

CAPITAL A BERHAD ("CAB" OR THE "COMPANY")

ISSUANCE OF UNQUALIFIED AUDIT OPINION WITH A MATERIAL UNCERTAINTY RELATED TO GOING CONCERN PARAGRAPH IN RESPECT OF CAB'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Pursuant to Paragraph 9.19(37) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the Board of Directors of CAB wishes to announce that the Company's external auditors, Messrs Ernst & Young PLT, has issued an unqualified audit opinion with a material uncertainty related to going concern paragraph ("**MUGC Paragraph**") in respect of CAB's audited consolidated financial statements for the financial year ended 31 December 2024 ("**AFS 2024**").

Material uncertainty related to going concern

The MUGC Paragraph in the AFS 2024 is reproduced below:

"We draw attention to Note 2.1 to the financial statements. The conditions provided in Note 2.1 indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Note 2.1 further provides that, as at the date of this report, the following significant milestones for the Proposed Disposals (as defined in Note 2.1) have yet to be completed:

- (a) approval from the relevant government entity, financiers/lenders and third party being obtained by the Company and/or AirAsia X Berhad ("**AAX**"); and
- (b) AAX raising RM1,000.0 million pursuant to the placement letter(s), commitment letter(s) or agreement(s) (as the case may be) to be executed by AAX and the identified investors in relation to AAX's private placement exercise.

In view that the abovementioned significant milestones have yet to be fulfilled as at the date of this report, there is a material uncertainty that the conditions precedent will be fulfilled or waived (as the case may be) within the stipulated timeframe. In the event of non-fulfilment or non-waiver of the conditions precedent within the stipulated time frame, the relevant share sale and purchase agreements pursuant to the Proposed Disposals shall lapse and cease to have further effect. In such event, the Group's plan to deconsolidate the net liabilities of AirAsia Aviation Group Limited and AirAsia Berhad during the financial period ending 31 December 2025, to allow the Group to be in a better financial footing, would be adversely affected. Accordingly, a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter."

For information purposes, the Proposed Disposals in Note 2.1 of the AFS 2024 refer to the following:

- (i) proposed disposal by the Company of its 100% equity interest in AirAsia Aviation Group Limited to AAX for a disposal consideration of RM3,000.0 million; and
- (ii) proposed disposal by the Company of its 100% equity interest in AirAsia Berhad to AAX for a disposal consideration of RM3,800.0 million.

Steps taken and timeline to address the key audit matters that relate to the material uncertainty related to going concern

None of the key audit matters disclosed in the Independent Auditors' Report in respect of the AFS 2024 relates to the MUGC Paragraph.

The Company had on 24 October 2024 proposed a regularisation plan involving a proposed reduction of the issued share capital of the Company of up to RM6,000.0 million pursuant to Section 116 of the Companies Act 2016 ("**Proposed Regularisation Plan**"). The Proposed Regularisation Plan had been approved by Bursa Securities on 7 March 2025. The Company had on 15 April 2025 issued a circular to shareholders and notice to holders of the redeemable convertible unsecured Islamic debt securities 2021/2028 in the Company ("**RCUIDS**") in relation to the Proposed Regularisation Plan. The extraordinary general meetings to seek approval from the Company's shareholders and RCUIDS holders for the Proposed Regularisation Plan has been scheduled for 7 May 2025.

The MUGC Paragraph in respect of the Company's AFS 2024 relates to the ongoing implementation of the Proposed Disposals and Proposed Regularisation Plan of the Company. Barring any unforeseen circumstances, the concerns giving rise to the MUGC Paragraph are expected to be resolved upon the fulfilment of the remaining conditions precedent pursuant to the Proposed Disposals which are expected to be completed by the 2nd quarter of 2025.

The Company will make the necessary announcement(s) on further development of the Proposed Regularisation Plan in accordance with the requirements under Practice Note 17 of the Listing Requirements.

This announcement is dated 2 May 2025.