn. Bhd. including its subsidiaries (collectively, “**AirAsia MOVE**”), and (ii) airlines (held under AirAsia Aviation Group Limited and AirAsia Berhad including its subsidiaries (collectively, “**AirAsia**”) etc. in Asia.

Information on ANT

ANT, headquartered in Singapore, powers the future of global commerce with digital innovation for everyone and every business to thrive. In close collaboration with partners, we support merchants of all sizes worldwide to realize their growth aspirations through a comprehensive range of tech-driven digital payment and financial services solutions.

3. SALIENT TERMS OF THE LOI

The LOI is not legally binding and does not constitute agreement. The LOI has no commercial value and is executed by the Parties in good faith. The LOI provides for collaboration and strategic partnerships on travel services, e-commerce services, and fintech solutions within the ASEAN region for passengers traveling to and from China.

4. RATIONALE FOR THE LOI

- 1) **Market Access and Expansion:** ANT's vast user base can help AirAsia and MOVE Digital tap into new customer segments, especially in China, where digital payments are predominant, potentially increasing AirAsia and MOVE Digital's market share and revenue in these regions.
- 2) **Enhanced Payment Solutions:** By incorporating ANT's AliPay payment methods, AirAsia and MOVE Digital can offer customers a more streamlined and familiar payment process, reducing friction during the booking process and potentially leading to higher conversion rates.
- 3) **Data Insights:** The collaboration can provide AirAsia and MOVE Digital with access to consumer spending data and trends via AliPay payment methods, enabling more targeted marketing and better customer service strategies.

- 4) **Operational Efficiency:** Integrating AliPay's digital payment solutions can lead to more efficient payment processing, reduced transaction costs, and faster revenue recognition for AirAsia and MOVE Digital.
- 5) **Brand Association:** Associating with a renowned brand like AliPay can boost AirAsia and MOVE Digital's credibility and appeal, especially among customers who prefer or trust digital payment platforms for their transactions.

5. RISK FACTORS

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

6. FINANCIAL EFFECTS

The LOI is not expected to have any effects on the issued share capital and substantial shareholders' shareholdings of Capital A, as well as the net assets, gearing, earnings, and earnings per share of the Capital A Group.

7. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED WITH THEM

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

8. DIRECTORS' STATEMENT

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

9. APPROVALS REQUIRED

The execution of the LOI does not require the approval of shareholders of the Company or any relevant authority.

10. DOCUMENTS AVAILABLE FOR INSPECTION

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

This announcement is dated 29th March 2024.