

CAPITAL A BERHAD (“CAPITAL A” OR THE “COMPANY”)

DISPOSAL OF ORDINARY SHARES IN AIRASIA X BERHAD

1. INTRODUCTION

The Board of Directors of our Company (“**Board**”) wishes to announce that our Company had on 14 January 2026 disposed of 17,000,000 ordinary shares in AirAsia X Berhad (“**AAX**”) (“**AAX Shares**”) (“**Sale Shares**”) via direct business transactions for a consideration of RM28,050,000 (“**Consideration**”) which was satisfied in cash (“**Transaction**”). Following the Transaction, our Company’s shareholding in AAX has decreased from 57,072,850 AAX Shares, representing 12.77% of the total issued shares in AAX, to 40,072,850 AAX Shares, representing 8.96% of the total issued shares in AAX.

The Transaction is regarded as a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) due to the interest of the interested Directors and interested major shareholders of our Company as set out in Section 7 of this Announcement.

Further details of the Transaction are set out in the ensuing sections of the Announcement.

2. DETAILS OF THE TRANSACTION

2.1 Information on AAX

Please refer to Appendix I of this Announcement for the information on AAX.

2.2 Basis of and justification for arriving at the Consideration

The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the following:

- (a) AAX had on 13 January 2026 fixed and announced the issue price for its private placement exercise at RM1.65 per share. The Sale Shares were disposed of at the implied price of RM1.65 per share, being the same price offered by AAX to its identified investors to subscribe for new AAX Shares under its private placement exercise; and
- (b) the rationale of the Transaction as detailed in Section 3 of this Announcement.

The implied price of RM1.65 per share based on the Consideration represents a discount of approximately 4.07% over the closing price of the AAX Shares as at 13 January 2026, being the last trading day prior to the date of the Transaction (“**LTD**”) of RM1.72 and a discount of approximately 5.52% over the 5-day volume weighted average market price of AAX Shares up to and including the LTD of RM1.7463. Our Board (save for the interested Directors) is of the view that the said discount is justified after taken into consideration the following:

- (i) the number of Sale Shares of 17,000,000 AAX Shares, which represents approximately 3.80% of the total number of issued shares in AAX, and the Consideration amount of RM28.05 million is a sizeable disposal; and
- (ii) our Company is able to pare down its shareholding in AAX in a timely manner to avoid triggering any mandatory take-over obligations after we have more certainty of the expected shareholdings of our Company and persons acting in concert with it based on the issue price fixed by AAX for its placement shares which provides an indication on the number of placement shares to be issued concurrently with the consideration shares to be issued pursuant to AAX’s acquisition of AAAGL Group.

2.2. Liabilities which will remain with our Company

There are no liabilities, including contingent liabilities and guarantees, in relation to the Sale Shares which will remain with our Company after the Transaction.

2.3. Expected loss arising from the Transaction

The Transaction is expected to result in a loss on disposal through other comprehensive income to our Company of approximately RM1.53 million which is insignificant as compared to the market capitalisation of Capital A of approximately RM1.95 billion as at the LTD:

	RM'million
Consideration of the Transaction	28.05
Less: Carrying amount of the Sale Shares as at 31 December 2025	(29.58)
Expected loss arising from the Transaction	(1.53)

2.4. Date and original cost of investment

The Sale Shares was acquired by our Company from AirAsia Berhad pursuant to its internal restructuring on 29 October 2025 at the carrying amount of RM30.94 million.

2.5. Use of proceeds

The Consideration is intended to be used for the working capital requirements of our Company and its subsidiaries within a period of 12 months to finance its day-to-day operations including, among others, payment of trade and other payables, employee costs, marketing and administrative expenses.

2.6. Cash Company

The Transaction does not result in our Company becoming a cash company as defined under the Listing Requirements.

3. RATIONALE FOR THE TRANSACTION

The Transaction is undertaken by our Company pursuant to the undertaking by our Company and persons acting in concert with it to reduce their collective shareholdings in AAX to below 33% prior to the completion of AAX Private Placement and Capital A's distribution of part of the Consideration Shares to its entitled shareholders.

4. RISKS OF THE TRANSACTION

There are no risks in relation to the Transaction.

5. EFFECTS OF THE TRANSACTION

The Transaction does not have any effect on the issued share capital and substantial shareholders' shareholdings of our Company. In addition, the Transaction does not have any material effect on our net assets per share, gearing and earnings per share.

6. APPROVALS REQUIRED

The Transaction is not subject to the approval of our shareholders and/or any relevant authorities.

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

Save as disclosed below, none of the Directors and major shareholders of our Company, and/or persons connected with them have any interests, direct and/or indirect, in the Transaction:

- (a) Tan Sri Anthony Francis Fernandes (“**Tan Sri Tony**”), the Non-Independent Executive Director and Chief Executive Officer and a major shareholder of our Company, is deemed interested in the Transaction by virtue of him being a major shareholder of AAX via his direct and indirect shareholding in AAX via Capital A;
- (b) Datuk Kamarudin bin Meranun (“**Datuk Kamarudin**”), the Non-Independent Executive Chairman and a major shareholder of our Company, is deemed interested in the Transaction by virtue of him being a Non-Independent Executive Director and a major shareholder of AAX via his direct and indirect shareholding in AAX via Capital A;
- (c) Dato’ Fam Lee Ee (“**Dato’ Fam**”), the Senior Independent Non-Executive Director of our Company, is deemed interested in the Transaction by virtue of him being the Non-Independent Non-Executive Chairman of AAX;
- (d) Tune Live Sdn Bhd (“**TLSB**”), a major shareholder of our Company, is deemed interested in the Transaction as TLSB is a person connected with Tan Sri Tony and Datuk Kamarudin where they are major shareholders of TLSB; and
- (e) Tune Air Sdn Bhd (“**TASB**”), a major shareholder of our Company, is deemed interested in the Transaction as TASB is a person connected with Tan Sri Tony and Datuk Kamarudin where they are major shareholders of TASB.

Tan Sri Tony, Datuk Kamarudin and Dato’ Fam have abstained from deliberating and voting on the Transaction at the relevant Board meetings.

8. DIRECTORS’ STATEMENT

Our Board (save for the interested Directors), having considered all aspects of the Transaction, including the rationale of the Transaction, the basis of and justification for arriving at the Consideration as well as the effects of the Transaction, is of the opinion that the Transaction is in the best interest of our Company.

9. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE TRANSACTION

The highest percentage ratio applicable to the Transaction pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 1.52%.

10. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

There were no other related-party transactions (excluding recurrent related-party transactions entered into in the ordinary course of business) entered into between our Company and the interested Directors and major shareholders and/or persons connected with them for the 12 months preceding the date of this Announcement.

11. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of our Company, having considered all aspects of the Transaction, is of the opinion that the Transaction is:

- (a) in the best interest of our Company;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interest of the minority shareholders of our Company.

In forming its view above, the Audit Committee of our Company has taken into consideration, amongst others, the following:

- (i) the rationale of the Transaction;
- (ii) the basis of and justification for arriving at the Consideration; and
- (iii) the effects of the Transaction.

This Announcement is dated 14 January 2026.

INFORMATION ON AAX

1. HISTORY AND BUSINESS

AAX was incorporated on 19 May 2006 as a private limited company in Malaysia under the Companies Act 1965 and is deemed registered under the Companies Act 2016 (“Act”). It was incorporated under the name of Eden Hub Sdn Bhd. Its name was subsequently changed to Fly Asian Xpress Sdn Bhd on 1 June 2006 and to AirAsia X Sdn Bhd on 21 September 2007. It was then converted into a public company and assumed its present name on 9 October 2012. On 10 July 2013, it was listed on the Main Market of Bursa Securities.

The principal activity of AAX is the provision of long haul air transportation services while its subsidiaries are principally involved in the provision of aircraft leasing facilities and the provision of management logistical and marketing services. Its associate company, namely Thai AirAsia X Co., Ltd, is an operator of commercial air transport services based in Thailand which provides access to a wider geographical market and network coverage in the provision of air transport services across the ASEAN region.

2. SHARE CAPITAL

As at the LTD, the issued share capital of AAX is RM51,029,078 comprising 447,072,803 AAX Shares.

3. SUBSTANTIAL SHAREHOLDERS

As at the LTD, the substantial shareholders of AAX and their respective direct shareholdings in AAX are set out below:

Directors	Direct		Indirect	
	No of AAX Shares	%	No of AAX Shares	%
Nuodingyan Travel Service Sdn Bhd (“NTSSB”)	66,829,975	14.95	-	-
Sophia Lee Suk Fei	-	-	66,829,975 ⁽¹⁾	14.95
Capital A	57,072,850	12.77	-	-
Datuk Kamarudin bin Meranun	38,885,193	8.70	57,072,850 ⁽²⁾	12.77
Tan Sri Anthony Francis Fernandes	11,158,722	2.50	57,072,850 ⁽²⁾	12.77

Notes:

(1) *Deemed interested by virtue of her interest in NTSSB pursuant to Section 8 of the Act.*

(2) *Deemed interested by virtue of his interest in Capital A pursuant to Section 8 of the Act.*

INFORMATION ON AAX (CONT'D)**4. DIRECTORS**

As at the LTD, the directors of AAX and their respective shareholdings in AAX are set out below:

Directors	Direct		Indirect	
	No of AAX Shares	%	No of AAX Shares	%
Dato' Fam Lee Ee	-	-	-	-
Datuk Kamarudin bin Meranun	38,885,193	8.70	57,072,850 ⁽¹⁾	12.77
Chin Min Ming	-	-	-	-
Dato Abdul Mutalib bin Alias	-	-	-	-
Dato' Sri Mohammed Shazalli bin Ramly	-	-	-	-

Note:

(1) *Deemed interested by virtue of his interest in Capital A pursuant to Section 8 of the Act.*

5. SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of latest audited consolidated financial information of AAX for the past 3 financial years ended 31 December ("FYE") 2024 are as follows:

	FYE 2022 RM'million	FYE 2023 RM'million	FYE 2024 RM'million
Revenue	825.9	2,527.1	3,261.5
Profit before tax	32,696.3	343.8	234.5
Profit after tax	33,308.6	331.5	207.1
Shareholders' funds/ Net assets	(259.2)	116.1	328.8

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